

Honolulu, Hawaii

April 22, 2010

RE: H.B. No. 1978  
H.D. 2  
S.D. 2  
C.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1978, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TOWING,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to provide consumers of tow services with greater protection and convenience by requiring towing companies:

- (1) In counties with populations greater than 500,000 persons, to operate 24 hours per day, seven days a week and offer services including the release of vehicles in storage;
- (2) To maintain insurance of at least:
  - (A) \$500,000 for bodily injury;



- (B) \$200,000 for property damage;
  - (C) \$175,000 for on-hook coverage; or
  - (D) \$1,000,000 for a combined single limit of liability,  
to protect owners of towed vehicles from, among other  
damages, bodily injury in the course of towing;
- (3) To allow payment of fees for towing services and storage  
of the vehicle to be made in cash or by debit card, credit  
card, insurance company check, or commercial check issued  
by a licensed towing company dispatched by the registered  
or legal owner or insurer; and
  - (4) Where a vehicle is left unattended without authorization,  
to accept payment from a registered owner, insurer, or a  
designated representative of the property owner by, among  
other means, debit card, insurance company check, or  
commercial check.

Consumers and businesses alike have encountered problems in obtaining the release of vehicles from towing companies because currently, tow-companies are only required to be in operation 24 hours a day, seven days a week if they operate in a county with a population greater than 500,000 persons and want to be entitled to overtime charges. Because of this inability to retrieve their vehicles in a timely manner, consumers and businesses are often faced with increased towing costs due to storage fees.

Tow-companies are also required to maintain insurance coverage sufficient to protect owners of towed vehicles in the event of vehicle loss or damage due to towing. However, according to the Hawaii State Towing Association, some tow-companies only maintain no-fault insurance to satisfy this requirement which in actuality may not be sufficient to cover damages to today's higher end vehicles.

Your Committee on Conference has amended this bill by:

- (1) Establishing, under Hawaii's Statewide Traffic Code, provisions relating to the release of vehicles and methods of payment for consensual towing services;
- (2) Deleting the provisions relating to a vehicle left unattended without authorization from the property owner;



- (3) Changing the effective date from January 1, 2011, to upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1978, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1978, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



J. KALANI ENGLISH, Chair



ROSALYN H. BAKER, Co-Chair



JOSEPH M. SOUKI, Co-Chair



JON RIKI KARAMATSU, Co-Chair



