

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL  
REVISED FISCAL IMPACT**

(replaces fiscal note dated January 8, 2014)

**Drafting Number:** LLS 14-0231  
**Prime Sponsor(s):** Rep. Moreno  
Sen. Hodge

**Date:** February 5, 2014  
**Bill Status:** Senate Transportation  
**Fiscal Analyst:** Kristen Koehler (303-866-4918)

**SHORT TITLE:** NONCONSENSUAL TOW MOTOR VEHICLE

Fiscal Impact Summary	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	Minimal impact. See State Expenditures section.	
FTE Position Change		
<b>Appropriation Required:</b> None.		

**Summary of Legislation**

This **reengrossed bill**, recommended by the Transportation Legislation Review Committee, creates the nine-member Towing Task Force within the Department of Regulatory Agencies (DORA), and specifies its membership. Under the bill, the task force is required to advise the Public Utilities Commission (PUC) on the maximum rates that may be charged for the recovery, towing, and storage of a motor vehicle that is towed without the vehicle owner's consent. The task force's first recommendations to the PUC must be made by September 1, 2015. The bill also requires the PUC to consult with the task force when conducting rulemaking activities concerning rate regulation of tow carriers. The task force may, at the discretion of the PUC, advise PUC staff on investigations of overcharges made by towing carriers in violation of the law. The task force is repealed September 1, 2024.

Under current law, the PUC regulates the rates that may be charged for a nonconsensual tow of a motor vehicle, if the motor vehicle weighs under 10,000 pounds. Nonconsensual towing rates for motor vehicles weighing greater than 10,000 pounds are determined by a negotiated agreement between the towing operator and the responsible law enforcement agency. This bill repeals the 10,000 pound weight restriction to apply the PUC's towing rate regulation to all motor vehicles.

**State Expenditures**

The bill creates the Towing Task Force within the DORA, but does not require DORA staff to coordinate with or provide support to the task force. It is assumed that task force members will serve voluntarily and without compensation. The Governor is required to appoint eight of the nine members of the task force, and one member will be appointed by the Chief of the Colorado State Patrol.

The Department of Public Safety may experience a workload increase to the Colorado State Patrol in serving on the task force; however, the increase is likely to be minimal and no appropriation is needed.

The PUC is required to consult with the task force when promulgating or amending rules concerning rate regulation of tow carriers. The PUC may experience an increase in workload due to this rulemaking, but the result will likely be a minimal increase and can be accomplished within existing appropriations. The workload impact to the Department of Law from legal services associated with this rulemaking is expected to be minimal and does not require new funding to the DORA.

### **Local Government Impact**

Local governments that enforce towing fee provisions may see changes in revenue or expenditures based on the task force's recommendations about the maximum towing rate that may be charged. At this time, it is impossible to know how those recommendations may impact the revenue or expenditures of local governments.

Local law enforcement representation on the task force may increase the workload of local law enforcement agencies, but this is expected to be minimal and can be accomplished without new funding. Additionally, the workload of law enforcement agencies is expected to be reduced slightly, as law enforcement will no longer be required to negotiate with towing operators regarding the fee being imposed by the operator.

### **Effective Date**

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

### **State Appropriations**

No adjustments to current appropriations or new appropriations are required by this bill.

### **State and Local Government Contacts**

Law  
Revenue  
Municipalities

Public Safety  
Local Affairs

Regulatory Agencies  
Counties