



Oregon

Kate Brown, Governor

Department of Transportation

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DATE: March 9, 2021

TO: Joint Committee on Transportation

FROM: Lindsay Baker, Assistant Director

SUBJECT: Senate Bill 300 – Establishing the State Board of Towing

INTRODUCTION

Senate Bill 300 establishes the State Board of Towing within the Oregon Department of Transportation (ODOT) to exercise oversight of the towing industry in Oregon.

DISCUSSION

Currently, consumer complaints regarding towers are directed to the Oregon Department of Justice or local District Attorneys' offices. However, because this industry is minimally regulated, these complaints are often unresolvable. Senate Bill 300 establishes a nine-member Governor-appointed Towing Board within ODOT, with limited oversight and authority over Oregon towing companies. The measure directs the board to hire an Administrative Officer, and other staff as necessary, and provides the Board rulemaking authority, contracting authority, authority to issue civil penalties, and authority to file suit against a tower in Oregon's circuit courts. Civil penalties imposed under the bill are subject to contested case hearing procedures outlined in ORS Chapter 183. Finally, the measure allows the Board to remove a tower from the rotational towing list maintained by the Oregon State Police.

The regulatory framework established in the bill primarily serves as a central location for the receipt and investigation of consumer complaints. ODOT raises for the committee's consideration, the following issues needing further clarification:

- First, what level of oversight is intended for this Board? Currently, the measure is drafted to provide this Board with little regulatory oversight, rather this Board would simply act as a repository for a complaint-driven process.
- Second, the measure does not establish minimum standards for towers to maintain appropriate records, nor does it provide ODOT any authority to inspect those records, or take appropriate action if necessary.
- Third, the measure does not establish any minimum qualifications for towers, such as education or training requirements.
- Fourth, current statute authorizes city and county governments to establish certain regulations of towing business. Though the measure provides the Board the authority to take action if a towing company violates local regulations, it's unclear how the intersection between the Board and local regulations will be implemented.
- Fifth, the measure provides an operative date of January 1, 2022. ODOT would request extending the operative date to at least July 1, 2022, to allow for enough time for the Board to be established, staff to be hired, and rules to be adopted.

Finally, it's ODOT's understanding that this Board is being placed within ODOT in order to achieve administrative efficiencies, and ODOT would not be responsible for executing this work as this work is not State Highway Fund eligible. The measure authorizes the Board to establish a fee to recover the expenses incurred by the Board. It's unclear at this time what these fees would be, as total expenses are unknown.

SUMMARY

Senate Bill 300 establishes the State Board of Towing within ODOT, and provides limited regulatory authority to the Board over towing businesses in Oregon. As described above, ODOT believes additional work may be needed to fully prepare for the establishment of this Board. ODOT appreciates the work to date on this issue, and looks forward to the continued conversation.