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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
OFFICE OF CONSUMER PROTECTION

TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE

TWENTY-FOURTH STATE LEGISLATURE
REGULAR SESSION, 2008

Wednesday, February 27, 2008
2:00 p.m.

TESTIMONY ON HOUSE BILL NO. 2954 – RELATING TO TOWING.

TO THE HONORABLE ROBERT N. HERKES, CHAIR, AND MEMBERS OF THE
COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify in opposition to House Bill No. 2954, Relating to Towing. My name is Stephen Levins, and I am the Executive Director of the Department's Office of Consumer Protection.

House Bill No. 2954 seeks to reinstate towing charges that were just prohibited by this Legislature a mere seven months ago. At that time, the towing law, section 290-11 of the Hawaii Revised Statutes, was amended to allow towing companies to increase

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their fees considerably. Pursuant to Act 269, towing fees increased from \$55 to \$65, dolly towing fees from \$65 to \$75, daily storage fees from \$20 to \$25, and mileage fees from \$6.50 per mile to \$7.50 per mile. In recognition of these significant monetary increases that would be absorbed by Hawaii consumers, the Legislature prohibited overtime charges and unhooking fees. Since nothing has really changed in the past seven months to allow for their reassessment, the Department does not believe that the towing law needs to be changed once again.

Thank you for this opportunity to testify on House Bill No. 2954. I will be happy to answer any questions that the members of the Committee may have.

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Hawaii State Towing Association
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Honolulu, HI 96819
Phone: (808) 847-7811
Fax: (808) 842-7605

February 25, 2008

Representative Robert N. Herkes, Chair
Representative Angus L.K. McKelvey, Vice Chair
Committee on Consumer Protection and Commerce
Hawaii State Capitol, Room 325
Honolulu, HI 96813

RE: HB2954, Related to Towing

Dear Chair Herkes, Vice Chair McKelvey and Committee Members:

HB2954, Related to Towing proposes to reinstate a provision in the HRS that was mistakenly omitted in the redraft of this section last session. The fee for overtime charges has been \$15.00 for years and is not being changed nor is the times that it is applicable, (6:00 p.m. through 6:00 am, Monday through Thursday and Friday 6:00 p.m. through 6:00 a.m. on Monday). By the time we caught the error it was too late to amend the bill as this fee was neither in dispute nor being changed.

A new section is being added on page 6(f), which requires the towing company to be open 24 hours a day, 7 days a week if they tow and store a car on their premises.

It appears that some consumers have complained that when they arrived in rural areas to pick up their automobile the business was not open. This leads to more costs to the consumer, as the daily storage charge is not waived. Perhaps a penalty for not being available to the consumer should be as you have in HRS 290-11 (b)(2)(c) page 4, line 1, "the owner may recover the owners car from the towing company without paying tow or storage fees."

We assume verification can be made to the police department by filing a complaint.

Mahalo for your consideration of these comments.

Sincerely,

Jan Wakayama
President

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**HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE**

February 27, 2008

House Bill 2954 Relating to Towing

Chair Herkes and members of the House Committee on Consumer Protection and Commerce, I am Rick Tsujimura, representing State Farm Insurance Companies, a mutual company owned by its policyholders. State Farm is opposed to House Bill 2954 Relating to Towing.

State Farm is opposed to House Bill 2954 because it will increase costs for our policyholders throughout the state. Although we recognize the exception to the overtime charges provided for Honolulu in subsection (f), we feel that on balance this increase is unnecessary and would increase costs.

For these reasons we ask that you hold this measure. Thank you for the opportunity to present this testimony.