



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** [Sub. H.B. 382 of the 130th G.A.](#)      **Date:** March 19, 2014  
**Status:** As Re-reported by House Commerce, Labor, and Technology      **Sponsor:** Reps. Duffey and Bishoff

**Local Impact Statement Procedure Required:** No

**Contents:** Revises the procedures and penalties governing the towing of motor vehicles under certain circumstances

### State Fiscal Highlights

- The Public Utilities Commission of Ohio (PUCO) will likely incur additional expenditures to administer the provisions of the bill, the magnitude of which is unknown.
- Any monetary fines collected pursuant to the towing regulations established by the bill are required to be deposited to the credit of the Public Utilities Transportation Safety Fund (Fund 5LT0).
- Members of the Motor Vehicle Towing Advisory Council, established by the bill, are entitled to reimbursement for reasonable and necessary expenses for their work on the Council. The bill does not specify a payment source for such expenses.

### Local Fiscal Highlights

- There could be a potential increase in expenses for the Franklin County Court of Common Pleas, due to a provision that the court is to enforce arbitration decisions made by PUCO. It is unlikely that this increase would exceed minimal.
- Any local government that operates a storage facility that accepts vehicles towed under the provisions of the bill is required to have an employee on call 24 hours a day, and able to release a vehicle within three hours of that telephone call. This may increase operating and administrative expenditures for these local governments.

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## Detailed Fiscal Analysis

The bill makes several changes to motor vehicle towing requirements and procedures under certain circumstances. Many of these changes primarily affect private towing companies and do not have any fiscal impact on governmental entities, but in certain instances, when a local authority operates a towing fleet, there could be a fiscal impact. In those instances, any fiscal impact is unlikely to exceed minimal. Additionally, the Public Utilities Commission of Ohio (PUCO) will likely incur additional expenditures to administer the provisions of the bill. The bill also includes a provision regarding the hours of operation for storage facilities that may have a fiscal impact on both local authorities that operate such facilities (increase in expenditures) and on PUCO (receipt of civil fine money).

### Public Utilities Commission of Ohio

The bill requires PUCO to facilitate mediation between a person whose vehicle has been towed and the towing service if the person disputes some aspect of the removal. If mediation does not produce a conclusion satisfactory to the person whose motor vehicle was towed or if the towing service refused to participate in the mediation, the person may request arbitration from PUCO. The results of arbitration are subject to enforcement by the Franklin County Court of Common Pleas. The mediation and arbitration duties with which PUCO is charged are different from existing PUCO duties, and could result in a significant increase in expenditures. Such expenditures may be paid for by an increase in revenue to the Public Utilities Transportation Safety Fund (Fund 5LT0; see below).

The bill also requires PUCO to adopt rules pursuant to the Administrative Procedure Law governing for-hire motor carriers engaged in towing motor vehicles. Any costs related to this provision could likely be absorbed within PUCO's existing budget.

The bill creates a nine-member Motor Vehicle Towing Advisory Council, which must provide advice and recommendations to PUCO regarding any rule PUCO may adopt that relates to the towing of motor vehicles. The bill specifies that members of the Council serve without compensation but that they must receive their reasonable and necessary expenses incurred in the conduct of council business. The bill does not specify a payment source for such expenses.

The bill requires PUCO to establish a schedule of sanctions to be imposed on a for-hire motor carrier engaged in the towing of motor vehicles. The sanctions "may include a monetary fine."<sup>1</sup> The bill further requires that "any monetary fines collected"

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<sup>1</sup> R.C. 4921.25.

pursuant to these towing regulations must be deposited in Fund 5LT0, and the forfeitures can be utilized by PUCO only to administer tow truck regulations.

Existing law, unchanged by the bill, requires that forfeitures collected by PUCO be deposited to the credit of Fund 5LT0 until the amounts credited equal the total amount appropriated from the fund for the fiscal year. Once this point of parity is reached, any additional forfeitures or fines received during the fiscal year are required<sup>2</sup> to be credited to the GRF.

### **Storage facility hours of operation**

The bill requires that a storage facility that accepts vehicles towed for storage under the provisions of the bill have someone on call 24 hours a day to allow the owner of a vehicle towed to, and stored at, the facility to call to recover the vehicle. The storage facility is required to respond within three hours of any such telephone call in order to release the vehicle upon presentation of proof of ownership and payment of any applicable fees. For those local governments that maintain their own storage facility, and use it to store vehicles towed under the bill's provisions, there could be an increase in expenditures for any administrative and operating costs required to have an employee on call, and available to respond to any calls, 24 hours a day.

The bill also establishes civil fines for those storage facilities that do not comply with this provision. These fines are \$100 for the first offense, \$150 for the second offense, and \$200 for the third or subsequent offense. Any fine revenues collected under this provision are required to be deposited to the credit of Fund 5LT0.

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<sup>2</sup> An exception is made for Hazardous Materials Civil Forfeitures, which have a threshold independent of the appropriation amount.