



Oregon

Kate Brown, Governor

Department of Transportation

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DATE: February 10, 2020

TO: Senate Committee on General Government and Emergency Preparedness

FROM: Lindsay Baker, Assistant Director
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SUBJECT: Senate Bill 1569 (-1) – Establishing the State Board of Towing within ODOT

INTRODUCTION

Senate Bill 1569 (-1) establishes the State Board of Towing within the Oregon Department of Transportation (ODOT) to exercise oversight of the towing industry in Oregon.

DISCUSSION

Senate Bill 1569 (-1) establishes a nine-member Governor-appointed Towing Board within ODOT, with oversight and authority over Oregon towing companies. Consumer complaints currently directed to the Oregon Department of Justice or local District Attorneys' offices would be directed to this Board; the Board would have investigatory authority, civil penalty authority, authority to direct towing certificate suspension and revocation, and authority to remove towing companies from the rotational tower list maintained by the Oregon State Police. The regulatory framework established in the bill primarily serves as a central location for the receipt and investigation of consumer complaints. However, the bill does not provide a comprehensive regulatory program, excluding regulatory functions such as proactive inspection of towing facilities or records.

Senate Bill 1569 (-1) provides the Board rulemaking authority, contracting authority, authority to issue civil penalties, and authority to file suit against a tower in Oregon's circuit courts. Civil penalties imposed under the bill are subject to contested case hearing procedures outlined in ORS Chapter 183. The measure directs the Board to hire an Administrative Officer and assign that person duties and compensation, and allows the Administrative Officer to hire additional staff.

The (-1) amendment makes changes to the State Board of Towing Account within the State Treasury, which includes funds collected from fees imposed by the Board, and funds appropriated by the Legislative Assembly; and continuously appropriates these funds to ODOT. Additionally, the (-1) amendment eliminates permissive language throughout, with regard to the Board's direction to deny, suspend, revoke, or refuse to renew a towing certificate. Finally, the (-1) amendment authorizes the Board to impose a fee, adopted through rule, on any person holding or applying for a towing business certificate, to recover the costs of the Board.

ODOT understands the Board's housing within ODOT is intended to gain operational efficiencies not available as a stand-alone entity. ODOT will provide minimal administrative support, and does not plan to hire additional staff or provide a source of revenue to fund Board activities.

ODOT raises the emergency clause, making the bill effective on passage, as an issue for further consideration. This leaves little time for Board appointment, Board staff hiring, rulemaking, and process establishment; ODOT recommends an operative date of January 1, 2021 to provide sufficient time for the activities noted above.

SUMMARY

Senate Bill 1569, with the (-1) amendment, establishes a Board of Towing within ODOT and provides certain authorities and responsibilities to the Board. ODOT has little direct role in the function of the

Board but provides an administrative “home” to the Board thereby enabling the Board to achieve administrative efficiencies. The Board’s activities and officers will be funded through fees established by rule.