

STAND. COM. REP. NO.

2711

Honolulu, Hawaii

MAR 12 2010

RE: H.B. No. 1978
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Transportation, International and Intergovernmental Affairs, to which was referred H.B. No. 1978, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TOWING,"

begs leave to report as follows:

The purpose of this measure is to protect consumers of tow services by requiring towing companies:

- (1) In counties with populations greater than 500,000 persons, to operate 24 hours per day, seven days a week and offer services including the release of vehicles in storage; and
- (2) To maintain insurance of at least:
 - (A) \$500,000 for bodily injury;
 - (B) \$200,000 for property damage;
 - (C) \$175,000 for on-hook coverage; or
 - (D) \$1,000,000 for a combined single limit of liability.

Your Committee received testimony in support of this measure from the Hawaii State Towing Association, Government Employees



Insurance Company, and Property Casualty Insurers Association of America. Comments were received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that consumers have encountered problems in obtaining the release of vehicles from towing companies. For example, consumers have had to wait to pick up towed vehicles from a storage lot when no one was present at the lot to release the vehicle. Because consumers and businesses are unable to retrieve their vehicles in a timely manner, they are often faced with increased costs due to storage fees. This measure remedies those problems.

Your Committee has amended this measure by:

- (1) Specifying that towing fees shall be payable by cash, credit card, debit card, insurance company check, or commercial check issued by a licensed towing company dispatched by the owner or insurer;
- (2) Changing the effective date to January 1, 2011, to allow insurance companies sufficient time to issue new coverage; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1978, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1978, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

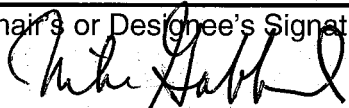
Respectfully submitted on
behalf of the members of the
Committee on Transportation,
International and
Intergovernmental Affairs,


J. KALANI ENGLISH, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Transportation, International and Intergovernmental Affairs
TIA

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1978, HD2	TIA, CPN	3-8-10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	✓			
GABBARD, Mike (VC)	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.	✓			
SLOM, Sam	✓			
TOTAL	5	—	—	—
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes