



| Getting Off the Hook of a Predatory Tow - Part II

Only one-third of states ban kickbacks to property owners, law enforcement

U.S. PIRG
Education Fund

Getting Off the Hook of a Predatory Tow - Part II

Who makes money for a tow? Only one-third of states ban kickbacks

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Introduction

Driving is a staple of American living. In 2020, there were more than 275 million [registered vehicles](#) in the United States. An issue that many drivers face or may be worried about is having their vehicle towed. If you ask around in your small circle, someone inevitably has a towing story.

Prior to the pandemic, [millions of Americans](#) had their vehicles towed involuntarily every year. Reasons range from unpaid tickets to expired registration to improper parking on private property. There are many ways to stop predatory towing or abusive practices that sometimes occur with legitimate tows, and laws vary widely nationwide.

In a [May 2021 report](#) by U.S. PIRG Education Fund, we compared the statuses of 14 common sense towing protections in each state. In some cases, few protections are guaranteed by law. For instance, 37 states mandate that towing companies notify the owner/driver when their car gets towed, making it the most popular protection nationwide. Some states mandate notifying law enforcement within an hour. In some

states, the notification is allowed to be mailed to the owner – within seven days. Only 14 states require towing companies to clearly display their rates. And only four states require pictures of the vehicle before it's towed.

Since the last report, the towing law landscape has begun to change, with lawmakers around the country either pondering or passing new towing protections for consumers. Major cities such as [Detroit](#) and [Memphis](#) recently approved new laws to protect drivers from predatory towing or abusive practices. While no states have yet approved new towing laws in the last year, legislators in Colorado now want to [take on predatory towing](#) in a big way. Other states are interested in new protections as well, according to the National Conference of State Legislatures. Meanwhile, more municipalities are looking at adopting more protections against predatory towing. This report looks at recent changes and what else may be coming. We also look at an emerging issue: kickbacks sometimes paid when vehicles are towed.

Laws banning kickback payments for private property tows is a common sense protection, like many of the others. These kickback payments occur when a property owner or law enforcement officer gets some type payment or other consideration from a towing company for getting a car towed from the property. Some laws also ban towing companies from getting extra incentives for a tow, but we didn't consider those as part of kickback laws. Only 17 states ban kickbacks in some way for private property towing. Some laws are more comprehensive than others.

Meanwhile, towing is on the rise. The industry is expected to take in \$11.3 billion in 2022, an increase of 10% from 2020, [according to IBISWorld](#), which conducts research on thousands of industries worldwide. That does include both consensual tows, after a breakdown or wreck, and non-consensual tows, for allegedly leaving your vehicle someplace you shouldn't. IBISWorld did note that wrecks are decreasing as newer cars typically come with more safety features, such automatic braking systems and lane-change alerts. So the industry growth is expected to come from non-consensual tows.

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Kickback Laws

Kickback laws are designed to reduce an incentive to tow, beyond removing a vehicle for a legitimate reason. These laws reduce the frequency of situations such as what [happened in Lubbock, Texas](#). In that case, businesses received \$20 for every vehicle towed from their properties, leading the businesses to make “more than \$500 a week” from tows alone, according to [a local news investigation](#). That included one tow that they discovered was actually illegal because warning signs weren’t properly displayed. That exemplifies a problem with kickbacks: incentivizing illegal tows.

In a twist on the kickback issue, [Detroit is investigating kickbacks](#) involving its police department; two officers were charged last fall with bribery for allegedly steering business to at least one towing company.

Some states prohibit towing companies from paying kickbacks to anyone. There should already be enough incentives for business owners to have unauthorized vehicles towed

from their property if they care about only having parking for customers and/or employees. If a state does not require a photo before a tow – again only four do – while not banning kickback payments, that opens the door to incentivizing tows even when they are illegal. Business owners could see it as easy money if they believe they won’t be caught. Kickbacks open a door to potential malpractice that does not need to be opened.

The most basic and most common version of this protection stops kickbacks from going to the owner, lessee or agent of property from which the vehicle may be towed. A more comprehensive version also would prohibit a property owner from having a stake in the towing company, as has been the law in Texas since 1995. This reduces the workarounds people can have to get money from tows on the person’s own private property.

Here is a list of the 50 states and what private property kickback protections they have:

Alabama: State troopers are not allowed to receive kickbacks, have financial interest in a towing company or recommend a towing company while on duty. No other protections found.

Alaska: No protection found.

Arizona: No protection found.

Arkansas: No kickback to the owner or agent requesting the tow.

California: No kickback to the property owner who calls for the vehicle removal.

Colorado: No protection found.

Connecticut: No kickback to the owner, lessee or agent of property from which the vehicle was towed.

Delaware: No kickback to the owner, agent or employee of property from which the vehicle was towed.

Florida: The tower cannot pay money to tow a car from private property.

Georgia: No kickback to the owner or agent of property from which the vehicle was towed.

Hawaii: No protection found.

Idaho: No protection found.

Illinois: No kickback to the owner or operator of property from which the vehicle was towed.

Indiana: No protection found.

Iowa: No protection found.

Kansas: No protection found.

Kentucky: No protection found.

Louisiana: No protection found.

Maine: No protection found.

Maryland: No kickback to the owner, agent or employee of property from which the vehicle was towed.

Massachusetts: No protection found.

Michigan: No protection found.

Minnesota: No protection found.

Mississippi: No protection found.

Missouri: No protection found.

Montana: No protection found.

Nebraska: No kickback to the owner or tenant of property from which the vehicle was towed. Nevada: No protection found.

New Hampshire: No protection found.

New Jersey: No kickback to anyone providing information about towing a vehicle on private property.

New Mexico: No kickback to the owner of the property the vehicle was towed from.

New York: No kickback to the owner or operator of the property the vehicle was towed from.

North Carolina: No protection found.

North Dakota: No protection found.

Ohio: No protection found.

Oklahoma: No protection found.

Oregon: No kickbacks or considerations can be received by the owner or employee of the parking facility that a vehicle is towed from. A vehicle also can't be towed from a parking facility if its property owner or the owner's agent is employed by a towing company.

Pennsylvania: No protection found.

Rhode Island: No protection found.

South Carolina: No protection found.

South Dakota: No protection found.

Tennessee: No kickback to the owner or manager of the private property.

Texas: No kickback to the property owner either directly or through having some stake in the towing/booting company. The owner of the towing/booting company cannot have a stake in the private property either.

Utah: No protection found.

Vermont: No protection found.

Virginia: No protection found.

Washington: No kickback to the person in charge of the private property.

Wisconsin: No protection found.

West Virginia: No protection found.

Wyoming: No protection found.

**Some communities believe
kickbacks motivate
property owners to allow
towing of vehicles
that aren't breaking
any rules.**

A tale from one community

Cathy Downum says there's something fishy going on at her apartment complex outside of Kansas City, Mo. She's lived in the 200-unit complex for about eight years. Starting a month ago, lots of vehicles have been disappearing – towed – with few explanations. Every resident in the complex has two assigned spaces, yet residents have been getting towed from their own spaces, she said.

Downum has not had a vehicle towed. Yet. But she knows of a couple of dozen of her neighbors' vehicles that have been towed in the last month. She's sure there are more that she hasn't heard about.

Usually, the story is that one of the vehicle's tires didn't have enough air in it. That's what happened almost to one of her neighbors, a 75-year-old man recovering from surgery. He hadn't driven his car in a few weeks and one tire was low, apparently with a slow leak. The tow truck driver put a sticker on his car, set to return in a half-hour. Downum saw this and notified her neighbor. He thwarted a tow after she helped

him get air in his tire just as the tow truck returned.

Other neighbors haven't been as fortunate. One neighbor got his inexpensive car towed. By the time he found where it was stored and tried to retrieve it many days later, he couldn't afford the storage fees, which were more than his car was worth. So he bought another car. [Missouri law](#) says only that towing and storage fees must be reasonable.

**Under Missouri law,
towing companies
have 5 days to notify an owner
their vehicle has
been towed and
where it's located.**

Another neighbor has had vehicles towed three times in a month, she said. One time, the vehicle contained prescriptions for his pregnant partner and they couldn't retrieve the medications in a timely manner. Storage facilities are required to be open only 10 hours a day, Monday through Friday, for drivers or their designates to get their property from a towed vehicle.

In fact, Missouri law doesn't require storage facilities to be open on weekends or holidays. Downum said it's interesting that a lot of cars get towed from her apartment complex on Friday afternoons.

"People are furious," she said. Residents have tried to contact the apartment managers but can't even get their calls returned, she said. "We don't know how to deal with any of this."

Overall protections

These were the findings in our May 2021 report:

- 37 states require driver notification after their vehicle is towed, but many allow notification by mail within a week.
- 30 states require “tow-away” warning signs on private property.
- 27 states allow for reimbursement for an illegal tow.
- 26 states either allow 24/7 vehicle retrieval from storage or mandate set business hours for vehicle retrieval.
- Only about half of the states set maximum towing or maximum storage fees.
- 23 states mandate reimbursement for damages during the towing or storage process.
- 22 states mandate itemized bills.
- 20 states require a driver to have access to all items inside a towed vehicle, including a wallet, medication or a child car seat, without paying the bill.
- 18 states mandate a car must be released at no charge or for a drop fee if the owner arrives before the car is removed from the property.
- 14 states require towing companies to clearly display their rates.
- 14 states ban towing companies from patrolling or scanning for improperly parked cars.
- 11 states require towing companies to accept credit cards as a form of payment.
- Four states require photographic evidence of the illegal parking before towing a vehicle from its original location.

Among the states with the best protections:

- California and New Mexico have laws guaranteeing good protection on 12 of the 15 issues we looked at, including no kickbacks.
- Texas has laws guaranteeing good protection on 11 of the 15 issues, including no kickbacks.
- Maryland has laws guaranteeing good protection on 10 of the 15 issues, including no kickbacks, and moderate protection on three other issues.

- Washington has laws guaranteeing good protection on 10 of the 15 issues, including no kickbacks, and moderate protection on two other issues.
- Connecticut has laws guaranteeing good protection on 10 of the 15 issues, including no kickbacks.
- Georgia has good protection on 10 of the 15 issues, including no kickbacks.
- Missouri has laws guaranteeing good protection on 10 of the 15 issues.
- Illinois has laws guaranteeing good protection on nine of the 15 issues, and moderate protection on three other issues.
- Nevada and Oklahoma have laws guaranteeing good protection on nine of the 15 issues.

**20 states require a drivers
to have access to all items
in a towed car immediately,
including a wallet,
medicine or a child
car seat.**

New laws since last report

As social gatherings, in-person work, vacations and other events return to pre-pandemic norms, driving may become [more common again](#). Of course with more driving comes more parking in places other than one's home. So, now is a good time for communities and states to enact more protections against predatory towing. No states have passed new protections in the last year, but some cities have.

Two such cities are [Detroit](#) and [Memphis](#). The Detroit City Council in 2021 passed a bill that increased protections for people being towed, ranging from requiring towers to accept credit and debit card payments, to stopping a tow if the driver arrives before the vehicle is towed. Memphis City Council in February also mandated that towing companies accept payments through credit and debit cards or mobile/ P2P apps, and must make their rates public. Even if states do not have the basic protections for drivers, cities are approving them.

More change could be on the way in other places as well, as state and local lawmakers express interest in new protections.

Here are a few examples:

- The Colorado General Assembly this year [introduced a bill](#) with additional protections after some lawmakers announced plans to [take on predatory towing](#) earlier this year.

Among other changes, the bill would require towing/storage companies to not charge storage fees for any day the vehicle wasn't stored, give drivers access to all of their belongings before paying the bill, photograph a vehicle's location before moving it and charge the same fees for tows without the driver's consent as tows at the owner's request. The bill would also require property owners to display signs about parking restrictions and that violators could be towed. It would also reduce the fee to notify a vehicle owner to \$75, instead of the once proposed \$150.

One proposal would allow people to retrieve their vehicle without paying, but they'd have to sign a form affirming they owe the bill. The

towing company could use that to collect the debt if needed. These and other changes would give Colorado among the most robust protections of any state.

- Baltimore [introduced legislation](#) that would set caps on towing, storage and drop fees as well as requiring towing companies to accept credit cards.
- Boston is discussing a “[towing bill of rights](#)” that could, among other things, [prohibit towing companies](#) from cruising parking lots for vehicles to tow without the property owner calling them, or paying people for tips about where to find cars to tow. Towing companies would also have to accept credit cards and charge a reduced fee if the driver shows up in a parking lot before the vehicle is actually towed.
- Meanwhile in Florida, [Bradenton Beach](#) is looking for ways to tackle a local predatory towing problem, including setting maximum fees and requiring towers to display their rates in parking lots where they have the right to tow. Towers also may be required to report tows to the sheriff’s department so drivers have

somewhere to call to find their vehicles, and may be restricted on cruising for vehicles to tow. Tow trucks reportedly patrol some areas so heavily that they add to traffic congestion.

Nationwide, 27 states including Florida set maximum towing rates. Cities often set their own maximums that are lower than the state they’re in, or adopt their own law in case the state protection gets rescinded.

**More cities are passing
a Towing Bill of Rights
because the abuses
can be horrible and
some states aren't
taking action.**

Examples of some existing towing laws:

- [Virginia](#) prohibits towing / storage operators from refusing to make change or employing a registered sex offender.
- In [Indiana](#), storage fees for a towed vehicle can't exceed \$2,000.
- [Oregon](#) requires companies to take a photo of the vehicle as it was left before towing, and tow a vehicle to the closest storage facility it has access to.
- In [Texas](#), if a storage facility accepts towed vehicles 24 hours a day, it must release a towed vehicle 24 hours a day.
- In [California](#), towers aren't allowed to share profits (pay kickbacks) to property owners who call for a tow and can't tow a vehicle to a storage lot that is more than 10 miles from where it was parked.
- In [Illinois](#), the tower must notify the law enforcement office with jurisdiction within 30 minutes after the car is towed and provide details about the vehicle including the plate number.
- In [Missouri](#), towing companies must notify the owner of a towed vehicle where it's located within 24 hours, but only *after* being contacted by the vehicle owner.
- In [Washington](#), the state Supreme Court ruled that people who are living in their vehicles can't have them towed or sold at auction. The case stemmed from a homeless man who was working as a janitor and living in his GMC pickup when it was towed because he'd been parked in an unused, city-owned, gravel lot for more than 72 hours. The man lived outdoors for the next three weeks without his work tools, sleeping bag and virtually all of his possessions. He'd been saving for an apartment but couldn't work without his supplies.

Conclusions

1. Towing kickback laws aren't common, with only one-third of states addressing kickbacks for private property tows in any way. That, combined with the lack of photographic evidence required to document improper parking before a tow, exposes drivers to potential abuse. Along with all of the common sense protections in the last report, **states should prohibit kickbacks.** Bad things can happen when property owners or law enforcement officers get paid to get vehicles removed and raises questions about whether the vehicles were actually improperly parked.

2. While there is a push for new protections in states across the country, municipalities are primarily leading the way. **States need to follow their lead.** None of the towing protections analyzed in the original report or this follow-up were found in 40 or more states. Only two protections – private property signs and driver notification – were found in at least 30 states. That leaves a lot to be desired.

3. Thankfully, that desire for improvement is there among many lawmakers. The

difficulty is taking that desire and turning it into change. No matter the state, improvements can be made. **Improper parking can carry consequences, but they should be fair and transparent.** It's not unusual for a towing and storage bill to total several hundred dollars, especially if the storage fees spiraled for days because the driver couldn't locate their vehicle or because the company demanded cash instead of a credit or debit card.

Abusive towing can happen to anyone. In some communities, vehicles can be removed if a towing operator thinks the tires aren't properly inflated. **Cities and states need to evaluate complaints about bad actors** and take action and, in some cases, look for ways to strengthen consumer protections. If that desire for improvement is turned into change, we hope there will be a lot to update in the next report.