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H.268

Introduced by Representative Rachelson of Burlington

Referred to Committee on

Date:

Subject: Motor vehicles; involuntary towing and storage; consumer protection

Statement of purpose of bill as introduced: This bill proposes to establish
certain consumer protections related to the towing and storage of vehicles.

An act relating to consumer protections related to the towing and storage of
vehicles

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 23 V.S.A. chapter 42 is added to read:

CHAPTER 42. TOWING OF MOTOR VEHICLES

§ 4251. SHORT TITLE

This chapter may be cited as the “Vermont Consumer Protection Towing
Act.”

§ 4252. PURPOSE

The purpose of the Vermont Consumer Protection Towing Act is to
establish minimum standards for towing and storage services and to promote
fair and honest practices in the towing industry.

1 § 4253. DEFINITIONS

2 As used in this chapter:

3 (1) “Automobile club” means a legal entity that, in consideration of
4 dues, assessments, or periodic payments of money, promises its members or
5 subscribers to assist them in matters relating to motor travel or the operation,
6 use, or maintenance of a motor vehicle, including auto dealers and insurance
7 companies, by supplying services, which may include towing service,
8 emergency road service, and indemnification service.

9 (2) “Dealer” has the same meaning as in subdivision 4(8) of this title.

10 (3) “Drop fee” means a charge offered instead of a standard tow fee that
11 allows an owner or operator who arrives on scene prior to a vehicle being
12 towed to stop a tow that is in process.

13 (4) “Emergency towing” means the towing of a vehicle due to a motor
14 vehicle crash, mechanical breakdown on a public highway, or other
15 emergency-related incident necessitating vehicle removal for public safety
16 with or without the owner’s or operator’s consent.

17 (5) “Government agency towing” means the towing of government-
18 owned or government-controlled vehicles by the government agency that owns
19 or controls them.

20 (6) “Owner” means the person to whom a vehicle is registered or to
21 whom it is leased, if the terms of the lease require the lessee to maintain and

1 repair the vehicle. For the purposes of this chapter, a rental vehicle company is
2 the owner of a vehicle rented pursuant to a rental agreement.

3 (7) "Private property towing" means the towing of a vehicle, without the
4 owner's or operator's consent, from private property where it was illegally
5 parked, or for which some exigent circumstance necessitated its removal, to a
6 nearby location.

7 (8) "Rental vehicle company" means any person, including a franchisee,
8 in the business of renting vehicles to the public.

9 (9) "Seizure towing" means the taking of a vehicle for law enforcement
10 purposes, such as the maintenance of the chain of custody of evidence,
11 forfeiture of assets, or unpaid parking tickets.

12 (10) "Storage services" means storing a towed vehicle at a towing-
13 storage lot.

14 (11) "Tow truck" means a motor vehicle equipped to tow or pick up
15 vehicles, including damaged or disabled vehicles.

16 (12) "Towing company" means any corporation, association, sole-
17 proprietorship, co-partnership, company, firm, or other aggregation of
18 individuals that exists to provide towing or storage services. A towing
19 company does not include an automobile club, dealer, or insurance company.

20 (13) "Towing or storage services" means towing services or storage
21 services, or both.

1 (14) “Towing services” means towing or otherwise moving vehicles by
2 means of a tow truck.

3 (15) “Towing-storage lot” means a property used to store vehicles that
4 have been towed.

5 § 4254. APPLICABILITY; RULEMAKING; COMPLAINTS

6 (a) Applicability.

7 (1) This chapter shall apply to any person engaging in, or offering to
8 engage in, the business of providing towing or storage services in Vermont.

9 This chapter shall not apply to vehicles towed into Vermont or towed through
10 Vermont, provided that the tow originates in another jurisdiction.

11 (2) Notwithstanding subdivision (1) of this subsection, this chapter shall
12 not apply to towing and storage services by an automobile club, dealer, or
13 insurance company or the towing of an abandoned motor vehicle as defined in
14 section 2151 of this title.

15 (b) Regulatory authority. This chapter confers exclusive regulatory
16 jurisdiction over towing companies and the provision of towing and storage
17 services to the Department of Motor Vehicles.

18 (c) Rulemaking. The Department shall adopt rules pursuant to 3 V.S.A.
19 chapter 25 for the administration of this chapter, including the assessment of
20 administrative penalties in addition to those penalties allowed under section
21 4266 of this chapter.

1 (d) Complaints. The Department shall establish a complaint mechanism
2 for consumers and insurers.

3 § 4255. EMERGENCY TOWING

4 (a) Prohibitions. It is a misdemeanor for a towing company to stop or
5 cause an individual to stop at the scene of a crash or near a disabled vehicle for
6 the purpose of soliciting an engagement for emergency towing services, either
7 directly or indirectly, or, unless requested to perform the services by a law
8 enforcement officer or public agency pursuant to that agency's procedures or
9 unless summoned to the scene or requested to stop by the owner or operator of
10 a disabled vehicle, to provide towing emergency towing services, to move a
11 vehicle from a highway when there is an injury as the result of a crash, or to
12 accrue charges for services provided under those circumstances.

13 (b) Selection of towing company.

14 (1) The owner or operator of the vehicle being towed shall summon to
15 the scene the towing company of the owner's or operator's choice in
16 consultation with law enforcement or authorized municipal personnel and
17 designate the location where the vehicle is to be towed.

18 (2) The provisions of subdivision (1) of this subsection shall not apply
19 when the owner or operator is incapacitated, otherwise unable to summon a
20 tow company, or defers to law enforcement or authorized municipal personnel.

1 (3) The authority provided to the owner or operator in subdivision (1) of
2 this subsection may be superseded by the law enforcement officer or
3 authorized municipal personnel if the towing company of choice cannot
4 respond to the scene in a timely fashion and the vehicle is a hazard, impedes
5 the flow of traffic, or may not legally remain in its location in the opinion of
6 the law enforcement officer or authorized municipal personnel.

7 (c) Record of caller.

8 (1) If a towing company is summoned for an emergency tow by the
9 owner or operator of a disabled vehicle, the towing company shall record the
10 first name, last name, and telephone number of the individual who summoned
11 it to the scene and the make, model, year, color, vehicle identification number
12 (VIN), and license plate number of the towed vehicle.

13 (2) If a towing company is summoned for an emergency tow by a law
14 enforcement officer or designee of a public safety agency with jurisdiction, the
15 towing company shall record the identity of the law enforcement officer or
16 designee of a public safety agency with jurisdiction and the log number, call
17 number, incident number, or dispatch number assigned to the incident as
18 applicable.

19 (d) Visual documentation. Prior to towing a vehicle under this section, a
20 towing company shall take photographs, video, or other visual documentation
21 to evidence the location of the vehicle and any damages.

1 (e) Record retention and production.

2 (1) The towing company shall maintain a record of the information
3 described in subsections (c) and (d) of this section and shall retain that
4 information for three years.

5 (2) The towing company shall make the records required to be
6 maintained under subdivision (1) of this subsection available within 48 hours
7 after receipt of a written request from law enforcement or the Department of
8 Motor Vehicles.

9 (f) Storage. The towing company shall properly secure all towed vehicles
10 and make all reasonable efforts to prevent further damage, weather damage, or
11 theft to all towed vehicles, including the vehicle's cargo and contents.

12 § 4256. PRIVATE PROPERTY TOWING REQUIREMENTS

13 (a) Establishment of a private tow-away zone. The owner of private
14 property may establish a private tow-away zone by posting a sign that is at
15 least 18 inches by 24 inches in size and includes a statement that the property
16 is a tow-away zone, a description of persons authorized to park on the
17 property, and the address and telephone number for where towed vehicles are
18 stored.

19 (b) Prohibition and record of caller. A towing company shall not tow a
20 vehicle under this section unless it receives a request for a tow. The towing
21 company shall record the date, time, and name of the requestor.

1 (c) Visual documentation. Prior to towing a vehicle under this section, a
2 towing company shall take photographs, video, or other visual documentation
3 to evidence that the vehicle is clearly parked on private property in violation of
4 a private tow-away zone. The towing company shall record the time and date
5 of the photographs, video, or other visual documentation.

6 (d) Record retention and production.

7 (1) The towing company shall maintain a record of the information
8 described in subsections (b) and (c) of this section and shall retain that
9 information for three years.

10 (2) The towing company shall make the records required to be
11 maintained under subdivision (1) of this subsection available within 48 hours
12 after receipt of a written request from law enforcement or the Department of
13 Motor Vehicles.

14 (e) Location and storage.

15 (1) A towing company shall ensure that a vehicle towed under this
16 section is taken to a location that is within 25 miles of the location of the
17 private tow-away zone.

18 (2) The towing company shall properly secure all towed vehicles and
19 make all reasonable efforts to prevent further damage, weather damage, or
20 theft to all towed vehicles, including the vehicle's cargo and contents.

1 (f) Release of vehicle prior to towing. If the owner or operator of a vehicle
2 is parked in violation of a private tow-away zone and arrives while the vehicle
3 is being removed, the towing company shall give the vehicle owner or operator
4 oral or written notification that the vehicle owner or operator may pay a drop
5 fee for the release of the vehicle. Upon payment of that fee, the towing
6 company shall release the vehicle and give the vehicle owner or operator a
7 receipt showing both the full amount normally assessed and the actual amount
8 received.

9 (g) Notice. The towing company shall provide notice of the tow to law
10 enforcement within two hours after removing the vehicle from the private tow-
11 away zone.

12 § 4257. SEIZURE TOWING

13 (a) Location and storage.

14 (1) A towing company shall ensure that a vehicle towed under this
15 section is taken to a location that is within 25 miles of the location where the
16 vehicle is towed from.

17 (2) The towing company shall properly secure all towed vehicles and
18 make all reasonable efforts to prevent further damage, weather damage, or
19 theft to all towed vehicles, including the vehicle's cargo and contents.

20 (b) Release of vehicle prior to towing. If the owner or operator of a vehicle
21 that is being towed because of unpaid parking tickets arrives while the vehicle

1 is being towed, the towing company shall give the vehicle owner or operator
2 oral or written notification that the vehicle owner or operator may pay a drop
3 fee for the release of the vehicle. Upon payment of that fee, the towing
4 company shall release the vehicle and give the vehicle owner or operator a
5 receipt showing both the full amount normally assessed and the actual amount
6 received.

7 § 4258. ESTIMATE REQUIREMENTS

8 (a) Estimate required. If the owner or operator of a vehicle is present at the
9 time and location of a tow, the towing company shall furnish the owner or
10 operator of the vehicle with a written itemized estimate of all charges and
11 services to be performed.

12 (b) Estimate contents. The estimate required under subsection (a) of this
13 section shall include all of the following:

14 (1) the name, address, telephone number, and motor carrier permit
15 number of the towing company;

16 (2) the license plate number of the tow truck performing the tow; and

17 (3) an itemized description and cost for all services, including charges
18 for labor, special equipment, mileage from dispatch to return, and storage fees
19 expressed as a daily rate.

20 (c) Signature required.

1 (1) The towing company shall obtain the vehicle owner's or operator's
2 written or electronic signature on the itemized estimate and shall furnish a
3 copy to the individual who signs the estimate.

4 (2) The requirements in subdivision (1) of this subsection may be
5 completed after the vehicle is attached and removed to the nearest safe
6 shoulder or highway if done at the request of law enforcement or a public
7 agency, provided the estimate is furnished prior to the removal of the vehicle
8 from the nearest safe shoulder or highway.

9 (d) Record retention and production.

10 (1) The towing company shall maintain the records required under
11 subsection (a) of this section and shall retain that information for three years.

12 (2) The towing company shall make the records required to be
13 maintained under subdivision (1) of this subsection available within 48 hours
14 after receipt of a written request from law enforcement or the Department of
15 Motor Vehicles.

16 § 4259. INVOICE REQUIREMENTS

17 (a) Invoice required. All services rendered by a towing company,
18 including any warranty or zero-cost services, shall be recorded on an invoice.
19 Each additional service must be set forth individually as a single line item with
20 an explanation and the exact charge for the service.

1 (b) Invoice contents. Each itemized invoice for towing costs shall contain
2 the following:

3 (1) the location from which the vehicle was towed;

4 (2) the storage location of the vehicle;

5 (3) the name, address, and telephone number of the towing company;

6 (4) a description of the vehicle, including the make, model, year, color,
7 vehicle identification number (VIN), and license plate number of the towed
8 vehicle;

9 (5) the charge for the tow; and

10 (6) the daily storage charge and the number of days the vehicle was
11 stored.

12 (c) Record retention and production.

13 (1) The towing company shall maintain the records required under
14 subsection (a) of this section and shall retain that information for three years.

15 (2) The towing company shall make the records required to be
16 maintained under subdivision (1) of this subsection available within 48 hours
17 after receipt of a written request from law enforcement or the Department of
18 Motor Vehicles.

19 § 4260. NOTICE REQUIREMENTS

20 (a) Notice required. Within 24 hours after the commencement of towing,
21 the towing company must commence a search of the records of the Department

1 of Motor Vehicles to ascertain the identity of the owner and any lienholder of
2 the towed vehicle. Written notice shall be given directly to the owner by
3 registered mail within five business days after the commencement of towing,
4 and no storage charges beyond the initial 24-hour charge shall accrue until the
5 notice requirement has been met.

6 (b) Notice contents. Notice to the owner or insurer shall contain the
7 following:

8 (1) the name, address, and telephone number of the towing company;

9 (2) the date and time the vehicle was towed;

10 (3) the location from which the vehicle was towed;

11 (4) the address where the vehicle is or will be stored and the address and
12 telephone number where payment and business transactions take place if either
13 is different from the address and telephone number of the towing company;

14 (5) the name of the tow truck operator; and

15 (6) a description of the vehicle, including the make, model, year, color,
16 vehicle identification number (VIN), and license plate number of the towed
17 vehicle.

18 § 4261. LICENSE REQUIREMENTS; INSURANCE; DISPLAY

19 (a) Application.

20 (1) The Department of Motor Vehicles shall approve an application for a
21 towing company license or renewal and issue or renew the license, provided

1 the applicant submits an approvable application on a form prescribed by the
2 Department of Motor Vehicles and pays a \$50.00 application fee.

3 (2) An application shall include:

4 (A) the applicant's workers' compensation coverage;

5 (B) a certification that the applicant is current and in good standing
6 with the Department of Labor's Unemployment Insurance Program;

7 (C) the financial responsibility of an applicant relating to liability
8 insurance or bond requirements;

9 (D) the applicant's standard hours of operation;

10 (E) the applicant's after-hours access policy;

11 (F) the applicant's business address and contact information;

12 (G) the applicant's towing and storage charges; and

13 (H) any other information the Department of Motor Vehicles may
14 require.

15 (3) The applicant must not have been convicted of fraud or had a civil
16 judgment rendered against it for fraud. In addition, each officer, director, or
17 partner of an applicant that is a corporation or partnership must not have been
18 convicted of fraud or had a civil judgment rendered against the individual for
19 fraud during the officer's, director's, or partner's tenure.

1 (b) Insurance.

2 (1) The applicant must provide proof of minimum insurance
3 requirements of the following or a sufficient surety bond as determined by the
4 Commissioner of Motor Vehicles:

5 (A) \$100,000.00 for liability for bodily injury or property damage per
6 occurrence; and

7 (B) \$50,000.00 of legal liability per occurrence, to protect against
8 vehicle damage, including fire and theft, from the time a vehicle comes into the
9 custody of a towing company until it is redeemed or sold.

10 (2) Cancellation of or failure to maintain the insurance required by
11 subdivision (1) of this subsection automatically revokes the applicant's license.

12 (c) Display. A towing company granted a license or renewal under this
13 section shall prominently display the license, hours of operation, and charges
14 for towing and storage at the towing company's primary place of business and
15 website, if one is maintained.

16 (d) Licenses are nonassignable and nontransferable. Licenses shall be
17 nonassignable and nontransferable and shall be surrendered to the Department
18 of Motor Vehicles immediately upon the towing company ceasing to do
19 business as a towing company.

20 § 4262. MAXIMUM CHARGES

21 (a) A towing company shall not charge more than the following rates:

1 (1) \$130.00 per tow or \$4.50 per mile towed;

2 (2) \$30.00 per drop fee;

3 (3) \$35.00 per day of storage for any day that the towing company is
4 operating under its standard hours of operation; and

5 (4) \$35.00 for access to a towed vehicle for the recovery of personal
6 items outside the towing company's standard hours of operation.

7 (b) Notwithstanding subsection (a) of this section, charges for towing an
8 abandoned vehicle from public property shall be in accordance with section
9 2158 of this title and fees for towing or storing a vehicle pursuant to municipal
10 ordinance shall be as established by the municipality in accordance with
11 section 1753 of this title.

12 (c) No charge shall be made in excess of the estimated price without the
13 prior consent of the owner or operator of the vehicle.

14 § 4263. HOURS OF OPERATION

15 A towing-storage lot shall have, at a minimum, the following standard hours
16 of operation: 7:00 a.m.–6:00 p.m. Monday–Friday, exclusive of federal and
17 State holidays, and on at least one weekend day.

18 § 4264. RELEASE OF VEHICLE; METHODS OF PAYMENT

19 (a) A towing company shall release a towed vehicle to the owner or the
20 insurance company representative upon receipt of payment.

1 (b) A towing company shall only release a towed vehicle to the insurance
2 company representative if:

3 (1) the owner's insurance company representative presents proof that the
4 towed vehicle is insured with the company; or

5 (2) the owner of the towed vehicle approves release of the towed vehicle
6 to the insurance company representative.

7 (c) The owner of the towed vehicle or the owner of the towed vehicle's
8 insurance company representative shall have the right to inspect the vehicle
9 before accepting its return.

10 (d) A towing company shall accept, at a minimum, cash, an insurance
11 check, a credit card, a debit card, a certified check, or a money order.

12 § 4265. PROHIBITED ACTS

13 (a) It shall be unlawful for a towing company or an individual acting on
14 behalf of a towing company to:

15 (1) falsely represent, either expressly or by implication, that the towing
16 company represents or is approved by any private organization that provides
17 emergency road service for disabled motor vehicles;

18 (2) require an owner or operator of a motor vehicle involved in a crash
19 or breakdown to preauthorize one or more of the following: more than 24
20 hours of storage, tear down, or repair work as a condition to providing towing
21 services for the vehicle;

1 (3) charge more than one towing fee when the owner or operator of a
2 disabled vehicle requests transport of the vehicle to a repair facility owned or
3 operated by the towing company;

4 (4) operate a towing company or offer towing or storage services
5 without being a towing company licensed by the Department of Motor
6 Vehicles;

7 (5) charge more than the maximum fees as allowed under section 4262
8 of this chapter;

9 (6) submit false or fraudulent information to obtain a towing license; or

10 (7) violate any other provision of this chapter.

11 (b) Towing companies shall not tow disabled vehicles to a repair facility
12 unless the owner or operator of the disabled vehicle gives written consent
13 before removal of the disabled vehicle.

14 (c) No towing company shall refuse to release a vehicle to the owner or the
15 owner's insurer upon tender of full payment of an itemized invoice for all
16 lawful charges made in connection with the towing and storage of a vehicle.

17 (d) No towing company shall refuse, including prior to payment of fees and
18 release of a towed vehicle, the right of physical inspection of the towed vehicle
19 by the owner or the owner's insurer or the recovery of personal items left in the
20 vehicle during the towing company's standard hours of operation.

1 (e) No towing company shall charge storage for any day where release of
2 the towed vehicle or access to the towed vehicle by the owner or insurer is not
3 permitted by the towing company.

4 § 4266. PENALTIES AND ENFORCEMENT

5 (a) The Department of Motor Vehicles shall have authority for the
6 inspection of all locations operated by a towing company.

7 (b) The Department of Motor Vehicles shall investigate any suspected
8 violations and complaints that are filed with the Department and take all proper
9 and necessary remedial action.

10 (c) Any towing company that submits false or fraudulent information to
11 obtain a towing license shall have its license revoked.

12 Sec. 2. RULEMAKING

13 Unless extended by the Legislative Committee on Administrative Rules
14 pursuant to 3 V.S.A. § 843(c), the Department of Motor Vehicles shall adopt
15 rules required under 23 V.S.A. § 4254(c), as added by Sec. 1 of this act, not
16 later than June 1, 2026, to be effective July 1, 2026.

17 Sec. 3. EFFECTIVE DATE

18 This act shall take effect on July 1, 2025.