



ARIZONA HOUSE OF REPRESENTATIVES

HB 2306: towing companies; insurance companies; owners

PRIME SPONSOR: Representative Campbell, LD 1

BILL STATUS: [Chaptered](#)

Legend:

ADOT – Arizona Department of Transportation

AG – Attorney General

Amendments – **BOLD** and ~~Stricken~~ (Committee)

Abstract

Relating to companies towing vehicles after accidents.

Provisions

1. Requires ADOT to develop and prescribe standard forms for requesting the release of a vehicle and releasing liability for the removal of property from a towed vehicle by January 1, 2019.
 - a. The standard vehicle release form must be used beginning January 1, 2019. (Sec. 1)
2. Instructs owners, insurance companies, towing companies and other persons requesting the release of a vehicle to present proof of ownership in addition to the standard vehicle release form, beginning January 1, 2019. (Sec. 1)
3. Directs a towing company to release a towed vehicle to the owner on the day the request for release is provided to the towing company, if conditions are met. (Sec. 1)
4. Allows the request for release to be emailed or delivered by other electronic means to the towing company. (Sec. 1)
5. Requires a towing company to:
 - a. Define a storage day from midnight of one day to midnight of the next day for billing purposes;
 - b. Provide the detailed billing statement by close of business if the request was made before noon on a business day;
 - c. Allow the payment of fees and charges to be made in the form of cash, credit card, debit card, insurance company-issued check or money order;
 - d. Make all fees and charges pursuant to the terms of the applicable contract between the company and the governmental jurisdiction in which the accident occurs; and
 - e. Be open to the public, or available by appointment, to provide current billing statements and release vehicles between 9:00 am and 5:00 pm Monday through Friday, excluding holidays.
 - i. A towing company may not accrue storage fees and charges for any day when the lot is closed contrary to this requirement. (Sec. 1)
6. Prohibits a towing company from:
 - a. Assessing storage fees until the day it provides the billing statement if it failed to provide the statement by the close of business on the day the statement was requested;
 - b. Imposing additional fees or charges between receiving the request for the release and providing the detailed written statement;
 - c. Charging more than the amount authorized by the contract or statute for a primary tow;
 - d. Refusing to release a vehicle after the owner or insurance company presents a request for release and pays the authorized fees and charges; and
 - e. Requiring payment for the removal of personal property that is inside the vehicle if the inspection and removal occurs during normal business hours. (Sec. 1)

Prop 105 (45 votes)

Prop 108 (40 votes)

Emergency (40 votes)

Fiscal Note

7. Authorizes the registered owner, insurance company or a person designated in writing by the owner, during normal business hours to:
 - a. Inspect the vehicle at the towing company's storage lot;
 - b. Report damage to the vehicle, allegedly caused by the towing company, to the towing company at the time of inspection; and
 - c. Remove personal property from the vehicle. (Sec. 1)
8. Permits the towing company to require the owner or insurance company to sign a release of liability for the removal of personal items from a vehicle. (Sec. 1)
9. Instructs a towing company to tow a vehicle to the closest storage lot designated in the applicable contract after an accident, unless:
 - a. the owner directs the company to a different location;
 - b. there is insufficient capacity in the closest storage lot; or
 - c. an on-scene officer directs it to be taken to another site. (Sec. 1)
10. Stipulates that all acts of employees or contractors of a towing company within the scope of employment are deemed to be acts of the towing company. (Sec. 1)
11. Classifies an act or practice in violation of this section as an unlawful practice and authorizes the AG to investigate and take appropriate action against the towing company, including any civil or criminal action, remedy and penalty provided by law. (Sec. 1)
12. Classifies failure to release a vehicle on receipt of the request for release and payment of authorized fees and charges as a petty offense for the first violation and a [Class 3 misdemeanor \(30 days/\\$500 plus surcharges for individuals, \\$2,000 plus surcharges for enterprises\)](#) for a subsequent violations within 3 years. (Sec. 1)
13. Stipulates that a lien does not exist in favor of a towing company or storage lot for unpaid towing or storage fees or charges that are incurred.
 - a. Asserts that this does not affect the applicability of statute relating to unclaimed vehicles. (Sec. 1)
14. Asserts that the provisions of a contract between a towing company and jurisdiction apply to towing and storage transactions, except as provided in this section. (Sec. 1)
15. Defines *contract* and *primary tow*. (Sec. 1)
16. Removes the definition of *owner*. (Sec. 1)
17. Makes technical and conforming changes. (Sec. 1)

Current Law

Unless otherwise directed by a law enforcement officer, a towing company is required to tow a vehicle from an accident to a location specified by the owner if the owner is present and able to indicate the preference, or to a vehicle storage yard designated in the contract if no preference is indicated.

A towing company is required to release a towed vehicle to a person designated in writing by an insurance company during normal business hours on the day the request for release is provided in writing to the towing company and payment for all reasonable towing, storage and related fees are paid. The company is also required to provide a detailed statement of all charges and fees at no cost.

A towing company may not charge additional storage fees if the insurance company provides the written request for release and removes the vehicle during normal business hours on the same day. However, additional storage charges may accrue until final payment is made and the vehicle is removed from the premises. A towing company may charge proration for partial days after a request for release and payment has been made ([A.R.S. § 28-4847](#)).