

April 8, 2025 Meeting Materials DRAFT Rates & Fees Public Policy

The following draft is for discussion purposes only.

The following draft has not been adopted or reviewed by the Board Members as of the date of printing.

Public policies clarify the intent and meaning of Oregon's statutes and administrative rules AND identify best practices, professional standards, and expectations for members of the industry, the public, property owners and managers, stakeholders, and government entities.

Adoption of public policy does not modify, change, override or rewrite the laws. Changes to the law are made by the legislature. If a public policy contradicts a relevant statute or rule, the statute or rule will

The Board's authority to investigate complaints and vote for disciplinary actions is established in

While the Board has adopted a progressive discipline model for compliance actions the Board may, at its discretion, assess sanctions and civil penalties against a tower when the Board finds a tower's actions were reasonably deliberate, intentional and willful violations of the plain language of the law, or

expressly egregious and unethical which resulted in unacceptable risk or harm to a member of the public.

Oregon's law and is not restricted by the date of adoption of public policy.

prevail.

State Board of Towing Public Policy	Policy No.: PP-25-001 Supersedes:
OREGON	Reference: ORS 98.853, 98.854, 98.856, 98.858, 98.859, 98.862
Subject: Towing Rates & Fees	Effective Date:

Authority/Applicable Statute(s) or Administrative Rule(s):

ORS 98.850 Legislative findings and declaration

- (2) The Legislative Assembly declares that:
- (a) Statutes that assist members of the public in avoiding involuntary loss of use of motor vehicles and in expediting recovery of motor vehicles and the personal property in the motor vehicles promote the safety and welfare of members of the public.

ORS 822.265 Rulemaking authority

- (1) In accordance with applicable provisions of ORS chapter 183, the State Board of Towing may adopt rules:
- (a) Necessary for the administration of the laws that the board is charged with administering.
- (b) To implement ORS 98.853 (Conditions allowing towing) to 98.862 (Exceptions to requirements of ORS 98.856).

ORS 822.995 Civil penalties for violations related to towing

- (1) In addition to any other penalty provided by law, any person who violates any provision of ORS 98.853 (Conditions allowing towing), 98.854 (Prohibitions placed on tower), 98.856 (Tower responsibility of disclosure to owner or operator of vehicle), 98.858 (Right of owner or person in lawful possession of vehicle to redeem or inspect vehicle, contact tower and obtain property of emergency nature), 181A.350 (Eligibility of towing business to be placed on department list), 822.200 (Operating illegal towing business), 822.215 (Grounds for denial, suspension, revocation or refusal of certificate), 822.225 (Failure to remove injurious substance), 822.230 (City or county regulation of towing businesses), 822.235 (Recovery after theft) or 822.605 (False swearing relating to regulation of vehicle related businesses) or any rule adopted by the State Board of Towing is subject to payment of a civil penalty to the board.
- (2) The board may adopt rules establishing a schedule of civil penalties that may be imposed under this section. Civil penalties imposed under this section may not exceed \$25,000 for each violation.
- (3) Civil penalties under this section shall be imposed as provided in ORS 183.745 (Civil penalty procedures).
- (4) In imposing a penalty pursuant to the schedule adopted under subsection (2) of this section, the board shall consider the following factors:
- (a) The past history of the person incurring a penalty in taking all feasible steps or procedures necessary or appropriate to correct any violation.
- (b) Any prior violations by the person incurring the penalty of statutes, rules or orders pertaining to facilities.
- (c) The economic and financial conditions of the person incurring the penalty.
- (d) The immediacy and extent to which a violation threatens the public health or safety. [2021 c.578 §11]

<u>Purpose:</u>

The purpose of this Public Policy is to:

- (1) Provide interpretation and definition of the plain language of the statutes assigned to the Board to administer related to towing rates and fees.
- (2) Provide transparency in the guidelines used by the Board for reviewing complaints, identifying possible violations and compliance issues, and to determine appropriate board action.
- (3) Identify best practices and standards for the towing industry.

Board policy will be monitored and may be modified during the proposed administrative rules process.

Law enforcement and state and local governments may enact and enforce additional laws, rules, ordinances, or other regulations in compliance with the laws of the State of Oregon.

Board Interpretation:

ORS 98.853 Conditions allowing towing.

(3)

- (a) If the owner or operator of the motor vehicle is present at the time of the tow, the tower shall release the motor vehicle at no charge unless the hookup is complete. If the hookup is complete, the tower shall release the motor vehicle and may charge the owner or operator of the motor vehicle a fee that does not exceed the charge to hook up for that type of tow as listed in a written statement described in ORS 98.856 (Tower responsibility of disclosure to owner or operator of vehicle).
- (b) For purposes of this subsection, a hookup is complete if the motor vehicle to be towed has been loaded onto a tow vehicle, or if any part of the motor vehicle has been placed on or connected to an assembly that is part of a tow vehicle, such that the tow vehicle is capable of being in motion with the motor vehicle in tow.
- The Board finds the requirement under this statute clear as written.
- A tower shall immediately release a vehicle if the owner <u>or operator</u> of the vehicle arrives at the vehicle when:
 - o The tower has not initiated the hook up process OR
 - When the tower is in the process of hooking up the vehicle to be towed, but the vehicle is not secured to the towing vehicle so that the vehicle can be towed from the parking facility.
 - Charging an owner or operator a fee prior to complete hookup of a vehicle may be considered a violation of ORS 98.853 and subject for disciplinary action by the Board.
- A tower may charge <u>only</u> the applicable hook up fee when:
 - When the tower has fully secured the vehicle for the purposes of towing from the parking facility and
 - o Is tower is actively engaged in removing the vehicle from the property.

- Charging an owner or operator a fee more than a hook up fee to release the vehicle prior to the vehicle may be considered a violation of ORS 98.853 and subject for disciplinary action by the Board.
- The Board will further define "hookup as complete" as part of its proposed administrative rule process and as part of the Board's legislative review.
- Until further defined, the expectation of any tow conducted without the consent of the owner <u>or operator</u> of the vehicle is that the tow meets the plain language of ORS 98.853 (3) (b).
- A complete hook up for the purposes of ORS 98.853 (3) (b) is defined as: the
 impounded vehicle is secured to the towing vehicle in a manner that the tower has
 control of the vehicle, and the towing vehicle can <u>safely</u> tow the impounded
 vehicle from the parking facility without risk of damage to the vehicle or other
 property.
- The Board recognizes that the hook up requirement under ORS 98.853 (3) (b) may not meet the hook up requirement for a vehicle to be towed on public roadways.
- For the purposes of ORS 98.853 (3) "is present at the time of the tow" is interpreted to mean the presence of the owner or operator at the vehicle beginning from when the tow vehicle arrives at the scene until the impounded vehicle is removed from the parking facility address or the scene of the tow if towed from a public street or right of way.

ORS 98.854 Prohibitions placed on tower

A tower may not ...

- (5) Charge more than a price disclosed under ORS 98.856 (Tower responsibility of disclosure to owner or operator of vehicle) when towing a motor vehicle without the prior consent or authorization of the owner or operator of the motor vehicle.
- The Board finds the requirement under this statute clear as written.
- A tower cannot charge more than the price disclosed under the written statement required under ORS 98.856 when the vehicle is towed without the consent of the vehicle owner *or operator*.
- For purposes of Board review of disputed rates or fees:
 - If the tow is not authorized by law enforcement or a government agency, the disputed invoice will be audited and investigated by Board staff and reviewed by the Board for compliance.
 - o If the tow is authorized by law enforcement or a government agency, the disputed invoice will be forwarded to the authorizing agency for an audit.
 - While the Board may review the disputed invoices, the Board
 (a) will refer and defer to the authorizing agency for a final decision and
 (b) will not dispute the findings of the authorizing agency.

ORS 98.854 Prohibitions placed on tower

A tower may not ...

- (6) Charge more than an amount set under ORS 98.859 (Maximum rates for towing) when towing a motor vehicle without the prior consent or authorization of the owner or operator of the motor vehicle.
- (14) Charge for the hookup and release of a motor vehicle except as provided in ORS 98.853 (Conditions allowing towing).
- The Board finds the requirement under this statute clear as written.
- The Board is not proposing statewide maximum rates for towing under this public policy. Statewide rate setting will require changes in statute.
- Consumer complaints forwarded to the Board by DOJ will be forwarded to the appropriate agency when maximum rates for towing are established in the jurisdiction.
- If no maximum rates established, the Board may review the disputed invoices against the tower's written statement of fees and costs required under ORS 98.856 and consider:
 - The towing or recovery services rendered
 - o Reasonable and customary costs for the services rendered, and
 - o Transparency of invoicing.
- The maximum rates established by a local authority are applicable to the towing circumstances and jurisdiction of that authority, only.
- Rates established by one jurisdiction or towing program are not intended and should not be construed as being applicable to another jurisdiction or towing program.

ORS 98.856 Tower responsibility of disclosure to owner or operator of vehicle

- (1) A tower shall disclose to the owner or operator of a motor vehicle in a conspicuous written statement of at least 10-point boldfaced type:
- (a) The prices the tower charges for all the goods and services that the tower offers;
- (b) The location where the tower will:
- (A) Store the motor vehicle and personal property in the motor vehicle; or
- (B) Tow the motor vehicle, if the tower is towing the motor vehicle to a location other than a location under the control of the tower;
- (c) The telephone number and any other means of contacting the tower, and the hours of availability at that telephone number and at the other means of contacting the tower;
- (d) The methods of payment that the tower accepts; and
- (e) That, if the owner or operator of the motor vehicle pays for the tow with cash, the tower will provide, in person or by mail, exact change not later than the end of the business day following receipt of payment.
- The Board finds the requirement under this statute clear as written.
- A tower must disclose to the owner <u>or operator</u> the tower's prices in a WRITTEN statement.
- Using signage or posting a price list on the wall of the towing office do not meet the requirement of ORS 98.856.

- Providing the price list in electronic format with the approval or at the request of the vehicle owner or operator will be considered compliant with the requirement.
- There is no requirement that the vehicle owner or operator request a written statement; the law states the information must be disclosed.
- Exceptions to the written statement requirement:
 - When the tow is conducted under a non-preference or rotational tow agreement and authorized by law enforcement or another government agency, release of the tow rate sheet may be through either the tower or the authorizing agency.
 - When the tow is conducted under a motor club or other road service provider agreement, release of the tow rate sheet may be through either the tower or the authorizing agency.
 - When the tower and the vehicle owner or operator enter into an agreement for towing or recovery of a vehicle for a set price.
- Towers may have more than one rate sheet (e.g., motor or other contract, LE rotation, private tow). Only the rate sheet relevant to the towing incident should be considered when reviewing an invoice.
- Requirement under (1) (a): "all" may be overly burdensome and may not encompass all fees and expenses associated with a tow. The Board will consider services rendered and the circumstances of the tow when auditing or reviewing an invoice.
- The printed, written statement is to be provided at the time of service or prior to when the vehicle owner redeems the vehicle as required under ORS 98.856 (2) and (3).
- Failure to provide the written statement of fees may be considered a violation of ORS 98.856 and subject for disciplinary action by the Board.

ORS 98.856 Tower responsibility of disclosure to owner or operator of vehicle

- (2) If the owner or operator is present at the time of the tow, the tower shall provide the information required under this section to the owner or operator of the motor vehicle before towing the motor vehicle.
- (3) If the owner or operator of the motor vehicle is not present at the time of the tow, the tower shall provide the information required under this section to the owner or person in lawful possession of the motor vehicle prior to the time the owner or person in lawful possession of the motor vehicle redeems the motor vehicle.
- The Board finds the requirements under these statutes are clear as written.
- Failure to provide the written statement of fees as required by this statute is subject for disciplinary action by the Board.
- An insurance company paying for the release of the vehicle or towing charges is entitled to the <u>conspicuous written statement</u> for the towing event prior to payment.
- A tower is not required to waive or discount storage, lien or other fees while an insurance company reviews the written statement or processes the payment.

- An insurance company should first communicate questions or disputes of the charges or towing services rendered with the towing company prior to filing a complaint with a state or local agency.
- If an insurance company pays only a portion of the towing fee, storage fees, or
 other amounts, the lawful vehicle owner may be responsible for the unpaid
 balance of the tow invoice.
- Failure to provide the information when and as required under ORS 98.856 (2) and (3) may be grounds for disciplinary action.

ORS 98.856 Tower responsibility of disclosure to owner or operator of vehicle

- (5) If the owner or operator of the motor vehicle is not present at the time of the tow but the owner or operator of the motor vehicle requested the tow and arranged to pay the tower directly, the tower may obtain the name and address of the owner of the motor vehicle from the owner or operator of the motor vehicle and may provide the information required under this section:
- (a) Within five business days after the tow; or
- (b) With a copy of the invoice for the tow or upon receipt of payment, whichever first occurs.
- The Board finds the requirements under these statutes are clear as written.
- A written bid or quote may be considered as complying with this statute for an owner-authorized tow in lieu of providing a full list of the tower's fees and charges.
- Failure to provide the information when and as required under ORS 98.856 (5) may be grounds for disciplinary action.

ORS 98.858 Right of owner or person in lawful possession of vehicle to redeem or inspect vehicle, contact tower and obtain property of emergency nature

- (2) A tower may not charge the owner or person in lawful possession of the motor vehicle a fee in any amount to obtain personal property of an emergency nature or registration plates except for a gate fee between the hours of 6 p.m. and 8 a.m. on business days, or on a Saturday, a Sunday or a legal holiday.
- The Board has tabled discussions the requirements under ORS 98.852 for future discussion: *ORS* 98.852 (6) "Personal property of an emergency nature" includes, but is not limited to, prescription medication, eyeglasses, hearing aids, clothing, identification, a wallet, a purse, a credit card, a checkbook, cash and child safety car and booster seats.
- The Board defers to Oregon's vehicle record authority, DMV, to determine the "owner or person in lawful possession of vehicle" under ORS 801.375, 802.240, and 803.010.
- Cities and counties may adopt criteria or ordinances allowing personal
 possessions to be released to someone other than the "owner or person in
 lawful possession of vehicle" if the tower is immune from civil liability for
 release of the possessions in accordance with the ordinances.

- A tower may release personal property to a person named in an official notice, release, or order issued by law enforcement or other government agency or a Court of legal jurisdiction.
- Absent an official notice or official order, at the tower's sole discretion, a non-vehicle owner may remove emergency and/or other personal items from a vehicle. Gate fee restrictions apply.
- Uniforms, legal documents, keepsakes, electronics, and other items not specified under ORS 98.852 (6) are not required to be released from the tower under ORS 98.858.

ORS 98.862 Exceptions to requirements of ORS 98.856

ORS 98.856 (1) A tower need not provide the written information required under ORS 98.856 ... if: (1) The motor vehicle is towed from a parking facility where the tower has provided the information on signs that are clearly readable by an operator of a motor vehicle in each parking stall or at each entrance to the parking facility.

- The Board finds the requirements under these statutes are clear as written.
- To comply with ORS 98.862 posted signs must legibly show:
- (a) The prices the tower charges for all the goods and services that the tower offers;
- (b) The location where the tower will:
- (A) Store the motor vehicle and personal property in the motor vehicle; or
- (B) Tow the motor vehicle, if the tower is towing the motor vehicle to a location other than a location under the control of the tower;
- (c) The telephone number and any other means of contacting the tower, and the hours of availability at that telephone number and at the other means of contacting the tower;
- (d) The methods of payment that the tower accepts; and
- (e) That, if the owner or operator of the motor vehicle pays for the tow with cash, the tower will provide, in person or by mail, exact change not later than the end of the business day following receipt of payment.

Other Statutes related to Tow Rates & Fees

ORS 819.140 Agencies having authority to take vehicle into custody; powers of agency taking custody.

- Law enforcement and state and local agencies have the authority to take vehicles into custody, including vehicles defined as abandoned (ORS 819.110) and constituting a hazard or obstruction (ORS 819.120)
- The Board does not dispute the validity of a tow authorized or dispatched by state or local agencies.
- If the vehicle is towed as described under ORS 819.110, 819.120, 819.170, or 819.180, the vehicle owner or person with an interest in the vehicle and its content has a right to request and have a hearing under ORS 819.190 to:
 - (1) contest the validity or reason for the tow.
 - (2) contest the reasonableness of the charges for towing and storage.
- The hearing must be requested within the time and manner required by the agency authorizing the tow.

- The Oregon State Board of Towing does not conduct tow hearings and does not dispute the findings of a hearing officer.
- If the hearings officer or authorizing agency finds that the tower violated a law assigned to the Board to administer, the hearings officer or agency may forward the issue to the Board for consideration.
- The Board does not process or investigate liens or required paperwork filed by towers with DMV.
- If DMV finds that a tower violated the lien requirements, or violated other Oregon laws, the issue may be forwarded to the Board for consideration.

Reference:

- Initial Concept Summary Document and attachments.
- Board Meeting Minutes and Work Session Notes.

