

1 H.768
2 Introduced by Representatives Rachelson of Burlington and Southworth of
3 Walden
4 Referred to Committee on
5 Date:
6 Subject: Motor vehicles; involuntary towing and storage; consumer protection;
7 unclaimed property
8 Statement of purpose of bill as introduced: This bill proposes to establish
9 certain consumer protections related to the towing and storage of vehicles and
10 to require the net proceeds from the sale of an abandoned vehicle to be
11 distributed to the vehicle owner through the State's unclaimed property system.

12 An act relating to consumer protections related to the towing and storage of
13 vehicles
14 It is hereby enacted by the General Assembly of the State of Vermont:
15 Sec. 1. 23 V.S.A. chapter 42 is added to read:
16 CHAPTER 42. TOWING OF MOTOR VEHICLES
17 § 4251. SHORT TITLE
18 This chapter may be cited as the "Vermont Consumer Protection Towing
19 Act."

1 § 4252. PURPOSE

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

5 § 4253. DEFINITIONS

6 As used in this chapter:

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

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

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

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

1 (5) “Government agency towing” means the towing of government-
2 owned or government-controlled vehicles by the government agency that owns
3 or controls them.

4 (6) “Heavy-duty vehicle” means a motor vehicle with a gross vehicle
5 weight rating of 26,001 pounds or more.

6 (7) “Light-duty vehicle” means a motor vehicle with a gross vehicle
7 weight rating of not more than 10,000 pounds.

8 (8) “Medium-duty vehicle” means a motor vehicle with a gross vehicle
9 weight rating of at least 10,001 pounds and not more than 26,000 pounds.

10 (9) “Owner” means the person to whom a vehicle is registered or to
11 whom it is leased, if the terms of the lease require the lessee to maintain and
12 repair the vehicle. For the purposes of this chapter, a rental vehicle company is
13 the owner of a vehicle rented pursuant to a rental agreement.

14 (10) “Private property towing” means the towing of a vehicle, without
15 the owner’s or operator’s consent, from private property where it was illegally
16 parked, or for which some exigent circumstance necessitated its removal, to a
17 nearby location.

18 (11) “Rental vehicle company” means any person, including a
19 franchisee, in the business of renting vehicles to the public.

1 (12) “Seizure towing” means the taking of a vehicle for law enforcement
2 purposes, such as the maintenance of the chain of custody of evidence,
3 forfeiture of assets, or unpaid parking tickets.

4 (13) “Storage services” means storing a towed vehicle at a towing-
5 storage lot.

6 (14) “Tow truck” means a motor vehicle equipped to tow or pick up
7 vehicles, including damaged or disabled vehicles.

8 (15) “Towing company” means any person, partnership, company, firm,
9 or aggregation of individuals that exists to provide towing or storage services.
10 A towing company does not include an automobile club, dealer, or insurance
11 company.

12 (16) “Towing or storage services” means towing services or storage
13 services, or both.

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

16 (18) “Towing-storage lot” means a property used to store vehicles that
17 have been towed.

18 § 4254. APPLICABILITY; RULEMAKING; COMPLAINTS

19 (a) Applicability.

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

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

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

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

10 (c) Rulemaking. The Department shall adopt rules pursuant to 3 V.S.A.
11 chapter 25 for the administration of this chapter, including the assessment of
12 administrative penalties in addition to those penalties allowed under section
13 4265 of this chapter.

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

16 § 4255. EMERGENCY TOWING

17 (a) Prohibitions. It is a misdemeanor for a towing company to stop or
18 cause an individual to stop at the scene of a crash or near a disabled vehicle for
19 the purpose of soliciting an engagement for emergency towing services, either
20 directly or indirectly, or, unless requested to perform the services by a law
21 enforcement officer or public agency pursuant to that agency's procedures or

1 unless summoned to the scene or requested to stop by the owner or operator of
2 a disabled vehicle, to provide towing or emergency towing services, to move a
3 vehicle from a highway when there is an injury as the result of a crash, or to
4 accrue charges for services provided under those circumstances.

5 (b) Selection of towing company.

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

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

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

19 (c) Record of caller.

20 (1) If a towing company is summoned for an emergency tow by the
21 owner or operator of a disabled vehicle, the towing company shall record the

1 first name, last name, and telephone number of the individual who summoned
2 it to the scene and the make, model, year, color, vehicle identification number
3 (VIN), and license plate number of the towed vehicle.

4 (2) If a towing company is summoned for an emergency tow by a law
5 enforcement officer or designee of a public safety agency with jurisdiction, the
6 towing company shall record the identity of the law enforcement officer or
7 designee of a public safety agency with jurisdiction and the log number, call
8 number, incident number, or dispatch number assigned to the incident as
9 applicable.

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

13 (e) Record retention and production.

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

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

1 (f) Storage. The towing company shall properly secure all towed vehicles
2 and make all reasonable efforts to prevent further damage, weather damage, or
3 theft to all towed vehicles, including the vehicles' cargo and contents.

4 § 4256. PRIVATE PROPERTY TOWING REQUIREMENTS

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

11 (b) Prohibition and record of caller. A towing company shall not tow a
12 vehicle under this section unless it receives a request for a tow. The towing
13 company shall record the date, time, and name of the requester.

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

1 (d) Record retention and production.

2 (1) The towing company shall maintain a record of the information
3 described in subsections (b) and (c) 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 (e) Location and storage.

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

13 (2) The towing company shall properly secure all towed vehicles and
14 make all reasonable efforts to prevent further damage, weather damage, or
15 theft to all towed vehicles, including the vehicles' cargo and contents.

16 (f) Release of vehicle prior to towing. If the owner or operator of a vehicle
17 is parked in violation of a private tow-away zone and arrives while the vehicle
18 is being removed, the towing company shall give the vehicle owner or operator
19 oral or written notification that the vehicle owner or operator may pay a drop
20 fee for the release of the vehicle. Upon payment of that fee, the towing
21 company shall release the vehicle and give the vehicle owner or operator a

1 receipt showing both the full amount normally assessed for towing the vehicle
2 and the actual amount received for the drop fee.

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

6 § 4257. SEIZURE TOWING

7 (a) Location and storage.

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

11 (2) The towing company shall properly secure all towed vehicles and
12 make all reasonable efforts to prevent further damage, weather damage, or
13 theft to all towed vehicles, including the vehicles' cargo and contents.

14 (b) Release of vehicle prior to towing. If the owner or operator of a vehicle
15 that is being towed because of unpaid parking tickets arrives while the vehicle
16 is being towed, the towing company shall give the vehicle owner or operator
17 oral or written notification that the vehicle owner or operator may pay a drop
18 fee for the release of the vehicle. Upon payment of that fee, the towing
19 company shall release the vehicle and give the vehicle owner or operator a
20 receipt showing both the full amount normally assessed for towing the vehicle
21 and the actual amount received for the drop fee.

1 § 4258. ESTIMATE REQUIREMENTS

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

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

8 (1) the name, address, telephone number, and motor carrier permit
9 number of the towing company;
10 (2) the license plate number of the tow truck performing the tow; and
11 (3) an itemized description and cost for all services, including charges
12 for labor, special equipment, mileage from dispatch to return, and storage fees
13 expressed as a daily rate.

14 (c) Signature required.

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

18 (2) The requirements in subdivision (1) of this subsection may be
19 completed after the vehicle is attached and removed to the nearest safe
20 shoulder or highway if done at the request of law enforcement or a public

1 agency, provided the estimate is furnished prior to the removal of the vehicle
2 from the nearest safe shoulder or highway.

3 (d) Record retention and production.

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

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

10 § 4259. INVOICE REQUIREMENTS

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

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

17 (1) the location from which the vehicle was towed;
18 (2) the storage location of the vehicle;
19 (3) the name, address, and telephone number of the towing company;

1 (4) a description of the vehicle, including the make, model, year, color,
2 vehicle identification number (VIN), and license plate number of the towed
3 vehicle;

4 (5) the charge for the tow; and

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

7 (c) Record retention and production.

8 (1) The towing company shall maintain the records required under
9 subsection (a) of this section and shall retain that 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 § 4260. NOTICE REQUIREMENTS

15 (a) Notice required. Within 24 hours after the commencement of towing,
16 the towing company must commence a search of the records of the Department
17 of Motor Vehicles to ascertain the identity of the owner and any lienholder of
18 the towed vehicle. Written notice shall be given directly to the owner by
19 registered mail within five business days after the commencement of towing,
20 and no storage charges beyond the initial 24-hour charge shall accrue until the
21 notice requirement has been met.

1 **(b) Notice contents.** Notice to the owner or insurer shall contain the
2 **following:**

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

4 **(2) the date and time the vehicle was towed;**

5 **(3) the location from which the vehicle was towed;**

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

9 **(5) the name of the tow truck operator; and**

10 **(6) a description of the vehicle, including the make, model, year, color,**
11 **vehicle identification number (VIN), and license plate number of the towed**
12 **vehicle.**

13 **§ 4261. MAXIMUM CHARGES**

14 **(a) A towing company shall not charge more than the following for towing**
15 **a motor vehicle:**

16 **(1) \$125.00 for a light-duty vehicle;**

17 **(2) \$275.00 for a medium-duty vehicle; and**

18 **(3) \$400.00 per hour for towing a heavy-duty vehicle.**

19 **(b) The drop fee charged by a towing company shall not exceed the**
20 **following amounts:**

1 § 4262. HOURS OF OPERATION

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

5 § 4263. RELEASE OF VEHICLE; METHODS OF PAYMENT

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

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

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

12 (2) the owner of the towed vehicle approves release of the towed vehicle
13 to the insurance company representative.

14 (c) The owner of the towed vehicle or insurance company representative of
15 the owner of the towed vehicle shall have the right to inspect the vehicle before
16 accepting its return.

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

19 § 4264. PROHIBITED ACTS

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

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

4 (2) require an owner or operator of a motor vehicle involved in a crash
5 or breakdown to preauthorize one or more of the following: more than 24
6 hours of storage, teardown, or repair work as a condition to providing towing
7 services for the vehicle;

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

11 (4) charge more than the maximum fees as allowed under section 4261
12 of this chapter; or

13 (5) violate any other provision of this chapter.

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

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

20 (d) No towing company shall refuse, during the towing company's standard
21 hours of operation, including prior to payment of fees and release of a towed

1 vehicle, the right of physical inspection of the towed vehicle by the owner or
2 the owner's insurer or the recovery of personal items left in the vehicle.

3 (e) No towing company shall charge storage fees for any day on which
4 release of the towed vehicle or access to the towed vehicle by the owner or
5 insurer is not permitted by the towing company.

6 Sec. 2. 23 V.S.A. § 4265 is added to read:

7 § 4265. PENALTIES AND ENFORCEMENT

8 The Department of Motor Vehicles shall investigate any suspected
9 violations of this chapter and any complaints of alleged violations of this
10 chapter that are filed with the Department and shall take all proper and
11 necessary remedial action to correct any violations.

12 Sec. 3. ENFORCEMENT OF VERMONT CONSUMER PROTECTION
13 TOWING ACT; REPORT

14 (a) The Commissioner of Motor Vehicles, in consultation with the Attorney
15 General, shall develop a proposed framework for enforcement of the Vermont
16 Consumer Protection Towing Act, 23 V.S.A. chapter 42.

17 (b) The proposed framework shall:
18 (1) identify any investigatory authority necessary to permit the
19 Department of Motor Vehicles to determine whether a violation of the Act has
20 occurred;

1 (2) provide proposed monetary penalty amounts and a process for
2 collecting any penalties imposed; and
3 (3) identify any additional authority that may be necessary to enforce the
4 provisions of the Act.

5 (b) The Commissioner shall, on or before December 15, 2026, submit a
6 written report to the House and Senate Committees on Judiciary and on
7 Transportation that outlines the proposed framework and identifies any
8 legislative action necessary to implement it.

9 Sec. 4. 23 V.S.A. § 2155 is amended to read:

10 § 2155. FEES AND CHARGES

11 (a) Towing fees. For towing an abandoned motor vehicle from private
12 property, a towing service may charge a reasonable fee to be paid by the
13 vehicle owner or the landowner of the private property.

14 (b) Storage charges. In addition to any towing fee, an owner or lienholder
15 reclaiming an abandoned motor vehicle may be charged and shall pay a fee for
16 the costs of storage of the vehicle, except that no fee ~~may~~ shall be charged for
17 storage for any period preceding the date upon which the form for abandoned
18 motor vehicle certification is sent to the Department.

19 (c) Maximum fees and charges. The fees and other amounts charged
20 pursuant to subsections (a) and (b) of this section shall not exceed the
21 applicable amounts permitted pursuant to section 4261 of this title.

1 Sec. 5. 23 V.S.A. § 2156 is amended to read:

2 § 2156. DISPOSAL OF ABANDONED MOTOR VEHICLES

3 (a) ~~If Except as otherwise provided pursuant to subsection (c) of this~~
4 ~~section, if the Commissioner issues the certificate of abandoned motor vehicle,~~
5 ~~title to the motor vehicle shall pass to the holder of the certificate of abandoned~~
6 ~~motor vehicle, free from all claims of the owner or prior holder of the motor~~
7 ~~vehicle, and of all persons claiming through or under the owner or prior holder.~~
8 The Commissioner shall issue an appropriate title or salvage title of the motor
9 vehicle at no charge.

10 * * *

11 (c)(1) A person who has taken title to a motor vehicle pursuant to the
12 provisions of this section shall only be entitled to the value of the motor
13 vehicle up to the amount of any charges for towing and storage that are due at
14 the time the certificate of abandoned motor vehicle is issued. Any value in
15 excess of the amount due shall be reported to and delivered into the custody of
16 the State Treasurer pursuant to the provisions of 27 V.S.A. chapter 18.

17 (2) The value in excess of the amount due shall be determined as
18 follows:

19 (A) If the person who has taken title to the motor vehicle pursuant to
20 this section sells the vehicle within 90 days after the certificate of abandoned
21 motor vehicle is issued, the amount due shall be subtracted from the amount

1 for which the vehicle is sold, and any remaining amount shall be reported to
2 and delivered into the custody of the State Treasurer.

3 (B) If the person who has taken title to the motor vehicle pursuant to
4 this section does not sell the vehicle within 90 days after the certificate of
5 abandoned motor vehicle is issued, the amount due shall be subtracted from the
6 approximate value of the motor vehicle pursuant to J.D. Power Values or any
7 comparable publication, and any remaining amount shall be reported to and
8 delivered into the custody of the State Treasurer.

9 Sec. 6. 23 V.S.A. § 2158 is amended to read:

10 § 2158. FEES FOR TOWING; PUBLIC PROPERTY; FUNDING

11 (a) A towing service may charge a fee ~~of up to \$125.00~~ for towing an
12 abandoned motor vehicle from public property under the provisions of sections
13 2151–2157 of this subchapter. This fee shall be paid to the towing service
14 upon the issuance by the Department of Motor Vehicles of a certificate of
15 abandoned motor ~~vehicles~~ vehicle under section 2156 of this title. The
16 Commissioner of Motor Vehicles shall notify the Commissioner of Finance
17 and Management who shall issue payment to the towing service for vehicles
18 removed from public property.

19 (b) The fee for towing charged pursuant to subsection (a) of this section
20 shall not exceed the following:

- 1 (1) \$125.00 for a light-duty vehicle;
- 2 (2) \$275.00 for a medium-duty vehicle; and
- 3 (3) \$400.00 per hour for towing a heavy-duty vehicle.

4 (c) As used in this section:

5 (1) “Heavy-duty vehicle” means a motor vehicle with a gross vehicle

6 weight rating of 26,001 pounds or more.

7 (2) “Light-duty vehicle” means a motor vehicle with a gross vehicle

8 weight rating of not more than 10,000 pounds.

9 (3) “Medium-duty vehicle” means a motor vehicle with a gross vehicle

10 weight rating of at least 10,001 pounds and not more than 26,000 pounds.

11 Sec. 7. RULEMAKING

12 (a) Unless extended by the Legislative Committee on Administrative Rules

13 pursuant to 3 V.S.A. § 843(c), the Department of Motor Vehicles shall adopt

14 rules required under 23 V.S.A. § 4254(c), as added by Sec. 1 of this act, on or

15 before June 1, 2027, to be effective July 1, 2027.

16 (b) The Commissioner of Motor Vehicles may adopt rules as necessary to

17 implement the provisions of Secs. 4 and 5 of this act.

18 Sec. 8. 27 V.S.A. § 1474 is added to read:

19 § 1474. WHEN A MOTOR VEHICLE IS PRESUMED ABANDONED

20 Subject to section 1469 of this title, a motor vehicle is presumed to be

21 abandoned when the Commissioner of Motor Vehicles issues a certificate of

1 abandoned motor vehicle for that vehicle pursuant to the provisions of 23

2 V.S.A. chapter 21, subchapter 7.

3 Sec. 9. EFFECTIVE DATES

4 (a) Sec. 2 (enforcement and penalties) shall take effect on January 1, 2028.

5 (b) This section and the remaining sections of this act shall take effect on

6 July 1, 2026.