

NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)

BILL NUMBER: A8858A

SPONSOR: Romero

TITLE OF BILL:

An act to amend the general business law, in relation to setting maximum rates that may be charged for the towing and subsequent storage of a motor vehicle

SUMMARY OF PROVISIONS:

Section 1 of this legislation would add to section 399-xxx of the general business law, a maximum tow and storage rate for passenger vehicles. An exception applies for participation in towing contracts in place before the need for the towing of such vehicles exists, provided that ownership of such vehicles is with the individual who entered into such contract.

Section 2 of this legislation would add to section 399-xxxx of the general business law, a maximum tow and storage rate for large vehicles. An exception applies for participation in towing contracts in place before the need for the towing of such vehicles exists, provided that ownership of such vehicles is with the individual who entered into such contract.

JUSTIFICATION:

Legislation that sets a maximum tow and storage rate for passenger and large vehicles is icing overdue. New York State ranks a low 40th out of 51 states in towing consumer protections, lacking crucial safeguards found elsewhere in the U.S. Predatory towing often involves excessive, unjustified towing and storage fees set at the sole discretion of towing companies. Towing companies often charge a combination of administrative, expressway, fuel surcharge, notification, gate, release, and special equipment fees, which can quickly add up to thousands of dollars in profits for the company to the detriment of consumers.

Establishing a maximum tow and storage rate would prevent consumers from being subjected to the exploitative practices of towing companies. This legislation would ensure fair and transparent pricing, fostering trust in towing practices while safeguarding consumers from undue financial hardship. New York City has recognized the burden placed on consumers in the absence of regulatory oversight and has established maximum rates for towing and storage. Vehicles weighing 10,000 pounds or less are subject to a maximum tow rate of \$125, while those over 10,000 pounds have a \$140 cap. Storage fees are capped at \$25 per day for the first three days and \$27 per day thereafter. This legislation aims to build on New York City's example by establishing comparable rates and regulations at the state level, ensuring consistent consumer protections across New York. While the prevalence of towing may be higher in New York City, that does not diminish the need for statewide protections. Towing issues are not absent in New York State and the impact on the affected individual can be just as severe. The role of the legislature is not to

wait for a crisis to reach NYC-level proportions, but to proactively safeguard constituents from preventable harm.

SOCIAL JUSTICE IMPACT

This legislation promotes economic equity by protecting our working-class communities, who are disproportionately impacted by predatory towing practices, from excessive and often hidden fees. By establishing clear, statewide limits on towing and storage charges, this bill ensures fair treatment for all New Yorkers, regardless of income or geography, and helps prevent financial hardship caused by unjust or overzealous vehicle impoundment charges.

LEGISLATIVE HISTORY:

New Bill

FISCAL IMPLICATIONS:

None.

EFFECTIVE DATE:

This act shall take effect immediately