



Ohio Legislative Service Commission

Bill Analysis

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S.B. 274

130th General Assembly
(As Introduced)

Sens. Hughes, Patton

BILL SUMMARY

- Authorizes the owner of a towing service or storage facility in possession of a vehicle to obtain title to it if: the vehicle was towed from a private tow-away zone, the vehicle is worth less than \$5,000, the owner complies with certain notice requirements, and the owner submits a properly executed affidavit to the clerk of courts.
- Specifies that the owner of a repair garage or place of storage may obtain the title to a motor vehicle under specified circumstances if the vehicle has a value of less than \$5,000 rather than a value of less than \$2,500 as under current law.
- Prohibits the operation of a towing vehicle unless the towing service that owns the vehicle holds a valid certificate of public convenience and necessity issued by the Public Utilities Commission of Ohio (PUCO) and the certificate number is visibly displayed on both front doors of the vehicle.
- Prohibits any for-hire motor carrier engaged in the towing of motor vehicles from doing any of the following with respect to its certificate of public convenience and necessity issued by PUCO:
 - Failing to make it available for public inspection;
 - Failing to include the certificate number on all advertising, written estimates, and other documentation; and
 - Failing to display the certificate number on both the front doors of all towing vehicles used by the for-hire motor carrier.

- Prohibits a towing service from submitting an invoice to a repair facility or garage when a vehicle is removed from an accident scene and brought to the repair facility or garage and requires, instead, that the invoice be submitted to the person who was operating the vehicle at the time of the accident.
- Makes other changes to the law governing the towing of motor vehicles.

CONTENT AND OPERATION

Title to vehicles towed from a private tow-away zone

The bill authorizes the owner of a towing service or storage facility that is in possession of a vehicle to obtain a certificate of title to the vehicle provided:

- (1) The vehicle has been towed from a private tow-away zone;
- (2) The vehicle is worth less than \$5,000;
- (3) 30 days have elapsed since the owner of the towing service or storage facility has complied with specified notice requirements (see below);
- (4) The owner of the towing service or storage facility submits a properly executed affidavit to the clerk of courts (see below).¹

Notice

As stated above, the owner of a towing service or storage facility, in order to obtain title to a motor vehicle, must comply with specified notice requirements. Under the bill, when a vehicle is removed from a private tow-away zone, the owner of the towing service or the storage facility from which the vehicle may be recovered immediately must cause a search to be made of the records of the Bureau of Motor Vehicles (BMV) to ascertain the identity of the owner and any lienholder of the motor vehicle. Within 48 hours of the removal of the vehicle from the private tow-away zone, the owner of the towing service or storage facility must send notice to the vehicle owner and any known lienholder. The towing service or storage facility must send the notice to the owner's and lienholder's last known address by certified mail with return receipt requested. If the owner or lienholder of the motor vehicle reclaims it after a search of the records of the Bureau has been conducted and after notice has been sent to the owner and lienholder, the owner or lienholder must pay to the towing service or

¹ R.C. 4505.101(B).



storage facility a processing fee of \$25, in addition to any applicable expenses or charges.²

Execution of affidavit

As stated above, in order to obtain title to a vehicle, the owner of a towing service or storage facility must execute an affidavit and submit it to the clerk of courts. Regarding the affidavit, the bill applies existing procedures that currently apply to the owner of a repair garage or storage facility seeking to obtain title to a vehicle. Under those existing procedures, the owner of the towing service or storage facility must execute an affidavit that all applicable legal requirements to obtain such title have been complied with. The affidavit also must set forth the value of the motor vehicle when unclaimed, as determined in accordance with standards established by the Registrar of Motor Vehicles, the length of time that the motor vehicle has remained unclaimed, the expenses incurred with the motor vehicle, that a notice to remove the vehicle has been mailed, and that a search of the records of the BMV has been made for outstanding liens on the motor vehicle.³

Upon submission of a properly executed affidavit, the clerk of courts must issue a certificate of title to the owner of the towing service or storage facility, free and clear of all liens and encumbrances. Upon receipt of the certificate of title, the towing service or storage facility must pay the clerk of courts the value of the motor vehicle, less expenses incurred. The clerk must deposit the amount paid into the county general fund.⁴

Title to vehicles left at a repair garage or place of storage

The bill increases the cap on the value of a motor vehicle for which the owner of a repair garage or place of storage may obtain a certificate of title and clarifies the process for obtaining title to such a vehicle. Under current law, a repair garage or place of storage generally may obtain title to a motor vehicle if all of the following apply:

(1) The motor vehicle has a value of less than \$2,500;

(2) The vehicle has been left unclaimed for 15 days or more following the completion of the requested repair or agreed term of storage;

² R.C. 4513.60(D)(2).

³ R.C. 4505.101(A)(2) and (B).

⁴ R.C. 4505.101(C).



(3) The owner of the repair garage or place of storage has sent notice to the owner of the vehicle via certified mail, the owner of the repair garage or place of storage has received the signed receipt from the certified mail or has been notified that delivery was not possible, and the vehicle has remained unclaimed for 15 days;

(4) The owner of the repair garage or place of storage has conducted a search of the records of the Bureau of Motor Vehicles. If the records indicate any outstanding lien, the owner of the repair garage or place of storage must notify the mortgagee or lienholder and give the mortgagee or lienholder 15 days from the mailing of the notice to claim the vehicle.

(5) The owner of the repair garage or place of storage has filed an affidavit that contains the information discussed above with regard to a towing service or storage facility.⁵

The bill allows the owner of a repair garage or place of storage to take title to a vehicle with a value of up to \$5,000 and clarifies that the owner of the repair garage or place of storage must send notice to the owner of the vehicle.⁶

Towing and certificates of public convenience

Under the bill, no person may operate a towing vehicle for a towing service and no person who owns a towing vehicle used by a towing service or has supervisory responsibility over a towing vehicle used by a towing service, may permit the operation of a towing vehicle used by a towing service, unless both of the following apply:

(1) The towing service holds a valid certificate of public convenience and necessity issued by the Public Utilities Commission of Ohio (PUCO); and

(2) The certificate number is visibly displayed on both the left and right front doors of the towing vehicle in accordance with rules adopted by PUCO.⁷

Whoever violates this provision is guilty of a minor misdemeanor (up to \$150 fine). Whenever a person is convicted of or pleads guilty to such a violation, the court must forward a copy of the conviction record or plea to PUCO.⁸

⁵ R.C. 4505.101(A) and (C).

⁶ R.C. 4505.101(A)(1).

⁷ R.C. 4511.80(B).

⁸ R.C. 4511.80(C) and (D).

Under the bill, a "towing service" means any for-hire motor carrier that is engaged on an intrastate basis anywhere in Ohio in the business of towing a motor vehicle over any public highway in Ohio.⁹

The bill also prohibits a for-hire motor carrier that is subject to regulation by PUCO and that is engaged in the towing of motor vehicles from doing any of the following:

(1) Failing to make its current certificate of public convenience and necessity available for public inspection during normal business hours;

(2) Failing to include its certificate number on all advertising, written estimates, contracts, and invoices, in such manner as PUCO prescribes by rule; or

(3) Failing to display its certificate number on both the left and right front doors of all towing vehicles used by the carrier in such manner as PUCO prescribes by rule.¹⁰

Towing from an accident scene

Under the bill, when removing a motor vehicle from an accident scene on any street or highway or any other property open to the public for purposes of vehicular travel or parking, a towing service must submit the invoice for the removal to the person who was operating the motor vehicle at the time of the accident. The towing service may not submit such an invoice to the repair facility or storage facility to which the motor vehicle is transported.¹¹

The bill's provisions regarding towing from an accident scene do not apply if all of the following are applicable:

(1) The towing service removes a motor vehicle from an accident scene;

(2) The removal is conducted pursuant to a contract between the towing service and the issuer of a policy of motor vehicle insurance covering the motor vehicle; and

(3) The contract requires the towing service to be paid directly by the issuer of the policy.¹²

⁹ R.C. 4511.80(A).

¹⁰ R.C. 4921.25(B).

¹¹ R.C. 4513.67(A).

¹² R.C. 4513.67(B).



Other provisions

Under current law, certain specified law enforcement officials may order into storage any motor vehicle left on private residential or agricultural property for at least four hours without the permission of the property owner. The law enforcement official is required, whenever possible, to arrange for the removal of the motor vehicle by a private tow truck operator or towing company. The bill authorizes, rather than requires, the law enforcement official to arrange for the removal of the motor vehicle by a private towing service.¹³

With respect to vehicles towed from a private tow-away zone, the bill authorizes the owner or lienholder of the vehicle to reclaim it upon payment of any expenses or charges incurred in its removal. Current law only authorizes the owner of the vehicle to reclaim the vehicle.¹⁴

HISTORY

ACTION	DATE
Introduced	02-11-14

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¹³ R.C. 4513.60(A)(1).

¹⁴ R.C. 4513.60(F).

