

Honolulu, Hawaii

MAR 31 2010

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

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

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1978, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TOWING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require towing companies located in counties with populations greater than 500,000 people to operate twenty-four hours per day, seven days a week;
- (2) Require tow operators to maintain insurance coverage of at least \$500,000 for bodily injury, \$200,000 for property damage, and \$175,000 for on-hook coverage, or a single limit of liability of at least \$1,000,000; and
- (3) Allow payment of fees for towing services and storage of the vehicle to be made in cash or by debit card, credit card, insurance company check, or commercial check issued by a licensed towing company dispatched by the registered or legal owner or insurer.

Your Committee received testimony in support of this measure from GEICO and the Property Casualty Insurers Association of America. Testimony supporting the intent of this measure with amendments was received from AAA Hawaii and the Hawaii State Towing Association. Testimony commenting on this measure was



submitted by 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 this measure is intended to protect consumers from unnecessary and inappropriate charges when their vehicle has been towed and stored without their knowledge or consent.

Your Committee further finds that it is in the best interest of consumers to allow timely access to towed vehicles in order to reduce storage and incidental costs. Accepting generally accepted forms of payment, such as debit cards, is a crucial element of consumers receiving their cars in a timely manner. Your Committee recognizes the policy of some companies that perform nonconsensual tows of refusing to accept common forms of payment as a ploy to hold vehicles as long as possible in order to accrue greater storage fees. Your Committee seeks to prohibit that practice with this measure.

Your Committee has amended this measure by:

- (1) Amending section 290-11(b), Hawaii Revised Statutes, by requiring towing companies to accept payment from a registered owner, legal owner, insurer, or a designated representative by debit card, insurance company check, or commercial check in addition to cash, credit card, or automated teller machine located on the premises; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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



Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



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ROSALYN H. BAKER, Chair



