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## Testimony of the Department of Commerce and Consumer Affairs

### Office of Consumer Protection

Before the  
House Committee on Transportation  
Thursday, February 1, 2024  
10:00 a.m.  
Via Videoconference  
Capitol Room 312

On the following measure:  
**H.B. 1577, RELATING TO MOTOR VEHICLE TOWING FEES**

Chair Todd and Members of the Committee:

My name is Mana Moriarty, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department opposes this bill because it fails to provide a bright line rule or identify factors to be considered in determining what constitutes a reasonable charge for a tow of an overturned vehicle.

A motor vehicle owner who attempts to get their vehicle back from a towing company starts at a disadvantage when dealing with the towing company that has possession of their vehicle. Because the vehicle is already in the towing company's possession, and the motor vehicle owner relies on their vehicle for day-to-day and emergency transportation needs, the towing company's bargaining position is far superior to the individual's. The towing company is likely to offer terms on a take-it or

leave-it basis, secure in the knowledge that very few vehicle owners have the time and the energy to pursue a dispute with the towing company.

Existing law provides that the towing charges authorized by law are the only charges a towing company may charge a vehicle owner. Existing law sets forth a flat rate per tow and a higher rate for a tow using a dolly, mileage charges, storage charges, and an overtime charge for certain tows. Existing law also authorizes reasonable amounts to be charged for excavating vehicles from off-road locations. Charges not authorized by law constitute an unfair or deceptive act or practice in the conduct of any trade or commerce, subject to the penalties and remedies in chapter 480, HRS. In addition, charges not authorized by law constitute furnishing services without a license, subject to penalties and remedies under chapter 487.

This bill does not provide consumers adequate recourse from a towing company that charges an unreasonable amount for a tow of an overturned vehicle. The only option to challenge a towing company's assessment of what constitutes a reasonable charge is time- and cost-intensive litigation by a consumer or by the State. The opaque reasonableness standard proposed in this bill will render it difficult to hold towing companies accountable for towing charges that are unreasonable.

Because this bill threatens to harm consumers, the Department opposes it. Thank you for the opportunity to testify on this bill.