



STATE OF CONNECTICUT
DEPARTMENT OF MOTOR VEHICLES
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*Testimony of Department of Motor Vehicles
Commissioner Melody A. Currey
Transportation Committee Public Hearing
March 8, 2013*

Raised H.B. No. 6558 AN ACT CONCERNING THE QUICK CLEARANCE OF STATE HIGHWAYS, TOWING AND TRANSPORTING.

Good morning Senator Maynard, Representative Guerrero, Senator Boucher, Representative Scribner and other members of the Transportation Committee. Thank you for the opportunity to testify on H.B. No. 6558, An Act Concerning the Quick Clearance of State Highways, Towing and Transporting.

The Department of Motor Vehicles opposes this bill for the following reasons:

1. The language that has been added is unworkable and conflicting.

Section 1 of the proposal adds language that requires the Commissioner to establish a uniform rate schedule for a number of separate items that are currently included as part of a single established tow fee. However, in other language that the proposer has added, the Commissioner is prohibited from establishing any rate that is less than the expense incurred by the tow operator to provide the towing, transporting or storage. These two provisions are in conflict. Rates can never be uniform if the tow operator is able to charge in accordance with its expenses, which may vary from one tow operator to another.

Similarly, the proposal seeks to add the following language:

(4) The schedule of uniform rates and charges for the nonconsensual towing and transporting of motor vehicles established pursuant to this section shall be limited to the towing and transporting of motor vehicles and shall not include rates or charges for winching, recovery or any other aspect of such towing and transporting or the function of such wrecker and its equipment not described in this section.

This section is in direct conflict with other language that the proposers seek to add in the very same section. In lines 13 through 26, the proposers have added a provision that requires the Commissioner to set uniform rates for a variety of items that are not related to the towing or transporting of a vehicle, including producing an itemized bill.

The proposed language is inconsistent and makes these provisions unworkable.

2. The proposed language diminishes the Department's oversight of rates and charges related to nonconsensual towing, and leaves consumers and insurers vulnerable to excessive charges.

Section 14-66 requires the Commissioner to set reasonable uniform rates for the nonconsensual towing and transporting of motor vehicles. A base tow rate includes: up to fifteen minutes of "wait time" at the scene; all services necessary to prepare the vehicle for the tow; clean-up of the scene; removal, installation or re-installation of loose or separated

motor vehicle parts; cleaning of any equipment used for the tow; release of the vehicle; and transporting a vehicle for two miles.

Towing rates are subject to review every two years upon the petition of a licensed tow operator. No such petition for a rate increase has been filed since 2009. Rather, this proposal attempts to raise the tow rates by requiring the Commissioner to establish separate charges for every aspect of a tow, including "issuing an itemized bill" and "situating a motor vehicle in the space where the vehicle shall be stored." The proposal also eliminates the Commissioner's authority to regulate rates for tow preparation, winching and recovery.

The Department receives complaints from consumers and their insurers on a regular basis for bills from nonconsensual tows that include extra and sometimes exorbitant charges for items such as landscaping, extra persons and vehicles, and the use of equipment that the Department deems routine and necessary for a basic tow.

In the event that a tow operator is required to use exceptional services, it may charge in accordance with a posted hourly labor rate that is set by that tow operator. Exceptional services include the use of such items as air compressors, cutting torches and other equipment that is generally not required for a tow. The Department is aware of tow companies with posted labor rates that are "itemized" according to the type of equipment that is being dispatched. For instance, one tow operator charges a \$175.00 "labor rate" for the use of a power broom; a \$175.00 "labor rate" for a flat tire change; a \$125.00 per hour "labor rate" for pressure/steam wash equipment; a \$125.00 "labor rate" for a chain saw; and a \$25.00 "labor rate" for disconnecting a battery. It is the Department's position that this is an abuse of the hourly rate structure for exceptional services as the tow company is actually charging a separate rate for each service performed or for the use of specific equipment, rather than charging a uniform labor rate. This practice will be exacerbated by the changes proposed in this bill.

The following is a small sample of tow bills that the Department has reviewed over the past few years. It has received complaints related to the towing and recovery of tractor trailer trucks for which the bills are in excess of \$30,000.00. One bill that was the subject of a complaint contained charges in excess of \$6,000.00 for recovery of a passenger vehicle that had rolled down an embankment. One tow bill in the amount of nearly \$3,000.00 contained a charge for a Bobcat rental at \$450.00 per hour for four (4) hours to clean up oil after an accident involving a Volkswagen Beetle; that same bill also charged \$175.00 per hour for four (4) hours for transporting the Bobcat by flatbed to the scene of the accident. In one case, the recovery of a passenger vehicle that had gone down an embankment resulted in a \$15,000.00 bill that included a \$1,400.00 "Administration Billing Fee." One tow operator refused to release a vehicle to the owner's insurance carrier unless it paid the tow operator for the repair of a stone wall on a homeowner's property where the accident occurred. We also have reviewed tow bills containing charges for items such as gloves, asphalt, grass seed, hay/straw and plastic bags; and tow bills that contain charges for an army of supervisory and field operations personnel for several hours at rates ranging from \$60 to \$175 each per hour. These are examples of the types of charges that may appear on a tow bill and that we now oversee in our consumer complaint center. If the Department is prohibited from maintaining oversight of preparation and recovery, it will be within the tow operator's discretion to dispatch and use whatever equipment it chooses, and to charge whatever it decides for the use of that equipment, as demonstrated by the above examples.

Thank you again for the opportunity to testify and comment on this proposed legislation.