

Towing Task Force Meeting Agenda Items
September 13th, 2023
2:00pm – 4:00pm

1. Roll Call
2. Approval of 07/12, 08/09 Meeting Minutes
3. Administrative Items
4. Discuss Towing Regulations in Other States
5. Open Discussion
6. Public Comments

Attachments:

1. 07/12, 08/09 Meeting Minutes

Towing Task Force Meeting Agenda Items September 13, 2023

Meeting opened at 2:06pm

Members Present:

- Connolly, John (rep for a towing association with experience in consensual towing)
- Hahn, John (appointed by Chief of Colorado State Patrol)
- Howes, James (rep for insurance companies that insure towing operations)
- Peirce, Michael (rep for mobile homeowners)
- Prunsky, Gregory (rep for local law enforcement agencies)
- Rich, Charles (Brandon) (rep for consumers of tow services, private property owners)
- Riester, Jefferey (appointed by Attorney General, experience enforcing Consumer Protection Act)
- Riley, Nathan (rep for Public Utilities Commission)
- Ruscha, JoyAnn (rep for people with disabilities)

Members Not Present:

- Bailey, Nicole (rep for common interest communities)

Also Present:

Roberts, John - (Attorney General)

Abdirahman, Hadija - (Public Utilities Commission)

Cynthia (Public Comment)

Administrative Items:

Nathan Riley informed the Towing Task Force (TTF) that Robert (Troy) Hill had resigned from his position. To ensure that the TTF is fully occupied, this position will be included in the list of positions that need to be back filled.

- As a follow-up question, Hahn asked if he should consider reaching out to motor carriers for a replacement, since they have good relationships with each other.

The TTF members discussed sources and studies they have found in different jurisdictions that compare to Colorado regulations.

- **Riley** - reached out to several states regarding towing regulations. He used a study that was conducted by the USPIRG on towing. In May of 2021, they did a report that basically came up with a snapshot of different towing regulations and consumer protections in different states, which kind of discussed what each state does.
- **Riley** - explained the states that seem to share the same regulation as Colorado are: Arkansas, Georgia, Illinois, Louisiana, Massachusetts, Michigan, New Jersey, New Mexico, New York, Oklahoma, Texas, and Washington State.

Approve minutes from July 12,2023 and August 09,2023 meetings. Motion by Connolly, seconded by Riester, no nays, both meeting minutes are approved.

The TTF discusses the need to elect a new chair.

- **Riley** - informed members that there are enough members for a quorum and, since Forbes had recently resigned, it would be necessary for the TTF to appoint a new chair.
- **Connolly** advised that Riley would be great chair for the TTF.
- **Roberts** - mentioned there might be a restriction on who can be chair since Connolly suggested Riley. He agrees that it is generally better to have a governor-appointed person be the chair of boards and commissions, rather than an agency employee.
- **Riley** - clarified that his position on the TTF is a governor-appointed position, and that it only relates to the agency that has the biggest impact on this particular body. It could just be an appearance.
- **Peirce** - says regrading appearance, it strikes him that it is good practice to have the chair be as neutral as possible in reading meetings, etc. Given the rest of their rules, stakeholders are basically designated as representatives. Riley's role strikes him as the most approximate neutral position. Another possibility is Riester. Both Riley and Riester have a suitable role to play as a potential chair.
- **Roberts** - does not have a problem with the chair being one of the groups that make up the membership.
- **Riester** - suggested if no one is willing/able to fill the role, he does not mind taking over, however, he would like to fully acknowledge upcoming scheduling difficulties from January 2024 through May 2024, due to the upcoming legislative session.
- **Ruscha** - believes Riley is an excellent choice for chair.
- **Howes** - also believes that Riley would be an excellent chair.

Motion is made by Connolly, seconded by Michael Peirce, to elect Riley as the new chair of the TTF. Nine of ten members (one absent) voted for Riley as the new chair of the TTF.

There is continued discussion about the towing studies. Riley shared the information he discovered in the following states:

- **Arkansas** - has statewide towing regulations like Colorado. It's covered by the Arkansas Towing and Recovery Board. Law enforcement orders towing are monitored through contracts that are between the towing carrier and the law enforcement agencies. They do have funding through the Arkansas Crime Reparations Board for individuals to apply for compensation, which is what this research was about because some stuff is being considered over at the legislature regarding victims of crime-related towing.
- **Georgia** - is also similar in that they have statewide towing regulations through the Georgia Department of Public Safety, mostly as it pertains to nonconsensual towing. Consensual towing is not regulated, as opposed to Colorado which "loosely" regulates consensual towing through permitting, insurance requirements, and equipment in addition, Georgia does have municipalities that require a permit to operate, which you do not see much of in Colorado. You can see it a little bit in different industries, where they provide state licensing, but municipalities require an additional layer. Law enforcement tows are pretty much not regulated in Georgia.
- **Illinois** - towing carries are regulated at the state level by the Illinois Commerce Commission and at the municipal level, as well. The state issues permits called "Public Carriers Certificates" and more specific towing regulations are more at the municipal level in places like Chicago and Rockford. They also regulate repossession at the state level, which Colorado also does but not by the PUC. There is an Attorney General Office requirement for bonding, but there is not

much else. Law enforcement tows in Illinois are not regulated at the state level, but at the municipal level.

- **Louisiana** - towing carrier regulations are compartmentalized, with the state police regulating authorization standards and the Louisiana Public Service Commission regulating licensing and rates. Only nonconsensual towing is regulated, which includes law enforcement tows, but consensual towing is not regulated.
- **Massachusetts** - towing carriers are regulated by the Massachusetts State Police and by the Department of Public Utilities (DPU). Law enforcement towing is done through contracts between the towing carriers and law enforcement agencies. Towing carriers are licensed through DPU.
- **New Mexico** - towing carriers are regulated at the state level by the New Mexico Public Regulation Commission. They enforce the motor carrier act, which is specific to their state. Nonconsensual tows are regulated, as well, and law enforcement tows are also regulated, but the fees and charges are still the responsibility of the vehicle owner.
- **Oklahoma** - towing carriers are regulated at the state level by the Oklahoma Department of Public Safety, specifically the Wrecker Services Division. They handle licensing for consensual and nonconsensual towing carriers. Consensual towing is lightly regulated. Law enforcement towing is also regulated.
- **Texas** - there is statewide regulation for towing carriers by the Texas Department of Licensing and Regulation. Nonconsensual and consensual towing is regulated. Law enforcement towing is regulated, but by the respective law enforcement agencies with whom they have a contract.

The TTF members share “comments/thoughts” on research Riley conducted on different jurisdictions.

- **Peirce** - says the approach Riley took was through the USPIRG and the internal contact with potentially relevant staff members of state governments and is curious of how much information is potentially available through web searches on nonconsensual rates.
- **Riley** - responded by saying the USPIRG information was only a starting point, just to see what it would look like for other states that share almost the same regulations as Colorado, as it pertains to the towing industry.
- **Peirce** - indicates that rather than looking at states with the same regulations, suggested looking at states that have different regulations. A possible alternative is to consider the geographical and demographic aspects of different states as a determining factor. Example: Massachusetts, as an east coast state, will have a very different geography and demographics than Colorado.
- **Peirce** - during his own research, he found that Arizona does not have statewide regulations for nonconsensual towing, but they did give regulation authority to cities.

The TTF members discussed why research was conducted in Utah and how certain local jurisdictions maintain their own rules.

- **Connolly** - mentioned when the TTF members looked at Utah, they went about looking at the costs, which is how they came up with these current towing rate structure.
- **Rich** - confirmed what Connolly mentioned and says the reason why the TTF members decided to go with Salt Lake City was because they did not have any funding to do other studies, but Utah had done a recent study that they could look to. They used those costs as the basis and adjusted what they saw and devised what they knew about Colorado, based on the information they had obtained.

- **Ruscha** - explained that some states and their regulatory environments are a very local jurisdictionally and enforcement is more about public towing regulations than private tows, when looking at state-by-state comparisons.

Open Discussion:

- **Riley** - two things the TTF members may want to accomplish, whenever the members have a report or recommendation to forward to the Public Utilities Commission.
- **Riley** - mentioned the Commission is acting upon the provision that allows rules for annual inflation adjustments. This is something the Commission has been trying in recent years. Regarding rate setting, basically setting the maximum allowable rates that could be charged for different services, especially nonconsensual services, is a concept the Commission is always exploring.
- **Riley** - in addition, the Commission did incorporate the general CPI, as offered through CDOLA, as kind of the percentage they use for the automatic inflation adjustments. Something the TTF has talked about before is if that general CPI is the best metric to use. One open point for discussion is if there is an alternative to that metric that might be better.
- **Riley** - second item is coming up with some rates that the TTF feels the Commission should put in a rule for towing carriers to charge.

The Task Force members discuss the current CPI metric.

- **Connolly** - one of the things the CPI does not do is include equipment costs in its calculations. Additionally, the cost of a light duty truck has increased by \$40,000 from May 2022 to May 2023. Trucks that used to cost \$90,000 are now \$140,000. The CPI does not take this into account, but it does consider wages. Therefore, it does not accurately hit all costs applicable to a towing carrier.
- **Riley** - said the Commission is trying something new to see if it works. Finding a metric that could determine things like equipment costs is an option to consider.
- **Peirce** - a good analysis of the differences between nonconsensual and consensual tow rates is still necessary. In response to Connolly's point, nonconsensual rates could reflect the costs to a tow carrier by hanging them to the normal averages of consensual tow rates. Consensual towing can reflect the tow carrier's charges for equipment, labor, etc. An analysis of how those two rates differ and why they differ would play a decisive role in determining whether nonconsensual towing should be indexed, in some way, to consensual towing.
- **Riley** - suggested whether there could be a better metric than those currently being used.
- **Peirce** - would like to understand how the differences in regulations are also effective in the economics of the towing industries.

There was one public attendee, but no public comment was provided.

Next meeting will be held October 11th, meeting adjourned 3:55pm.