



From the Desk of Kevin Jeffries ♦ City Councilor ♦ McMinnville Ward I

HB 3159 -7 amendments

April 10, 2013

Since 2009 I have been assisting state legislators in drafting legislation to regulate the towing industry in order to protect Oregonians. While I have assisted in the drafting of these amendments from the perspective of an elected city official, I have done so representing my constants in McMinnville Ward 1, and not as a representative of the City of McMinnville at large.

HB 3159 Requires the Oregon Transportation Commission to set maximum rates that a tower may charge for towing a motor vehicle, and all related services for towing a motor vehicle in response to a request made by a person other than the owner or operator of the motor vehicle (also known as Personal Property Impound tows or PPI).

After Public Testimony on March 12 and 14 I determined that the Oregon Transportation Commission was not the best public body to set towing rates and further regulate PPI tows for three reasons. First, the Oregon Transportation Commission has no experience in rate setting. Second, Towers argued that each city and county have unique markets and in order to be profitable, each tower should be allow to have different rates depending on where they do business. A state wide rate would not be an equitable approach for towers. Third, The Oregon Department of Transportation has been regulating the towing industry for many years, but have been unable to address the growing number of consumer complaints against towers. Having a centralized, statewide regulator for PPI tows simply is not in the best interest of consumers.

The -7 amendments will:

- Require cities with populations of 15,000 or more to establish the maximum rates that a tower can charge for PPI tows within the city.
- Require all counties to establish the maximum rate that a tower can charge for PPI tows within the county and cities with a population less than 15,000 within the county.
- Require that towers obtain a license from the cities and counties where thy will be preforming PPI tows. Under this 2013 Act, PPI tows do not included tows at the request of public bodies such as city/state police, or county sheriffs. Towers will not need a license to perform these types of tows.
- Allow cities and counties to collect fees for issuing a license that shall not exceed the cost of administering the licensing program.
- Require cities and counties to establish a process by which the city and county will receive and respond to complaints relating to violations.

- Allow cities and counties to revoke or suspend a towers license to perform PPI tows if the tower is in violation of this Act or in violation of ORS 89.854. An appeals process may be established by cities and counties.
- The PPI license expires annually on the 31 of December.

These changes will allow towers to work with local governments to establish maximum rates for tows. It will also establish stronger consumer protections for citizens at the local level. ODOT will continue to issue statewide towing licenses, but towers will need local authorization to perform PPI tows as described in ORS 89.854.

Current Law regarding government authority to set towing rates:

ORS 98.850 Legislative findings and declaration

(1) The Legislative Assembly finds that:

(a) 49 U.S.C. 14501(c)(1) limits the authority of the state and political subdivisions of the state to enact or enforce laws or ordinances related to price, route or service of motor carriers with respect to the transportation of property.

(b) 49 U.S.C. 14501(c)(2)(A) exempts, from the limits described in paragraph (a) of this subsection, safety regulations with respect to motor vehicles.

(c) 49 U.S.C. 14501(c)(2)(C) exempts, from the limits described in paragraph (a) of this subsection, laws or ordinances relating to the price of for-hire motor vehicle transportation by a tow truck if the transportation is performed without the prior consent or authorization of the owner or operator of the motor vehicle.

(2) The Legislative Assembly declares that:

(a) Statutes that assist members of the public in avoiding involuntary loss of use of motor vehicles and in expediting recovery of motor vehicles and the personal property in the motor vehicles promote the safety and welfare of members of the public.

(b) ORS 98.810 (Unauthorized parking of vehicle on proscribed property prohibited) to 98.818 (Preference of lien) do not preempt any authority that a local government, as defined in ORS 174.116 (Local government and local service district defined), may have to regulate the price of for-hire motor vehicle transportation by a tow vehicle if the transportation is performed without the prior consent or authorization of the owner or operator of the motor vehicle. [2007 c.538 §1]

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