

January 31, 2024

The Honorable Jackie Glass and Members of the Subcommittee  
House Transportation Sub-Committee: Innovations (Ad Hoc)  
Virginia House of Delegates

Dear Chair Glass and Members of the Subcommittee:

Our organizations respectfully submit this letter in opposition to House Bill 421, an act relating to towing fees.

Automobile accidents remain a significant issue for policymakers across the country. According to the Centers for Disease Control and Prevention, road traffic crashes are the leading cause of death in the United States for people aged 1-54. Accidents often cause significant strain on victims. In addition to dealing with any serious injuries that may result, victims must often report to law enforcement and file insurance claims. Handling ongoing medical issues; managing follow-up appointments with either medical professionals, insurance carriers, or law enforcement agencies; and providing additional written material that may be required all pose significant burdens on victims as they deal with the after-effects of their misfortune.

This high-stress situation creates the perfect opportunity for unscrupulous towing companies to exploit accident victims. Most often, towing companies are called to the scene by law enforcement, while others take advantage of confusion at the accident scene or even after the fact by soliciting the victim and falsely claiming the tower was dispatched by an insurer or law enforcement agency. Our organizations have seen examples of towers charging accident victims exorbitant fees for a tow of only a few-miles – sometimes as high as \$10,000 for a single, routine tow. If the owner, or their insurer questions or contests the charges, the towing company will hold the vehicle hostage until the towing fee is paid, all the while racking up significant storage fees. Moreover, unscrupulous towers have been known to tack on vague fees such as “transfer,” “gate,” gasoline, or excessive administrative fees. Which means the vehicle owner has little leverage with a towing company they likely did not choose to do business with in the first place.

House Bill 421 aims to establish the Commonwealth Trespass Towing Rate-Setting Advisory Panel. While the Panel could bring much needed regulation and pricing transparency for trespass towing, our organizations are concerned with its structure as outlined in the bill. Foremost is the lack of representation from various stakeholders, including relevant industry and consumer groups. Stakeholders who are most impacted by fraudulent or dishonest towing practices should have a seat at the table to properly advise the Panel on its work. Consumer protection groups, for example, are particularly attuned to the impact of predatory towing on everyday customers who often face difficult decisions such as those described above. Additionally, insurers and companies with large

vehicle fleets have a depth of experience that would help guide the Panel in its deliberations and decisions. Without inclusion of such groups, we believe that the Panel's ultimate mission to balance the public's interests in providing quality services at reasonable prices in a safe and reliable manner is unfortunately doomed to fail, with consumers ultimately bearing the cost of inflated pricing in the form of premiums.

**Accordingly, our organizations respectfully request your opposition to House Bill 421.**

We thank you for considering our views as you deliberate the merits of this bill.

Respectfully submitted,

