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## OLR Bill Analysis

### sHB 7162

#### ***AN ACT REFORMING THE MOTOR VEHICLE TOWING STATUTES.***

#### **SUMMARY**

This bill makes numerous changes to the state's towing laws and abandoned vehicle disposal process. Some of the bill's changes affect only towing authorized by a property owner or lessee without the vehicle owner's consent (private property tows), but some apply more broadly to all "nonconsensual towing," which is towing that occurs without the vehicle owner or operator's consent, whether ordered by private property owners or lessees, police officers, or traffic authorities.

The bill's major changes related to towing include:

1. generally requiring specific written authorization from a property owner or lessee (or their agent) before a wrecker service (towing company) performs a private property tow, rather than allowing property owners or lessees to give towing companies broad authorization to tow unauthorized vehicles;
2. setting rules specific to towing from residential parking facilities, including generally requiring 24 hours' written notice before a vehicle may be towed, with certain exceptions (e.g., for assigned spaces or vehicles obstructing traffic);
3. directing the Department of Motor Vehicles (DMV) commissioner to set a new nonconsensual towing rate schedule by January 1, 2026, that reflects the reasonable operating costs of towing companies that perform nonconsensual towing and storage and meets the bill's other requirements;
4. requiring DMV, in consultation with the attorney general, to develop a consumer bill of rights regarding towing ("towing bill of rights"), which towing companies must post and distribute as

the bill requires;

5. requiring towing companies, for all nonconsensual tows, to take credit cards and make change, allow vehicle owners to retrieve personal property stored in a towed vehicle, and accept additional forms of proof of ownership; and
6. imposing penalties for violations of the towing laws, including deeming certain ones violations under the Connecticut Unfair Trade Practices Act (CUTPA).

Regarding the abandoned vehicle disposal process, the bill does the following, among other things:

1. extends the minimum amount of time that a garage owner (including a towing company) must hold a vehicle before selling it from (1) 15 to 30 days for vehicles valued \$1,500 or less and (2) 45 to 60 days for vehicles valued above that;
2. requires DMV to check for consumer complaints pertaining to the towed vehicle before approving a garage owner's request to sell it;
3. requires garage owners to sell all vehicles at public auction (not just those valued above \$1,500) and to advertise the sale in a commercially reasonable manner; and
4. generally requiring garage owners to mail remaining proceeds, after deducting their charges, to the vehicle owner, rather than holding them at their place of business for the owner to claim.

The bill also (1) codifies DMV regulations on dealer and repairer complaints; (2) requires, rather than allows, the State Police to establish a rotational system for summoning tow trucks within its patrol jurisdiction (tow rotation list) (§ 13), which they already do in practice; (3) bans booting on private property; (4) extends towing company record retention timeframes; and (5) increases the civil penalties DMV may impose.

Lastly, the bill makes minor, technical, and conforming changes throughout (including in §§ 14 & 20–24).

EFFECTIVE DATE: October 1, 2025, except the towing bill of rights provision is effective upon passage.

## **§§ 1, 2, 8 & 17 —PRIVATE PROPERTY TOWING**

### ***Overview***

By law, private property owners and lessees may use a towing company to have unauthorized vehicles towed from their property without the vehicle owner’s or operator’s consent. The bill modifies the current conditions under which they may do so and adds new conditions and requirements.

The bill specifies that these provisions on towing from private property do not apply to entities that are exempt from wrecker licensure requirements (e.g., automobile clubs and entities repossessing vehicles on behalf of lending institutions).

### ***Written Authorization***

Current law generally prohibits a vehicle from being towed from private property unless the property’s owner or lessee, or their agent, expressly authorizes the tow. Property owners and lessees may enter into contracts giving towing companies broad authorization to tow unauthorized vehicles from their property.

The bill instead generally requires towing companies to get written or electronically transmitted authorization (written authorization) from a property owner or lessee, or their agent, before each tow performed on private property. Property owners and lessees may still contract with towing companies to perform general towing services on their property, but the towing company must get this written authorization for each specific vehicle before it can tow the vehicle. The bill prohibits towing companies from acting as a property owner’s or lessee’s agent for the purpose of providing written authorization to tow.

Before a vehicle may be towed from private property, the bill generally requires property owners or lessees, or their agents, to verify

the reason for the tow either by being physically present on the property, viewing photos of the vehicle, or viewing the vehicle electronically with simultaneous sight and sound. The bill requires property owners or lessees, or their agents, to give the written authorization on a DMV-prescribed form and sign it under penalty of false statement. The form must include the following information:

1. the vehicle's make, model, vehicle identification number, and license plate number;
2. the reason for the tow;
3. the authorizing owner's, lessee's, or agent's name, job title, residential or business address, and phone number; and
4. the date and time the authorization was given.

Under the bill, a towing company's violation of the bill's written authorization requirement is a class C misdemeanor, punishable by up to a \$500 fine, up to 30 days in prison, or both.

The bill also requires towing companies to retain these written authorization forms for at least three years after the tow.

**Exceptions.** Under the bill, written authorization is not required for towing from private property for vehicles that are:

1. illegally parked in an accessible parking space for people with disabilities;
2. in an area reserved for authorized emergency vehicles;
3. within 10 feet of a fire hydrant;
4. blocking access to a building or parking space;
5. in or obstructing a vehicular traffic aisle, or entry or exit from the property or parking space; or
6. leaking fluid that presents a hazard or threat.

### ***Unregistered Vehicles***

The bill generally requires 14 days' notice before parking facility (including residential parking facility) owners and lessees, or their agents, may authorize towing a vehicle from the parking facility solely due to the vehicle being unregistered or having an expired registration. The notice must be placed in a clearly visible spot on the vehicle's driver-side windshield and include the following information:

1. statements that the vehicle (a) is unregistered or has an expired registration and (b) will be towed from the parking facility without the owner's consent if it remains parked in the same spot without being properly registered; and
2. the time the (a) notice was affixed to the vehicle and (b) vehicle will be towed, which must be at least 14 days after the notice is placed on the vehicle.

### ***Photo Documentation by Towing Companies***

Before connecting a vehicle to a tow truck without the vehicle owner's or operator's consent, the bill requires the towing company to document the vehicle's condition and the reason for towing it. The towing company must do so by taking at least five photos, one from each side of the vehicle and one that shows the reason for the tow.

The photos must have a resolution of at least 2,000 pixels by 2,000 pixels. For the photos of each side of the vehicle, the photo must show the entire vehicle from the required angle, and the vehicle must fill up at least three-fourths of the photo, measured from side-to-side. Photos documenting the reason for the tow must show the motor vehicle's position in relation to the reason that the vehicle was towed, including any signage.

The bill requires towing companies to retain these photos for at least three years after the tow.

### ***Rebuttable Presumptions of Vehicle Damage or Improper Towing***

Under the bill, vehicle owners or operators (or their agents), lienholders, and insurance companies acting on the owner's behalf may

ask for copies of the (1) written authorization to tow a vehicle and (2) photos the bill requires towing companies to take.

The bill creates several rebuttable presumptions if a towing company fails to produce the written authorization or photos required. Specifically, it is a rebuttable presumption that the towing company:

1. did not get the required authorization from a property owner or lessee, if the towing company fails to produce a copy of the written authorization;
2. damaged the vehicle, if the (a) towing company fails to produce the required photos documenting the vehicle's condition and (b) vehicle is damaged; and
3. towed the vehicle in violation of the laws on towing from private property, if the towing company does not produce a photo documenting the reason for the tow.

### ***Release for Incomplete Tow and Drop Fee***

If a motor vehicle owner or operator returns before the vehicle is connected to the tow truck, a towing company must stop preparing the vehicle for towing and tell the person that he or she may move the vehicle to avoid the tow.

If a motor vehicle owner or operator returns after the vehicle is connected to the tow truck but before it is taken from the property, a towing company must stop and inform the person that the vehicle may be released for a fee (a drop fee) established by DMV (see § 6 below). The towing company must take payment in cash or by credit card and immediately release the vehicle upon payment. If the vehicle owner or operator does not pay the fee, the towing company can proceed with the tow but must give the owner or operator a copy of the towing consumer bill of rights (see § 5 below).

### ***Towing Distance***

Current law requires towing companies that tow vehicles from private property to store the towed vehicles at their place of business in

a secure storage lot. The bill requires them to store towed vehicles at these lots only if they are located within a 10-mile radius from the property from which the vehicle was towed. If the company's lot is outside this radius, it must store the vehicle at the storage facility closest to the property from which the vehicle was towed. (The bill does not define storage facility.)

The bill specifies that towing companies must comply with the bill's provisions on the storage and release of vehicles subject to nonconsensual towing, which include a requirement that towing companies store vehicles that were subject to nonconsensual towing at the towing company's place of business, without exception (see COMMENT).

The bill deems violations of these towing distance requirements to be an unfair or deceptive trade practice under CUTPA (see BACKGROUND).

### ***Notification to Police***

By law, a towing company must notify the local police department within two hours after towing a vehicle from private property or for the purpose of repossession. The bill specifies that the towing company may alternatively inform the resident state trooper serving the municipality.

The bill also requires towing companies to tell the local police department or resident state trooper where (1) and what time the tow occurred and (2) the vehicle is stored.

### ***Penalty***

As under current law, unless otherwise specified, a first offense of the above private property towing provisions is an infraction (see BACKGROUND) with a \$50 fine, and second or subsequent offenses are misdemeanors, subject to a fine of \$50 to \$100, up to 30 days in prison, or both.

**§§ 1 & 3 — WARNING SIGNS AT PARKING FACILITIES*****General Requirements***

Current law requires conspicuous signs warning that unauthorized vehicles may be towed to be posted on private commercial properties before property owners or lessees, or their agents, can have unauthorized vehicles towed from there.

The bill expands the properties that must have these signs posted to include lots, garages, parking terminals, and other parking structures or accommodations located on private property (i.e. “parking facilities”), rather than just private commercial properties. It also specifically requires towing companies to verify that signage meeting the bill’s requirement, as described below, is present before they tow a vehicle from a parking facility on a property owner’s or lessee’s behalf.

***Sign Contents and Specifications***

Under existing law, these signs must state that unauthorized vehicles may be towed and indicate any costs that might be charged. The bill additionally requires signs to (1) bear the international towing symbol, (2) state that towing is at the owner’s expense, and (3) be at least 18 inches long and 24 inches wide. The bill eliminates current law’s requirement that the signs indicate where a towed vehicle will be stored and how it can be redeemed and instead requires the signs to include (1) the name, address, and phone number for the towing company that performs the towing or (2) a phone number that a motor vehicle owner or operator can call to locate their vehicle and get information on how to redeem it.

***Sign Locations***

Generally, the bill requires these warning signs to be placed at the parking facility’s entrances. But in cases where certain areas are restricted in an otherwise unrestricted parking facility, the signs must be placed either (1) on the right or left side of each entrance to a designated area or group of restricted parking spaces or (2) at the end of each restricted parking space so that the sign faces the front of the vehicle in the space. If the property owner or lessee, or their agent,



imposes additional restrictions on individually signed spots, the signs must indicate that the space is reserved for a specific unit number, person, or type of person.

### ***Exceptions***

Current law makes exceptions to the signage requirements, allowing property owners or lessees to have vehicles towed without installing signage if they are left in the following locations or ways:

1. illegally parked in an accessible parking space for people with disabilities,
2. in an area reserved for authorized emergency vehicles,
3. within 10 feet of a fire hydrant, or
4. blocking building access or entry or exit from the property.

The bill adds additional exceptions for vehicles (1) blocking access to reserved parking areas, (2) obstructing vehicular traffic aisles, (3) leaking fluid that presents a hazard or a threat, or (4) parked in an area not designed for parking.

Current law also allows property owners or lessees to have an unauthorized vehicle towed without having installed signage if the vehicle is left for more than 48 hours. The bill eliminates this exception and replaces it with one that allows towing without signage after 48 hours' notice. Under the bill, parking facility owners or lessees, or their agents, may place a written notice on a vehicle stating (1) that the vehicle will be towed if it is not moved; (2) the time the notice was placed; and (3) the time the vehicle will be towed, which must be at least 48 hours after the notice is placed. The notice must be placed in a conspicuous location on the windshield near the driver's side. This exception does not apply in the case of residential parking facilities (see below).

### ***Penalties***

Under current law, a first offense of the signage requirement is an infraction with a \$50 fine, and second or subsequent offenses are

misdemeanors, subject to a fine of \$50 to \$100, up to 30 days in prison, or both. The bill eliminates the (1) specific \$50 fine and (2) misdemeanor penalty for subsequent offenses.

## **§§ 1 & 4 — RULES FOR TOWING AT RESIDENTIAL PARKING FACILITIES**

The bill establishes additional rules specific to towing from residential parking facilities (i.e. parking facilities located at multifamily dwellings with five or more units and condominiums or other common interest communities).

### ***Written Authorization***

The bill's requirement that towing companies receive a property owner's or lessee's written authorization for each vehicle they tow applies to residential parking facilities as well. If a residential parking facility owner or lessee has assigned reserved spots, the bill allows the person assigned a reserved spot to provide written authorization to tow a vehicle from his or her assigned spot.

### ***Required Signage***

In addition to the general parking facility signage requirements they must follow (see § 3, above), the bill requires residential parking facility owners or lessees, or their agents, to post conspicuous signs listing the violations that would cause a vehicle to be towed from the parking facility.

Under the bill, the same exceptions that apply to the general signage requirement apply at residential facilities (except for the 48 hour notice exception). It adds an exception to the signage requirements for towing to allow for snow removal, subject to the bill's notice requirements (see below).

### ***24 Hours' Notice***

The bill generally requires residential parking facility owners or lessees, or their agents, to give 24 hours' notice to unauthorized vehicles left on their property before towing them, with certain exceptions (see below).

Under the bill, complex owners or lessees, or their agents, must put a written notice on unauthorized vehicles subject to towing at least 24 hours before towing them. The notice must be placed in a clearly visible spot on the vehicle's driver-side windshield and include the following:

1. a statement that the vehicle will be towed from the complex without the owner's consent if it remains parked in the same spot;
2. a description of the reason for the tow; and
3. the time the (a) notice was placed on the vehicle and (b) vehicle will be towed, which may not be earlier than 24 hours after the notice was placed on the vehicle.

**Exceptions.** The bill allows residential parking facility owners or lessees, or their agents, to have an unauthorized vehicle towed without giving 24 hours' notice if it is:

1. parked in a parking space reserved for a particular unit, person, or type of person, as long as the space is properly signed;
2. illegally parked in an accessible parking space for people with disabilities;
3. in an area reserved for authorized emergency vehicles;
4. within 10 feet of a fire hydrant;
5. blocking access to a building or reserved parking area;
6. in or obstructing a parking facility traffic aisle, entry, or exit;
7. leaking fluid that presents a hazard or a threat;
8. in an area not designated for parking vehicles; or
9. violating a properly noticed parking ban for snow removal (see below).

The bill also makes an exception in the case of repeat violators. It allows residential parking facility owners or lessees, or their agents, to have a vehicle towed without giving 24 hours' notice if it is left at the facility for a third or subsequent time in the same way that previously caused the vehicle to receive a notice.

### ***Parking Bans for Snow Removal***

The bill allows residential parking facility owners or lessees, or their agents, to impose a parking ban to allow for snow removal and have vehicles towed without posting signage or giving 24 hours' notice, as long as the owner, lessee, or agent:

1. posts a notice about the ban in conspicuous places in the building or buildings and the residential parking facilities and
2. communicates the ban through phone, e-mail, or text message at least four hours before the ban takes effect.

In the case of towing due to a snow ban, parking facility owners, lessees, or agents may provide written authorization to tow any vehicle, rather than providing the authorization for each specific vehicle.

### ***Expired Parking Permits***

The bill requires 72 hours' notice before residential parking facility owners and lessees, or their agents, may authorize the towing of a vehicle at the parking facility solely due to an expired parking permit. The notice must be placed in a clearly visible spot on the vehicle's driver-side windshield and include the following information:

1. statements that the (a) vehicle's parking permit has expired and (b) vehicle will be towed from the complex without the owner's consent if it remains parked in the same spot without a valid permit; and
2. the time the (a) notice was affixed to the vehicle and (b) vehicle will be towed, which must be at least 72 hours after the notice is placed on the vehicle.

### ***Towing Company as Agent***

The bill expressly allows residential parking facility owners or lessees to authorize towing companies to install required signage and place 24 hour notices on their behalf.

## **§ 5 — TOWING BILL OF RIGHTS**

By September 1, 2025, the bill requires the DMV commissioner, in consultation with the attorney general, to develop a consumer bill of rights regarding towing (“towing bill of rights”) in both English and Spanish and make it available for public dissemination.

The towing bill of rights must include at least the following:

1. a summary of a vehicle owner’s or operator’s rights and responsibilities if his or her vehicle is towed,
2. the towing and storage rates and the drop fee (see above) that towing companies may charge,
3. a description of the records and photos a vehicle owner or operator may request from the towing company,
4. a warning that towing companies may sell unclaimed towed vehicles under the law’s vehicle disposal process (see below), and
5. information on filing a consumer complaint with DMV.

Starting October 1, 2025, the bill requires DMV and the attorney general to include the towing bill of rights on their respective websites.

Under the bill, starting October 1, 2025, towing companies must post the towing bill of rights at their places of business and make copies available to distribute to customers who visit there. It also requires towing companies that maintain a website to post the bill of rights on the website starting on the same date. The bill deems violations of these requirements to be an unfair or deceptive trade practice under CUTPA (see BACKGROUND).

## **§ 6 — NONCONSENSUAL TOWING RATES**

### ***Overview***

By law, the DMV commissioner must establish a schedule of uniform rates and charges (“rate schedule”) for nonconsensual towing and transporting and for motor vehicle storage, and those rates must be just and reasonable. The bill modifies the rate setting requirements and requires the commissioner to set a new schedule of rates and charges meeting the bill’s requirements by January 1, 2026.

Under the bill, “nonconsensual towing or transporting” means towing (including recovery) or transporting a motor vehicle without the owner’s or operator’s prior consent or authorization that is ordered by (1) police officers or traffic authorities or (2) private property owners or lessees in accordance with state law. The bill’s definition is generally the same as the one under current law, except that it explicitly includes recovery (i.e. winching, hoisting, uprighting, and other similar functions a wrecker performs to return a vehicle to a position where it may be towed).

### ***Rate Structure***

Current law does not specify the structure of the rate schedule, and the commissioner has discretion over which rates and charges are included in it. In practice, the commissioner sets (1) a flat tow charge for light-duty vehicles, plus a mileage charge for transporting; (2) an hourly rate for medium- and heavy-duty towing, which includes any transporting; and (3) a schedule of storage charges, with rates that vary based on vehicle length and the type of facility (e.g., whether it is inside or outside). The towing rates apply to all kinds of nonconsensual towing, including towing performed at accident scenes.

DMV regulations also allow towing companies to charge additional fees for reasonable and necessary “exceptional services,” which means the use of special equipment not generally required for nonconsensual towing at an accident scene (Conn. Agencies Regs., § 14-63-36b). The regulations require that these charges be itemized in accordance with the company’s approved hourly labor charge; the Appellate Court recently held that exceptional service charges may be based only on the

hourly labor rate and cannot include an equipment charge (see BACKGROUND).

The bill requires the new rate schedule to include separate rates for towing (1) at accident scenes (accident towing) and (2) that does not occur at accident scenes (non-accident towing). For non-accident towing, the rate must include all services and equipment involved in towing and transporting, except for mileage. For accident towing, the rate must include all services generally required at accident scenes and must take into account the equipment and labor that towing companies must have in order to be included on the State Police tow rotation list.

The new schedule must also allow a towing company to charge for exceptional services rendered at the scene of an accident, as long as the (1) charge does not exceed the hourly charge for labor and a reasonable charge for equipment use and (2) services are itemized, reasonable, and necessary to towing or transporting the vehicle.

***Factors Considered in Rates and Commissioner's Discretion***

Under current law, the commissioner has discretion over which factors he considers and incorporates into the rates and charges he sets. The law specifies that he may consider, but is not limited to, the following factors when setting and amending the rates and charges: (1) the consumer price index, (2) rates set by other jurisdictions, (3) charges for towing and transportation services provided through automobile clubs, and (4) rates published in standard service manuals. DMV regulations also allow the commissioner to consider the towing and recovery industry's operating costs but do not list specific costs that may be considered (Conn. Agencies Regs., § 14-63-36a). In a 2021 decision, the Appellate Court affirmed the commissioner's discretion to weigh these factors as he sees fit (see BACKGROUND).

The bill limits this discretion by (1) requiring that the rate schedule reflect the reasonable operating costs of towing companies that perform nonconsensual towing and storage; (2) requiring, rather than allowing, the commissioner to consider specified factors when setting the rates; and (3) modifying those factors.

Under the bill, the commissioner must, at a minimum, consider (1) the consumer price index; (2) rates set by other jurisdictions; and (3) the cost of fuel, wreckers, heavy duty wreckers, motor vehicle parts, equipment, personnel, workers' compensation insurance, unemployment compensation, insurance premiums, and processing fees.

### ***Public Hearings and Appeals***

As under existing law, DMV must hold a public hearing to get more information before determining the rates and charges. Anyone aggrieved by the commissioner's decision may appeal under the Uniform Administrative Procedure Act.

### ***Rate Reconsideration and Adjustment***

Under current law, the commissioner must reconsider the rate schedule upon a licensed towing company's petition (but no more often than once every two years) and amend it if he determines, after considering the factors specified in law, that the rates are no longer just and reasonable. The bill instead requires the commissioner to reconsider the schedule by January 1, 2029, and every three years after that and to amend the rates and charges if, after considering the specified factors, he determines that the rates are no longer just and reasonable or do not reflect the reasonable operating costs for towing companies that perform nonconsensual towing and storage.

### ***Permission to Charge for Services Rendered at the Direction of Police or a Traffic Authority***

The bill explicitly allows (1) police officers or traffic authorities that order a vehicle's removal to direct a towing company to use certain equipment and labor that is required by State Police tow rotation list regulations and (2) towing companies that remove the vehicle pursuant to police or traffic authority directions to charge the liable party for the services rendered.

## **§ 7 — DEALER AND REPAIRER COMPLAINT PROCESS**

The bill codifies provisions that are substantially similar to existing DMV regulations on investigations of consumer complaints against



dealers and repairers (see Conn. Agencies Regs., §§ 14-63-45b & -45c). (By law, towing companies must have a dealers' or repairers' license.) It also broadens the scope of violations the commissioner may investigate to explicitly include violations of towing laws.

Among other things, the bill codifies provisions in regulations that:

1. specify what must be included in a complaint, including a statement of facts accompanied by supporting evidence;
2. require DMV to notify the customer and the dealer or repairer, within 14 days after receiving the complaint, that the complaint was received, what matters it covers, and that it will be investigated; and
3. allow DMV several options to resolve substantiated complaints, including mediation or an administrative hearing under the Uniform Administrative Procedure Act.

If DMV finds a towing company violated the laws, the bill also specifically allows the DMV commissioner to recommend that the Department of Emergency Services and Public Protection remove a medium- or heavy-duty towing company from the State Police tow rotational system in addition to any enforcement action currently authorized (e.g., civil penalties and restitution orders).

The bill also (1) eliminates a statutory provision that requires the DMV commissioner to retain unresolved complaints on a dealer or repairer's records until the dealer or repairer provides evidence satisfactory to the commissioner that the claim is resolved or no longer pending and (2) broadly allows the commissioner to adopt regulations to effectuate these provisions.

## **§ 9 — STORAGE AND RELEASE OF VEHICLES SUBJECT TO NONCONSENSUAL TOWING**

### ***Storage Location and Hours of Operation***

Under current law, towing companies must store vehicles they tow from private property at their business site in a secured lot, and the site

must be open from 8:00 a.m. to 5:00 p.m. Monday through Friday and reasonably available on weekends and holidays for vehicle redemption purposes.

The bill (1) explicitly applies the location and operating hour requirements to all towing companies performing nonconsensual towing, not just those towing vehicles from private property; (2) extends the required weekday storage site operating hours to 8:00 a.m. to 6:00 p.m., rather than 5:00 p.m.; and (3) requires that the site be open for the purpose of removing any personal property stored in a vehicle in addition to vehicle redemption.

It deems a towing company reasonably available on weekends and holidays if (1) it is open for at least four hours on Saturday, Sunday, and holidays or (2) the towing company has an advertised number to take requests to release vehicles and access personal property and the towing company responds to the requests within four hours after receiving them.

The bill also specifically prohibits charging a storage fee on any day that a towing company does not make the vehicle available for redemption.

### ***Access to Personal Property***

By law and under the bill, towing companies have a lien on vehicles they tow for their towing and storage charges. The bill specifies that towing companies do not have a lien on personal property stored in a vehicle subject to nonconsensual towing, and they must permit vehicle owners, or people the owners authorize, to access the vehicle and remove personal property during any of the hours the towing company is available to release vehicles. Current DMV regulations only require towing companies to allow retrieval of property essential to someone's health or welfare (Conn. Agencies Regs., § 14-63-37b).

### ***Release Outside Hours of Operation***

The bill codifies existing DMV regulations setting conditions under which towing companies must allow vehicle owners to redeem their

vehicles outside the required hours of operation (Conn. Agencies Regs., § 14-63-37a).

Under the bill, as under existing regulations, a towing company must allow a vehicle owner, lending institution, or other authorized person to redeem a vehicle at any time if the towing company (1) performs or contracts to perform towing for compensation outside of its hours of operation or (2) advertises to the public it is available to tow outside of its hours of operation. The towing company must release the vehicle within a reasonable amount of time after someone makes a request for release, and a person is deemed to have made a request to release his or her vehicle by appearing at the business in person or by calling the towing company at its advertised phone number.

The bill extends to the release of private property the same provisions that apply to releasing vehicles outside the hours of operation. It also codifies the provision in regulations allowing towing companies to charge a fee for releasing a vehicle outside their hours of operation or on a day when the towing company is not available to tow for compensation outside the hours of operation.

### ***Proof of Ownership***

Under existing law, towing companies must release a vehicle towed from private property to its owner or another authorized person upon demand if the owner or other authorized person (1) presents proof of registration and (2) pays the towing and storage costs.

The bill expands the documentation that an owner or authorized person (including, under the bill, a lienholder) may provide to include a certificate of title, a bill of sale, a lease for the motor vehicle, or other reasonable proof of ownership. The towing company must release the vehicle even if the address on the documentation is different from the owner's or authorized person's current address.

### ***Accepted Forms of Payment***

The bill requires towing companies to (1) accept payment for nonconsensual towing and storage charges by cash and credit card and

(2) keep sufficient cash at their offices to give change to a vehicle owner, or another authorized person, at the time of payment. The bill allows towing companies to charge a service fee for credit card payments, but it may not exceed the charge the company pays to the card issuer (including any discount rate).

### ***Right to Inspect and Itemized Receipt***

By law, vehicle owners and other authorized individuals have the right to inspect a vehicle towed from private property before accepting its return. Towing companies must provide an itemized receipt to the person who paid the towing and storage costs and cannot require an owner or authorized person to sign a general release of liability. The bill explicitly extends these provisions to all nonconsensual tows.

### ***Penalties***

The bill deems violations of these storage and release requirements to be an unfair or deceptive trade practice under CUTPA (see BACKGROUND).

## **§§ 10-12 — VEHICLE DISPOSAL PROCESS**

### ***Applicability***

Current law establishes a process through which garage owners may sell or otherwise dispose of vehicles that remain unclaimed after being towed there without the owner's consent, under direction from a property owner or lessee, police officers, or traffic authorities.

The bill (1) makes a number of changes to the process; (2) specifies that the process applies to all nonconsensual towing and abandoned vehicles ordered removed by a police officer, DMV inspector, or parking authority (this is generally the case under current law); and (3) explicitly specifies that the garage owners subject to these requirements include towing companies and bailees for hire. (It is unclear whether a nonconsensual tow could create a bailment relationship, which is generally established when a property owner places his or her property in the custody and control of another, for a specific purpose, and with the understanding that it will be returned to the owner. Existing law establishes a separate vehicle disposal process, with a different timeline

and requirements, for bailees for hire (CGS § 49-61).)

### ***Timeframe for Disposal***

Current law requires garage owners, before they can sell an unclaimed vehicle, to hold it for (1) 15 days, if the vehicle's market value is \$1,500 or less or (2) 45 days, if the vehicle's market value is more than \$1,500. The bill extends the minimum amount of time they must hold it to 30 days and 60 days, respectively, but allows garage owners to start the process of selling (e.g., by submitting forms to vehicle owners and DMV) after 15 or 45 days, as applicable.

Under existing law, unchanged by the bill, garage owners may not start this process if there is a pending hearing. (By law, hearings apply only to tows ordered by police or traffic authorities.)

### ***Determining Vehicle Value***

Under current DMV regulations and agency practice, a vehicle's market value is its average trade-in value in the National Automobile Dealers Association (NADA) used car guide, eastern edition. The bill instead requires that a vehicle's value, for the purpose of determining the applicable time period for disposal, be based on its retail market value in the same NADA guide.

The bill requires garage owners, when determining the vehicle's value, to assume it is in good working condition, unless the garage owner submits evidence to DMV that it is not. And owners cannot use lack of a key as evidence that the vehicle is not in good working condition.

***Municipal Removal of Abandoned Vehicle.*** Existing law sets certain circumstances under which the title to an abandoned vehicle immediately vests in the municipality where it was discovered, including if the vehicle's market value is less than \$500. The bill requires retail market value be used to make this determination.

### ***Notice and Process for Disposal***

Existing law requires garage owners to send notices to vehicle owners and lienholders at specified times and outlines the steps they must

follow to sell or otherwise dispose of a vehicle. Under existing law, if a vehicle remains unclaimed 48 hours after the tow, the towing company, or the appropriate state or municipal agency in the case of police- or traffic-authority ordered tows, must send a notice of tow to the owner and all lien holders on record.

The table below compares the process under current law and the bill; additional information on some provisions is provided below.

**Table: Vehicle Disposal Process, Current Law vs. Bill**

<b><i>Procedural Step</i></b>	<b><i>Current Law</i></b>	<b><i>Bill</i></b>
Initiating process to sell stored vehicle (at least 15 days or 45 days after a tow, as applicable)	<p>Garage owner may initiate process to sell vehicle by sending “notice of intent to sell” to the owner and lienholder and provide a copy to DMV.</p> <p>Notice must specify the vehicle’s identifying information; the time, date, and place of its sale; and that any proceeds that exceed the garage’s charges will be available to claim for one year after the sale date.</p>	<p>Notice must include additional specified information on vehicle value and the vehicle disposal process (see below).</p> <p>Garage owners must include a copy of the towing bill of rights with the notice they provide to the vehicle’s owner and lienholder.</p> <p>Garage owners must also provide any other information DMV requires, such as photographs of the stored vehicle.</p>
DMV approval of the sale	<p>DMV must approve the notice of intent to sell and, if approved, issue the garage owner an affidavit of compliance.</p> <p>DMV must send an affidavit of compliance to the garage owner after approving the sale.</p>	<p>DMV may send a copy of the notice of intent to sell electronically to the vehicle’s owner or lienholder.</p> <p>DMV must check for active consumer complaints from the vehicle owner before approving a sale and may not approve a sale or issue an affidavit of compliance if a related complaint is unresolved.</p>

<b><i>Procedural Step</i></b>	<b><i>Current Law</i></b>	<b><i>Bill</i></b>
After receiving DMV approval to sell	<p>Garage owner may sell vehicle, as long as five days have passed since notifying the owner of the intent to sell.</p> <p>For vehicles valued at \$1,500 or less, the manner of sale is unspecified. Vehicles valued above that amount must be sold at public auction.</p>	<p>Garage owner must (1) send notice to the vehicle owner and lienholder of the date, time, and place of sale and (2) advertise the sale in a commercially reasonable manner (as described below).</p> <p>Vehicles must be sold at public auction regardless of value.</p> <p>Five days after this notice, the garage owner may sell the vehicle as long as at least 30 or 60 days, as applicable, have passed.</p>
After selling	<p>Within 15 days after selling, garage owner must report the sale to DMV with the buyer's name and address, the sales price, and the amount of storing, towing, and repair charges. Garage owner must hold any proceeds above what it is owed for towing charges at its place of business for a year to be claimed by the owner. If the owner does not claim them, they escheat to the state.</p>	<p>In addition to reporting the sale to DMV, the bill generally requires the garage owner to (1) mail any proceeds that exceed its charges to the vehicle owner (as described below) and (2) notify DMV that it did so.</p> <p>Proceeds unclaimed one year after the sale date continue to escheat to the state.</p>

### ***Notice of Intent to Sell***

The bill requires the notice of intent to sell to also include, in addition to the information required under current law, (1) the vehicle's retail market value, as determined by the garage; (2) that the vehicle will be sold at public auction if it is not claimed in time and may still be claimed up until the point the vehicle is sold; and (3) that additional proceeds will be mailed after the sale. The bill eliminates the requirement that this notice provide the time, date, and place of the sale, but requires a new notice with this information later in the process (see below).

The bill also explicitly subjects notices of intent to sell that are filed with the commissioner to disclosure under the Freedom of Information Act.

***Method of Sale***

The bill requires all unclaimed vehicles, rather than just those valued at more than \$1,500, to be sold through public auction for cash at the garage owner's place of business.

Under current law, a garage owner can set a minimum bid equal to the accumulated total of charges and obligations with respect to the tow and may sell or dispose of the vehicle if he or she does not receive this minimum. The bill retains the authorization to set a minimum bid but eliminates the provision allowing a garage owner to sell or dispose of the vehicle if the bid is not received. It is unclear, under the bill, what a garage owner may do after the auction if the bid is not received.

Garage owners must advertise the vehicle sale in a commercially reasonable manner. The bill deems an advertisement commercially reasonable if (1) at least three bids are received at the auction and (2) the successful bid equals the retail market value in the NADA guide.

***Distribution of Proceeds***

By law, garage owners must report the vehicle's sales price; storing, towing, and repair charges, if any; and other information on the vehicle and the buyer to DMV within 15 days after the sale.

Under current law, the garage owner must hold any sale proceeds that remain after subtracting the amount due to the garage owner and all the expenses related to the sale and give the proceeds to the vehicle's owner or representative if claimed within one year from the sale.

The bill instead requires the garage owner to mail these proceeds, through certified mail, return receipt requested, to the vehicle owner within the 15-day timeframe, unless the (1) owner or his or her legal representative claimed them in-person or (2) known lienholder provided evidence of an entitlement to the proceeds. If the garage owner had previously received notice from the post office that any prior notices were undeliverable, the garage owner must confirm the vehicle owner's address with DMV before sending the proceeds. Under the bill, the garage owner must give DMV notice that the proceeds were mailed in



the form and manner the commissioner determines.

Under the bill, as under existing law, if the vehicle sale proceeds are not claimed by an owner or a lienholder after one year from the sale date, the proceeds escheat to the state. The bill specifies that they escheat to the state as unclaimed property, and the garage owner is subject to applicable state law on escheats, including all obligations applicable to unclaimed property holders. Within 10 days after filing any required report and escheating any funds to the state, the garage owner must give evidence to the DMV commissioner that the report has been submitted and the funds have escheated.

### ***Penalties***

The bill generally deems violations of the vehicle disposal laws an unfair trade practice under CUTPA, except that selling a vehicle before the 30- or 60-day holding period, as applicable based on vehicle value, is a class B misdemeanor.

### **§§ 1, 15 & 16 — BOOTING ON PRIVATE PROPERTY**

Existing law generally prohibits private property owners and lessees from issuing parking citations to or imposing monetary sanctions on vehicles parked on their property, but it allows them to render unauthorized vehicles immovable with a wheel locking device (i.e. “boot”). The bill instead bans private property owners from booting vehicles on their property. As is the case under current law for the parking ticket prohibition, private higher education institutions or secondary schools are exempt from the ban on booting.

### **§§ 17-19 — RECORD RETENTION AND CIVIL PENALTIES**

Existing law requires towing companies to store various records pertaining to their business and the vehicles they tow. The bill extends, from two to three years, the period of time towing companies must retain required records and make them available for inspection by law enforcement or DMV.

The bill also increases, from \$1,000 to \$5,000, the maximum civil penalty that the DMV commissioner may impose on licensed dealers

and repairers for violating the dealer and repairer laws. By law, towing companies must hold a dealer's or repairer's license to be able to operate.

## **BACKGROUND**

### ***Infractions***

Infractions are punishable by fines, usually set by Superior Court judges, of between \$35 and \$90, plus a \$20 or \$35 surcharge and an additional fee based on the fine's amount. There may also be other applicable charges depending on the type of infraction. For example, certain motor vehicle infractions trigger a Special Transportation Fund surcharge of 50% of the fine. An infraction is not a crime and violators can generally pay the fine by mail without making a court appearance.

### ***Connecticut Unfair Trade Practices Act (CUTPA)***

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the DCP commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$10,000, impose civil penalties of up to \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to \$5,000 for willful violations and up to \$25,000 for a restraining order violation.

### ***Exceptional Services: Modzelewski's Towing & Storage, Inc. v. DMV Commissioner***

In 2024, the Appellate Court considered a DMV hearing officer's decision to impose civil penalties on a towing company and order restitution for certain violations, including improperly charging for exceptional services by including an equipment charge. The court held that the regulations only permit charging for exceptional services according to the approved hourly labor charge, and there is no support in existing DMV regulations for a towing company to include an equipment charge in its rate for exceptional services. In September 2024,

the Connecticut Supreme Court granted the towing company's petition for certification (*Modzelewski's Towing & Storage, Inc. v. DMV Commissioner*, 225 Conn. App. 386 (2024), *cert. granted*, 349 Conn. 921 (2024)).

***DMV Commissioner's Discretion in Rate Setting: Towing & Recovery Professionals of Connecticut, Inc. v. Department of Motor Vehicles***

In 2018, DMV increased base towing rates and storage fees, generally reflecting the rise in the consumer price index (CPI) since the last increase in 2007. In determining the increases, the hearing officer considered evidence from the towing industry on vehicle costs, real estate taxes, and workers' compensation, among other things, but decided to give more weight to factors listed in statute (namely, the CPI).

In response to DMV's 2018 decision, the Towing & Recovery Professionals of Connecticut filed an administrative appeal challenging the commissioner's consideration of statutory and regulatory factors and its weighing of evidence. When the appeal reached the Appellate Court, it held that, given the inclusion of the word "may," both the statute and regulation give the commissioner discretion to consider and weigh the factors that he sees fit (*Towing and Recovery Professionals of Connecticut, Inc. v. Department of Motor Vehicles*, 205 Conn. App. 368 (2021), *cert. denied*, 338 Conn. 910 (2021)).

***Related Bill***

sSB 1449, favorably reported by the Transportation Committee, changes how medium- and heavy-duty towing rates are set, establishes a Medium- and Heavy-Duty Towing Council, sets temporary rates for medium- and heavy-duty towing, and makes substantially similar changes regarding the complaint process.

**COMMENT**

***Internal Conflict Regarding Towed Vehicle Storage Site***

The bill requires towing companies to store motor vehicles subject to nonconsensual towing in a secure lot at their place of business (§ 9).

However, a separate provision requires them to store a towed vehicle at the storage facility closest to the property from which it was towed if their secure lot is outside of a 10-mile radius from the property (§ 8). The bill does not define storage facility.

**COMMITTEE ACTION**

Transportation Committee

Joint Favorable Substitute

Yea 22 Nay 12 (03/19/2025)