# 56:13-8 & 56:13-9 et al. LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2018 **CHAPTER:** 165

NJSA: 56:13-8 & 56:13-9 et al. (Provides clarification on applicability of "Predatory Towing Prevention Act" to

commercial motor vehicles and charging of reasonable fees for certain non-consensual towing.)

BILL NO: A4782 (Substituted for S3225)

SPONSOR(S) Gordon M. Johnson and others

DATE INTRODUCED: 12/6/2018

**COMMITTEE:** ASSEMBLY: Appropriations

SENATE: ---

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: 12/17/2018

**SENATE**: 12/17/2018

**DATE OF APPROVAL:** 12/20/2018

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced version of bill enacted)

Yes

A4782

**SPONSOR'S STATEMENT:** (Begins on page 6 of introduced bill) Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

S3225

SPONSOR'S STATEMENT: (Begins on page 6 of introduced bill) Yes

COMMITTEE STATEMENT: ASSEMBLY: No

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

(continued)

VETO MESSAGE:	No
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes
FOLLOWING WERE PRINTED:  To check for circulating copies, contact New Jersey State Go Publications at the State Library (609) 278-2640 ext.103 or r	
REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	No

## P.L. 2018, CHAPTER 165, approved December 20, 2018 Assembly, No. 4782

**AN ACT** concerning the towing of certain motor vehicles and amending P.L.2007, c.193.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

- 1. Section 2 of P.L.2007, c.193 (C.56:13-8) is amended to read as follows:
  - 2. The Legislature finds and declares that:
- a. While the majority of **[**tow truck operators**]** towing companies in New Jersey are reputable service providers, some unscrupulous **[**towers**]** towing companies are engaged in predatory practices victimizing **[**consumers**]** persons whose vehicles are parked on public streets and private property;
  - b. Predatory towing practices include charging unwarranted or excessive fees, particularly in connection with towing vehicles from private parking lots which do not display any warnings to the vehicle owners <u>or operators</u>, or overcharging [consumers] <u>persons</u> for towing services provided under circumstances where the [consumer] <u>person</u> has no meaningful opportunity to withhold consent;
  - c. The legitimate business interests of **[**tow truck operators**]** towing companies and the needs of private property owners for relief from unauthorized parking must be balanced with the interest in providing appropriate protection to **[**consumers**]** persons who own or operate vehicles;
  - d. Whatever authority exists in the law to regulate towing and towing companies is fragmented among various State agencies and local governments [,] so that inconsistent or inadequate regulation often results, with insufficient recourse provided under the law; and
  - e. Therefore, it is in the public interest to create a coordinated, comprehensive framework to establish and enforce minimum standards for **[**tow truck operators**]** towing companies.
- 34 (cf: P.L.2007, c.193, s.2)

- 36 2. Section 3 of P.L.2007, c.193 (C.56:13-9) is amended to read 37 as follows:
- 38 3. As used in this act:
- "Basic towing service" means towing as defined in this section and other ancillary services as may be specified by the director by regulation, which are components of a routine tow.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 ["Consumer" means a natural person.]

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"Decoupling fee" means a charge by a towing company for releasing a motor vehicle to its owner or operator when the vehicle 4 has been, or is about to be, hooked or lifted by a [tower] tow truck, 5 but prior to the vehicle actually having been moved or removed 6 from the property.

["Division" means the Division of Consumer Affairs in the Department of Law and Public Safety.

"Director" means the Director of the Division of Consumer Affairs.

"Division" means the Division of Consumer Affairs in the Department of Law and Public Safety.

"Motor vehicle" includes all vehicles propelled otherwise than by muscular power, excepting such vehicles as run only upon rails or tracks and motorized bicycles, motorized scooters, motorized wheelchairs and motorized skateboards. "Motor vehicle" includes commercial motor vehicles as defined in R.S.39:1-1.

"Non-consensual towing" means the towing of a motor vehicle without the consent of the owner or operator of the vehicle, regardless of the reason for the tow.

"Person" means an individual, a sole proprietorship, partnership, corporation, limited liability company or any other business entity.

"Private property owner" means the owner or lessee of private property, or an agent of such owner or lessee, but shall not include a private property towing company acting as an agent of such owner or lessee.

"Private property towing" means the non-consensual towing from private property or from a storage facility by a motor vehicle of a [consumer's] motor vehicle that is parked illegally, parked during a time at which such parking is not permitted, or otherwise parked without authorization, or the immobilization of or preparation for moving or removing of such motor vehicle, for which a service charge is made, either directly or indirectly. This term shall not include the towing of a motor vehicle that has been abandoned on private property in violation of section 1 of P.L.1967, c.305 (C.39:4-56.5), provided that the abandoned vehicle is reported to the appropriate law enforcement agency prior to removal and the vehicle is removed in accordance with section 1 of P.L.1973, c.137 (C.39:4-56.6).

"Private property towing company" means a person offering or performing private property towing services.

"Towing" means the moving or removing, from public or private property or from a storage facility, by a motor vehicle of a [consumer's] motor vehicle that is damaged as a result of an accident or otherwise disabled, is recovered after being stolen, or is parked illegally or otherwise without authorization, parked during a time at which such parking is not permitted, or otherwise parked

without authorization, or the immobilization of or preparation for moving or removing of such motor vehicle, for which a service charge is made, either directly or indirectly. Dues or other charges of clubs or associations which provide towing services to club or association members shall not be considered a service charge for purposes of this definition.

"Vehicle" means any device in, upon, or by which a person or property is or may be transported upon a highway.

(cf: P.L.2009, c.39, s.1)

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- 3. Section 10 of P.L.2007, c.193 (C.56:13-16) is amended to read as follows:
- 10. It shall be an unlawful practice for any private property towing company or for any other towing company that provides non-consensual towing services:
  - a. (Deleted by amendment, P.L.2009, c.39)
  - b. (Deleted by amendment, P.L.2009, c.39)
  - c. (Deleted by amendment, P.L.2009, c.39)
- d. To give any benefit or advantage, including a pecuniary benefit, to any person for providing information about motor vehicles parked for unauthorized purposes on privately owned property or otherwise in connection with private property towing of motor vehicles parked without authorization or during a time at which such parking is not permitted;
- To fail, when so requested by the owner or operator of a vehicle subject to non-consensual towing, to release a vehicle to the owner or operator that has been, or is about to be, hooked or lifted but has not actually been moved or removed from the property when the vehicle owner or operator returns to the vehicle, unless the vehicle subject to non-consensual towing has been authorized to be towed by a law enforcement officer of this State, or any political subdivision of the State, while in the actual performance of the officer's duties and as deemed appropriate for public safety, or to charge the owner or operator requesting release of the vehicle an unreasonable or excessive decoupling fee. Such a fee shall be presumptively unreasonable and excessive if it exceeds by more than 25 percent, or a different percentage established by the director by regulation, the usual and customary decoupling fee charged by the towing company for a vehicle subject to consensual towing, or if it exceeds by more than 50 percent, or a different percentage established by the director by regulation, the usual and customary decoupling fee charged for vehicles subject to non-consensual towing by other private property towing companies operating in the municipality in which the vehicle was subjected to non-consensual towing;
- f. (1) To charge a fee for a private property or other nonconsensual towing or related storage service not listed on the schedule of services for which a fee may be charged as established

by the director except as may be permitted by the director by regulation; or

- (2) To charge an unreasonable or excessive fee;
- g. To refuse to accept for payment in lieu of cash or an insurance company check for towing or storage services a debit card, charge card or credit card if the operator ordinarily accepts such card at his place of business, unless such refusal is authorized in accordance with section 4 of P.L.2002, c.67 (C.56:13-4) [as amended by section 21 of P.L.2007, c.193]; or
- h. To monitor, patrol, or otherwise surveil a private property for the purposes of identifying vehicles parked for unauthorized purposes and towing a motor vehicle parked for an unauthorized purpose from such private property without having been specifically requested to tow such vehicle by the owner of the property.
- i. Nothing contained in any provision of the "Predatory Towing Prevention Act," P.L.2007, c.193 (C.56:13-7 et seq.) shall be construed to prevent a towing company from charging a reasonable fee for storage of a vehicle that has been subject to non-consensual towing authorized by a law enforcement officer of this State or by any political subdivision of this State. Nothing contained in any provision of the "Predatory Towing Prevention Act," P.L.2007, c.193 (C.56:13-7 et seq.) shall be construed to prevent a towing company from charging fees for non-consensual towing or related storage services in accordance with a duly-authorized fee schedule established by a municipality or other political subdivision of this State with respect to a vehicle that has been subject to non-consensual towing authorized by a law enforcement officer of this State or the political subdivision, and there shall be a rebuttable presumption that fees charged in accordance with a fee schedule are not unreasonable or excessive.

For the purposes of this subsection, non-consensual towing shall be considered to be authorized by a law enforcement officer of this State or a political subdivision if the law enforcement officer or an agent or employee of the political subdivision initiates, directs, orders, or requests the non-consensual towing of the vehicle; and a municipal fee schedule shall be considered duly authorized if it has been established by municipal ordinance or resolution or by contract between the municipality and the towing company which conforms to the requirements of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) and any related regulations. (cf: P.L.2017, c.321, s.2)

- 4. Section 15 of P.L.2007, c.193 (C.56:13-21) is amended to read as follows:
- 45 15. a. It is an unlawful practice and a violation of P.L.1960, c.39 (C.56:8-1 et seq.) to violate any provision of this act.
- b. In addition to any penalties or other remedies provided in P.L.1960, c.39 (C.56:8-1 et seq.), the director may order a towing

company that has billed a **[**consumer**]** <u>person</u> for any nonconsensual towing or related storage an amount determined by the director to be unreasonable to reimburse the **[**consumer**]** <u>person</u> for the excess cost with interest.

(cf: P.L.2009, c.39, s.10)

5. This act shall take effect immediately.

### STATEMENT

This bill clarifies that the "Predatory Towing Prevention Act" ("Act") applies to commercial motor vehicles and changes references to "consumer" throughout the Act to "person." The New Jersey Administrative Code (code) defines "towing," in part, to mean "the moving or removing from public or private property or from a storage facility by a motor vehicle of a consumer's *non-commercial* motor vehicle..." (emphasis added) (N.J.A.C.13:45A-31.2). Because the code appears to limit the provisions of the Act to non-commercial motor vehicles, this bill clarifies that the act applies to commercial motor vehicles as well as non-commercial motor vehicles.

The bill also clarifies that the Act does not prevent towing companies from charging a reasonable fee for storage of a vehicle that has been subject to non-consensual towing authorized by a law enforcement officer of this State or by a political subdivision if the law enforcement officer or an agent or employee of the political subdivision initiates, directs, orders, or requests the non-consensual towing of the vehicle. The bill further clarifies that the Act does not prevent towing companies from charging fees set forth in a duly-authorized fee schedule established by a municipality or other political subdivision of the State for non-consensual towing of a vehicle or related storage fees when such service is authorized by a law enforcement officer or a political subdivision. The bill establishes a rebuttable presumption that fees charged in accordance with such a fee schedule are not unreasonable or excessive.

 Provides clarification on applicability of "Predatory Towing Prevention Act" to commercial motor vehicles and charging of reasonable fees for certain non-consensual towing.

# ASSEMBLY, No. 4782

# STATE OF NEW JERSEY

## 218th LEGISLATURE

INTRODUCED DECEMBER 6, 2018

**Sponsored by:** 

Assemblyman GORDON M. JOHNSON

District 37 (Bergen)

Assemblyman HAROLD "HAL" J. WIRTHS

District 24 (Morris, Sussex and Warren)

Assemblyman BENJIE E. WIMBERLY

**District 35 (Bergen and Passaic)** 

Senator PAUL A. SARLO

**District 36 (Bergen and Passaic)** 

#### **SYNOPSIS**

Provides clarification on applicability of "Predatory Towing Prevention Act" to commercial motor vehicles and charging of reasonable fees for certain non-consensual towing.

#### **CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 12/18/2018)

**AN ACT** concerning the towing of certain motor vehicles and amending P.L.2007, c.193.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

- 1. Section 2 of P.L.2007, c.193 (C.56:13-8) is amended to read as follows:
  - 2. The Legislature finds and declares that:
- a. While the majority of **[**tow truck operators**]** towing companies in New Jersey are reputable service providers, some unscrupulous **[**towers**]** towing companies are engaged in predatory practices victimizing **[**consumers**]** persons whose vehicles are parked on public streets and private property;
- b. Predatory towing practices include charging unwarranted or excessive fees, particularly in connection with towing vehicles from private parking lots which do not display any warnings to the vehicle owners or operators, or overcharging [consumers] persons for towing services provided under circumstances where the [consumer] person has no meaningful opportunity to withhold consent;
- c. The legitimate business interests of **[**tow truck operators**]** towing companies and the needs of private property owners for relief from unauthorized parking must be balanced with the interest in providing appropriate protection to **[**consumers**]** persons who own or operate vehicles;
- d. Whatever authority exists in the law to regulate towing and towing companies is fragmented among various State agencies and local governments [,] so that inconsistent or inadequate regulation often results, with insufficient recourse provided under the law; and
- e. Therefore, it is in the public interest to create a coordinated, comprehensive framework to establish and enforce minimum standards for [tow truck operators] towing companies.
- 34 (cf: P.L.2007, c.193, s.2)

- 36 2. Section 3 of P.L.2007, c.193 (C.56:13-9) is amended to read 37 as follows:
  - 3. As used in this act:
  - "Basic towing service" means towing as defined in this section and other ancillary services as may be specified by the director by regulation, which are components of a routine tow.
- 42 ["Consumer" means a natural person.]
- "Decoupling fee" means a charge by a towing company for releasing a motor vehicle to its owner or operator when the vehicle

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

- has been, or is about to be, hooked or lifted by a [tower] tow truck,
- 2 but prior to the vehicle actually having been moved or removed
- 3 from the property.

- **[**"Division" means the Division of Consumer Affairs in the 5 Department of Law and Public Safety. **]**
- 6 "Director" means the Director of the Division of Consumer 7 Affairs.
  - "Division" means the Division of Consumer Affairs in the Department of Law and Public Safety.

"Motor vehicle" includes all vehicles propelled otherwise than by muscular power, excepting such vehicles as run only upon rails or tracks and motorized bicycles, motorized scooters, motorized wheelchairs and motorized skateboards. "Motor vehicle" includes commercial motor vehicles as defined in R.S.39:1-1.

"Non-consensual towing" means the towing of a motor vehicle without the consent of the owner or operator of the vehicle, regardless of the reason for the tow.

"Person" means an individual, a sole proprietorship, partnership, corporation, limited liability company or any other business entity.

"Private property owner" means the owner or lessee of private property, or an agent of such owner or lessee, but shall not include a private property towing company acting as an agent of such owner or lessee.

"Private property towing" means the non-consensual towing from private property or from a storage facility by a motor vehicle of a **[**consumer's**]** motor vehicle that is parked illegally, parked during a time at which such parking is not permitted, or otherwise parked without authorization, or the immobilization of or preparation for moving or removing of such motor vehicle, for which a service charge is made, either directly or indirectly. This term shall not include the towing of a motor vehicle that has been abandoned on private property in violation of section 1 of P.L.1967, c.305 (C.39:4-56.5), provided that the abandoned vehicle is reported to the appropriate law enforcement agency prior to removal and the vehicle is removed in accordance with section 1 of P.L.1973, c.137 (C.39:4-56.6).

"Private property towing company" means a person offering or performing private property towing services.

"Towing" means the moving or removing, from public or private property or from a storage facility, by a motor vehicle of a **[**consumer's **]** motor vehicle that is damaged as a result of an accident or otherwise disabled, is recovered after being stolen, or is parked illegally or otherwise without authorization, parked during a time at which such parking is not permitted, or otherwise parked without authorization, or the immobilization of or preparation for moving or removing of such motor vehicle, for which a service charge is made, either directly or indirectly. Dues or other charges

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of clubs or associations which provide towing services to club or association members shall not be considered a service charge for purposes of this definition.

"Vehicle" means any device in, upon, or by which a person or property is or may be transported upon a highway.

(cf: P.L.2009, c.39, s.1)

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- 3. Section 10 of P.L.2007, c.193 (C.56:13-16) is amended to read as follows:
- 10. It shall be an unlawful practice for any private property towing company or for any other towing company that provides non-consensual towing services:
  - a. (Deleted by amendment, P.L.2009, c.39)
    - b. (Deleted by amendment, P.L.2009, c.39)
  - c. (Deleted by amendment, P.L.2009, c.39)
- d. To give any benefit or advantage, including a pecuniary benefit, to any person for providing information about motor vehicles parked for unauthorized purposes on privately owned property or otherwise in connection with private property towing of motor vehicles parked without authorization or during a time at which such parking is not permitted;
- To fail, when so requested by the owner or operator of a vehicle subject to non-consensual towing, to release a vehicle to the owner or operator that has been, or is about to be, hooked or lifted but has not actually been moved or removed from the property when the vehicle owner or operator returns to the vehicle, unless the vehicle subject to non-consensual towing has been authorized to be towed by a law enforcement officer of this State, or any political subdivision of the State, while in the actual performance of the officer's duties and as deemed appropriate for public safety, or to charge the owner or operator requesting release of the vehicle an unreasonable or excessive decoupling fee. Such a fee shall be presumptively unreasonable and excessive if it exceeds by more than 25 percent, or a different percentage established by the director by regulation, the usual and customary decoupling fee charged by the towing company for a vehicle subject to consensual towing, or if it exceeds by more than 50 percent, or a different percentage established by the director by regulation, the usual and customary decoupling fee charged for vehicles subject to non-consensual towing by other private property towing companies operating in the municipality in which the vehicle was subjected to non-consensual towing;
- f. (1) To charge a fee for a private property or other nonconsensual towing or related storage service not listed on the schedule of services for which a fee may be charged as established by the director except as may be permitted by the director by regulation; or
  - (2) To charge an unreasonable or excessive fee;

#### A4782 JOHNSON, WIRTHS

- 1 g. To refuse to accept for payment in lieu of cash or an 2 insurance company check for towing or storage services a debit 3 card, charge card or credit card if the operator ordinarily accepts 4 such card at his place of business, unless such refusal is authorized 5 in accordance with section 4 of P.L.2002, c.67 (C.56:13-4) [as amended by section 21 of P.L.2007, c.1931; or 6
  - h. To monitor, patrol, or otherwise surveil a private property for the purposes of identifying vehicles parked for unauthorized purposes and towing a motor vehicle parked for an unauthorized purpose from such private property without having been specifically requested to tow such vehicle by the owner of the property.
- 12 i. Nothing contained in any provision of the "Predatory 13 Towing Prevention Act," P.L.2007, c.193 (C.56:13-7 et seq.) shall 14 be construed to prevent a towing company from charging a 15 reasonable fee for storage of a vehicle that has been subject to non-16 consensual towing authorized by a law enforcement officer of this 17 State or by any political subdivision of this State. Nothing contained in any provision of the "Predatory Towing Prevention 18 19 Act," P.L.2007, c.193 (C.56:13-7 et seq.) shall be construed to 20 prevent a towing company from charging fees for non-consensual 21 towing or related storage services in accordance with a duly-22 authorized fee schedule established by a municipality or other 23 political subdivision of this State with respect to a vehicle that has 24 been subject to non-consensual towing authorized by a law 25 enforcement officer of this State or the political subdivision, and 26 there shall be a rebuttable presumption that fees charged in 27 accordance with a fee schedule are not unreasonable or excessive.

28 For the purposes of this subsection, non-consensual towing shall 29 be considered to be authorized by a law enforcement officer of this 30 State or a political subdivision if the law enforcement officer or an agent or employee of the political subdivision initiates, directs, orders, or requests the non-consensual towing of the vehicle; and a 33 municipal fee schedule shall be considered duly authorized if it has 34 been established by municipal ordinance or resolution or by contract between the municipality and the towing company which 36 conforms to the requirements of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) and any related regulations.

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(cf: P.L.2017, c.321, s.2)

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- 40 4. Section 15 of P.L.2007, c.193 (C.56:13-21) is amended to 41 read as follows:
- 15. a. It is an unlawful practice and a violation of P.L.1960, 42 43 c.39 (C.56:8-1 et seq.) to violate any provision of this act.
- 44 b. In addition to any penalties or other remedies provided in 45 P.L.1960, c.39 (C.56:8-1 et seq.), the director may order a towing 46 company that has billed a [consumer] person for any 47 nonconsensual towing or related storage an amount determined by

#### A4782 JOHNSON, WIRTHS

the director to be unreasonable to reimburse the **[**consumer**]** <u>person</u>
for the excess cost with interest.
(cf: P.L.2009, c.39, s.10)

5. This act shall take effect immediately.

#### **STATEMENT**

This bill clarifies that the "Predatory Towing Prevention Act" ("Act") applies to commercial motor vehicles and changes references to "consumer" throughout the Act to "person." The New Jersey Administrative Code (code) defines "towing," in part, to mean "the moving or removing from public or private property or from a storage facility by a motor vehicle of a consumer's *non-commercial* motor vehicle..." (emphasis added) (N.J.A.C.13:45A-31.2). Because the code appears to limit the provisions of the Act to non-commercial motor vehicles, this bill clarifies that the act applies to commercial motor vehicles as well as non-commercial motor vehicles.

The bill also clarifies that the Act does not prevent towing companies from charging a reasonable fee for storage of a vehicle that has been subject to non-consensual towing authorized by a law enforcement officer of this State or by a political subdivision if the law enforcement officer or an agent or employee of the political subdivision initiates, directs, orders, or requests the non-consensual towing of the vehicle. The bill further clarifies that the Act does not prevent towing companies from charging fees set forth in a duly-authorized fee schedule established by a municipality or other political subdivision of the State for non-consensual towing of a vehicle or related storage fees when such service is authorized by a law enforcement officer or a political subdivision. The bill establishes a rebuttable presumption that fees charged in accordance with such a fee schedule are not unreasonable or excessive.

### ASSEMBLY APPROPRIATIONS COMMITTEE

### STATEMENT TO

## ASSEMBLY, No. 4782

## STATE OF NEW JERSEY

DATED: DECEMBER 10, 2018

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4782.

This bill clarifies that the "Predatory Towing Prevention Act" ("Act") applies to commercial motor vehicles, and clarifies that reasonable fees may be charged for certain non-consensual towing and related storage services.

The New Jersey Administrative Code defines "towing," in part, to mean "the moving or removing from public or private property or from a storage facility by a motor vehicle of a consumer's *non-commercial* motor vehicle" (emphasis added) (N.J.A.C.13:45A-31.2). Because the code appears to limit the provisions of the Act to non-commercial motor vehicles, this bill clarifies that the Act applies to commercial motor vehicles as well as non-commercial motor vehicles.

The bill also clarifies that the Act does not prevent towing companies from charging a reasonable fee for storage of a vehicle that has been subject to non-consensual towing authorized by a law enforcement officer of this State or by a political subdivision if the law enforcement officer, or an agent or employee of the political subdivision, initiates, directs, orders, or requests the non-consensual towing of the vehicle. The bill further clarifies that the Act does not prevent towing companies from charging fees set forth in a duly-authorized fee schedule established by a municipality or other political subdivision of the State for non-consensual towing of a vehicle or related storage fees when such service is authorized by a law enforcement officer or a political subdivision. The bill establishes a rebuttable presumption that fees charged in accordance with such a fee schedule are not unreasonable or excessive.

Finally, the bill changes references to "consumer" throughout the Act to "person."

#### **FISCAL IMPACT**:

This bill is not certified as requiring a fiscal note.

# SENATE, No. 3225

# STATE OF NEW JERSEY

# 218th LEGISLATURE

INTRODUCED NOVEMBER 26, 2018

Sponsored by: Senator PAUL A. SARLO District 36 (Bergen and Passaic)

### **SYNOPSIS**

Provides clarification on applicability of "Predatory Towing Prevention Act" to commercial motor vehicles and charging of reasonable fees for certain non-consensual towing.

#### **CURRENT VERSION OF TEXT**

As introduced.



**AN ACT** concerning the towing of certain motor vehicles and amending P.L.2007, c.193.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

- 1. Section 2 of P.L.2007, c.193 (C.56:13-8) is amended to read as follows:
  - 2. The Legislature finds and declares that:
- a. While the majority of **[**tow truck operators**]** towing companies in New Jersey are reputable service providers, some unscrupulous **[**towers**]** towing companies are engaged in predatory practices victimizing **[**consumers**]** persons whose vehicles are parked on public streets and private property;
- b. Predatory towing practices include charging unwarranted or excessive fees, particularly in connection with towing vehicles from private parking lots which do not display any warnings to the vehicle owners or operators, or overcharging [consumers] persons for towing services provided under circumstances where the [consumer] person has no meaningful opportunity to withhold consent;
- c. The legitimate business interests of **[**tow truck operators**]** towing companies and the needs of private property owners for relief from unauthorized parking must be balanced with the interest in providing appropriate protection to **[**consumers**]** persons who own or operate vehicles;
- d. Whatever authority exists in the law to regulate towing and towing companies is fragmented among various State agencies and local governments [,] so that inconsistent or inadequate regulation often results, with insufficient recourse provided under the law; and
- e. Therefore, it is in the public interest to create a coordinated, comprehensive framework to establish and enforce minimum standards for [tow truck operators] towing companies.
- 34 (cf: P.L.2007, c.193, s.2)

- 36 2. Section 3 of P.L.2007, c.193 (C.56:13-9) is amended to read 37 as follows:
  - 3. As used in this act:
- 39 "Basic towing service" means towing as defined in this section 40 and other ancillary services as may be specified by the director by 41 regulation, which are components of a routine tow.
- 42 ["Consumer" means a natural person.]
- "Decoupling fee" means a charge by a towing company for releasing a motor vehicle to its owner or operator when the vehicle

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

- has been, or is about to be, hooked or lifted by a [tower] tow truck,
- 2 but prior to the vehicle actually having been moved or removed
- 3 from the property.

- **[**"Division" means the Division of Consumer Affairs in the 5 Department of Law and Public Safety. **]**
- 6 "Director" means the Director of the Division of Consumer 7 Affairs.
- 8 <u>"Division" means the Division of Consumer Affairs in the</u> 9 <u>Department of Law and Public Safety.</u>

"Motor vehicle" includes all vehicles propelled otherwise than by muscular power, excepting such vehicles as run only upon rails or tracks and motorized bicycles, motorized scooters, motorized wheelchairs and motorized skateboards. "Motor vehicle" includes commercial motor vehicles as defined in R.S.39:1-1.

"Non-consensual towing" means the towing of a motor vehicle without the consent of the owner or operator of the vehicle, regardless of the reason for the tow.

"Person" means an individual, a sole proprietorship, partnership, corporation, limited liability company or any other business entity.

"Private property owner" means the owner or lessee of private property, or an agent of such owner or lessee, but shall not include a private property towing company acting as an agent of such owner or lessee.

"Private property towing" means the non-consensual towing from private property or from a storage facility by a motor vehicle of a **[**consumer's**]** motor vehicle that is parked illegally, parked during a time at which such parking is not permitted, or otherwise parked without authorization, or the immobilization of or preparation for moving or removing of such motor vehicle, for which a service charge is made, either directly or indirectly. This term shall not include the towing of a motor vehicle that has been abandoned on private property in violation of section 1 of P.L.1967, c.305 (C.39:4-56.5), provided that the abandoned vehicle is reported to the appropriate law enforcement agency prior to removal and the vehicle is removed in accordance with section 1 of P.L.1973, c.137 (C.39:4-56.6).

"Private property towing company" means a person offering or performing private property towing services.

"Towing" means the moving or removing, from public or private property or from a storage facility, by a motor vehicle of a **[**consumer's**]** motor vehicle that is damaged as a result of an accident or otherwise disabled, is recovered after being stolen, or is parked illegally or otherwise without authorization, parked during a time at which such parking is not permitted, or otherwise parked without authorization, or the immobilization of or preparation for moving or removing of such motor vehicle, for which a service charge is made, either directly or indirectly. Dues or other charges

of clubs or associations which provide towing services to club or association members shall not be considered a service charge for purposes of this definition.

"Vehicle" means any device in, upon, or by which a person or property is or may be transported upon a highway.

(cf: P.L.2009, c.39, s.1)

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- 3. Section 10 of P.L.2007, c.193 (C.56:13-16) is amended to read as follows:
- 10. It shall be an unlawful practice for any private property towing company or for any other towing company that provides non-consensual towing services:
  - a. (Deleted by amendment, P.L.2009, c.39)
    - b. (Deleted by amendment, P.L.2009, c.39)
- c. (Deleted by amendment, P.L.2009, c.39)
- d. To give any benefit or advantage, including a pecuniary benefit, to any person for providing information about motor vehicles parked for unauthorized purposes on privately owned property or otherwise in connection with private property towing of motor vehicles parked without authorization or during a time at which such parking is not permitted;
- To fail, when so requested by the owner or operator of a vehicle subject to non-consensual towing, to release a vehicle to the owner or operator that has been, or is about to be, hooked or lifted but has not actually been moved or removed from the property when the vehicle owner or operator returns to the vehicle, unless the vehicle subject to non-consensual towing has been authorized to be towed by a law enforcement officer of this State, or any political subdivision of the State, while in the actual performance of the officer's duties and as deemed appropriate for public safety, or to charge the owner or operator requesting release of the vehicle an unreasonable or excessive decoupling fee. Such a fee shall be presumptively unreasonable and excessive if it exceeds by more than 25 percent, or a different percentage established by the director by regulation, the usual and customary decoupling fee charged by the towing company for a vehicle subject to consensual towing, or if it exceeds by more than 50 percent, or a different percentage established by the director by regulation, the usual and customary decoupling fee charged for vehicles subject to non-consensual towing by other private property towing companies operating in the municipality in which the vehicle was subjected to non-consensual towing;
- f. (1) To charge a fee for a private property or other nonconsensual towing or related storage service not listed on the schedule of services for which a fee may be charged as established by the director except as may be permitted by the director by regulation; or
  - (2) To charge an unreasonable or excessive fee;

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- g. To refuse to accept for payment in lieu of cash or an insurance company check for towing or storage services a debit card, charge card or credit card if the operator ordinarily accepts such card at his place of business, unless such refusal is authorized in accordance with section 4 of P.L.2002, c.67 (C.56:13-4) [as amended by section 21 of P.L.2007, c.193]; or
  - h. To monitor, patrol, or otherwise surveil a private property for the purposes of identifying vehicles parked for unauthorized purposes and towing a motor vehicle parked for an unauthorized purpose from such private property without having been specifically requested to tow such vehicle by the owner of the property.
- 12 i. Nothing contained in any provision of the "Predatory 13 Towing Prevention Act," P.L.2007, c.193 (C.56:13-7 et seq.) shall 14 be construed to prevent a towing company from charging a 15 reasonable fee for storage of a vehicle that has been subject to non-16 consensual towing authorized by a law enforcement officer of this 17 State or by any political subdivision of this State. Nothing contained in any provision of the "Predatory Towing Prevention 18 19 Act," P.L.2007, c.193 (C.56:13-7 et seq.) shall be construed to 20 prevent a towing company from charging fees for non-consensual 21 towing or related storage services in accordance with a duly-22 authorized fee schedule established by a municipality or other 23 political subdivision of this State with respect to a vehicle that has 24 been subject to non-consensual towing authorized by a law 25 enforcement officer of this State or the political subdivision, and 26 there shall be a rebuttable presumption that fees charged in 27 accordance with a fee schedule are not unreasonable or excessive.

28 For the purposes of this subsection, non-consensual towing shall 29 be considered to be authorized by a law enforcement officer of this 30 State or a political subdivision if the law enforcement officer or an 31 agent or employee of the political subdivision initiates, directs, 32 orders, or requests the non-consensual towing of the vehicle; and a 33 municipal fee schedule shall be considered duly authorized if it has 34 been established by municipal ordinance or resolution or by 35 contract between the municipality and the towing company which 36 conforms to the requirements of the "Local Public Contracts Law," 37 P.L.1971, c.198 (C.40A:11-1 et seq.) and any related regulations. 38 (cf: P.L.2017, c.321, s.2)

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- 40 4. Section 15 of P.L.2007, c.193 (C.56:13-21) is amended to 41 read as follows:
- 42 15. a. It is an unlawful practice and a violation of P.L.1960, 43 c.39 (C.56:8-1 et seq.) to violate any provision of this act.
- b. In addition to any penalties or other remedies provided in P.L.1960, c.39 (C.56:8-1 et seq.), the director may order a towing company that has billed a **[consumer]** person for any nonconsensual towing or related storage an amount determined by

#### **S3225** SARLO

the director to be unreasonable to reimburse the **[**consumer**]** <u>person</u>
for the excess cost with interest.
(cf: P.L.2009, c.39, s.10)

5. This act shall take effect immediately.

#### **STATEMENT**

This bill clarifies that the "Predatory Towing Prevention Act" ("Act") applies to commercial motor vehicles and changes references to "consumer" throughout the Act to "person." The New Jersey Administrative Code (code) defines "towing," in part, to mean "the moving or removing from public or private property or from a storage facility by a motor vehicle of a consumer's *non-commercial* motor vehicle..." (emphasis added) (N.J.A.C.13:45A-31.2). Because the code appears to limit the provisions of the Act to non-commercial motor vehicles, this bill clarifies that the act applies to commercial motor vehicles as well as non-commercial motor vehicles.

The bill also clarifies that the Act does not prevent towing companies from charging a reasonable fee for storage of a vehicle that has been subject to non-consensual towing authorized by a law enforcement officer of this State or by a political subdivision if the law enforcement officer or an agent or employee of the political subdivision initiates, directs, orders, or requests the non-consensual towing of the vehicle. The bill further clarifies that the Act does not prevent towing companies from charging fees set forth in a duly-authorized fee schedule established by a municipality or other political subdivision of the State for non-consensual towing of a vehicle or related storage fees when such service is authorized by a law enforcement officer or a political subdivision. The bill establishes a rebuttable presumption that fees charged in accordance with such a fee schedule are not unreasonable or excessive.

### SENATE BUDGET AND APPROPRIATIONS COMMITTEE

#### STATEMENT TO

## SENATE, No. 3225

## STATE OF NEW JERSEY

DATED: DECEMBER 3, 2018

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3225.

This bill clarifies that the "Predatory Towing Prevention Act" ("Act") applies to commercial motor vehicles and that reasonable fees may be charged for certain non-consensual towing and related events.

The New Jersey Administrative Code (code) defines "towing," in part, to mean "the moving or removing from public or private property or from a storage facility by a motor vehicle of a consumer's *non-commercial* motor vehicle…" (emphasis added) (N.J.A.C.13:45A-31.2). Because the code appears to limit the provisions of the Act to non-commercial motor vehicles, this bill clarifies that the act applies to commercial motor vehicles as well as non-commercial motor vehicles.

The bill also clarifies that the Act does not prevent towing companies from charging a reasonable fee for storage of a vehicle that has been subject to non-consensual towing authorized by a law enforcement officer of this State or by a political subdivision if the law enforcement officer, or an agent or employee of the political subdivision, initiates, directs, orders, or requests the non-consensual towing of the vehicle. The bill further clarifies that the Act does not prevent towing companies from charging fees set forth in a duly-authorized fee schedule established by a municipality or other political subdivision of the State for non-consensual towing of a vehicle or related storage fees when such service is authorized by a law enforcement officer or a political subdivision. The bill establishes a rebuttable presumption that fees charged in accordance with such a fee schedule are not unreasonable or excessive.

Finally, the bill changes references to "consumer" throughout the Act to "person."

#### **FISCAL IMPACT**:

This bill is not certified as requiring a fiscal note.

Governor Phil Murphy • Lt. Governor Sheila Oliver NJ Home | Services A to Z | Departments/Agencies | FAQs



# Governor Murphy Takes Action on Legislation

12/20/2018

**TRENTON** – Today, Governor Phil Murphy signed the following bills into law:

**A4782 (Johnson, Wirths, Wimberly/Sarlo)** – Provides clarification on applicability of "Predatory Towing Prevention Act" to commercial motor vehicles and charging of reasonable fees for certain non-consensual towing.

**S866 w/GR (Sweeney, Vitale/Vainieri Huttle, Mukherji)** – Extends eligibility for certain individuals for emergency assistance.

**S2531 w/GR (Beach/Jones)** – Allows county governing body in certain counties to abolish offices of superintendent and deputy superintendent of elections and transfer functions to county board of elections.

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