

## CHAPTER 292

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**PUBLIC UTILITIES**

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**HOUSE BILL 24-1051**

BY REPRESENTATIVE(S) Boesenecker and Mauro, Amabile, Brown, Clifford, Epps, Froelich, Hernandez, Herod, Kipp, Lindsay, Lindstedt, Mabrey, Marvin, McCormick, Ortiz, Parenti, Ricks, Rutinel, Valdez, Velasco, Vigil, Willford; also SENATOR(S) Gonzales and Priola, Bridges, Buckner, Cutter, Exum, Fields, Gardner, Hinrichsen, Jaquez Lewis, Kolker, Michaelson Jenet, Mullica, Smallwood, Sullivan, Winter F., Fenberg.

**AN ACT**

**CONCERNING THE REGULATION OF BUSINESSES THAT OBTAIN A PERMIT FROM THE PUBLIC UTILITIES COMMISSION TO TOW MOTOR VEHICLES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, 40-10.1-401, **amend** (2) as follows:

**40-10.1-401. Permit requirements - rules.** (2) (a) (I) The commission may deny an application FOR OR SUSPEND, REVOKE, OR refuse to renew a permit under this part 4 of a person ~~who~~ THAT has, within the immediately preceding five years, been convicted of, or pled guilty or nolo contendere to, a felony or a towing-related offense. The commission may also deny an application under this part 4 or SUSPEND, REVOKE, OR refuse to renew the permit of a towing carrier based upon a determination that the towing carrier or any of its owners, principals, officers, members, partners, or directors has not satisfied a civil penalty arising out of ~~any~~ AN administrative or enforcement action brought by the commission.

(II) A TOWING CARRIER THAT APPLIES FOR A PERMIT OR THAT APPLIES TO RENEW A PERMIT SHALL DISCLOSE TO THE COMMISSION EACH PERSON THAT IS IDENTIFIED AS A PRINCIPAL IN ACCORDANCE WITH RULES PROMULGATED BY THE COMMISSION.

(b) The commission may deny an application FOR OR SUSPEND, REVOKE, OR refuse to renew a permit of a towing carrier under this part 4 based on a determination that ~~there is good cause to believe the issuance of or renewal of the permit~~ IT is not in the public interest FOR THE TOWING CARRIER TO POSSESS A PERMIT. The determination is subject to appeal in accordance with commission rules. IT IS REBUTTABLY

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

PRESUMED THAT A TOWING CARRIER'S POSSESSION OF A PERMIT IS NOT IN THE PUBLIC INTEREST IF THE TOWING CARRIER HAS WILLFULLY AND REPEATEDLY FAILED TO COMPLY WITH THIS ARTICLE 10.1 OR PART 18 OR 21 OF ARTICLE 4 OF TITLE 42.

**SECTION 2.** In Colorado Revised Statutes, 40-10.1-403, **amend** (4)(d)(II); and **add** (3.5), (4)(e), and (4)(f) as follows:

**40-10.1-403. Towing task force - creation - conflict of interest - rules - report - repeal.** (3.5) (a) A MEMBER SHALL NOTIFY THE TASK FORCE AND ABSTAIN FROM VOTING IF:

(I) THE MEMBER WILL FINANCIALLY BENEFIT FROM, OR HAS A FINANCIAL INTEREST IN A PERSON THAT WILL BENEFIT FROM, A RATE-SETTING RECOMMENDATION MADE BY THE TASK FORCE; OR

(II) THE TASK FORCE IS ADVISING THE COMMISSION ABOUT A COMPLAINT, AND THE MEMBER IS THE SUBJECT OF THE COMPLAINT OR HAS A FINANCIAL INTEREST IN A PERSON THAT IS THE SUBJECT OF THE COMPLAINT.

(b) A MEMBER DOES NOT HAVE A CONFLICT OF INTEREST IF THE MEMBER BENEFITS MERELY FROM BELONGING TO A CLASS THAT IS AFFECTED BY THE RATE SETTING DESCRIBED IN SUBSECTION (3.5)(a)(I) OF THIS SECTION.

(4)(d)(II) This subsection (4)(d) is repealed, effective ~~July 1, 2026~~ SEPTEMBER 1, 2026.

(e) BY SEPTEMBER 1, 2025, THE COMMISSION SHALL PROMULGATE RULES REQUIRING EACH TOWING CARRIER TO PROVIDE, AS A CONDITION OF PERMIT ISSUANCE OR RENEWAL ON OR AFTER A DATE SPECIFIED IN THE RULES, ANY INFORMATION NEEDED TO PREPARE THE REPORT REQUIRED BY SUBSECTION (4)(d)(I) OF THIS SECTION.

(f) THE COMMISSION MAY PROMULGATE RULES TO COLLECT OTHER INFORMATION REQUIRED AS PART OF THE TOWING CARRIER PERMITTING PROCESS. THE INFORMATION REQUIRED BY RULE MAY INCLUDE THE ANNUAL VOLUME OF TOWS BY CATEGORY, THE CURRENT PRICING PER CATEGORY OF TOW FOR ALL FEES CHARGED, AND THE NUMBER OF TOW TRUCKS EACH TOWING CARRIER OPERATES.

**SECTION 3.** In Colorado Revised Statutes, 40-10.1-405, **amend** (3)(a)(IV) introductory portion, (3)(a)(IV)(A), (3)(a)(IV)(C), (3)(b)(I)(H), (3)(c), (4)(b)(II), (5)(b), (5)(c) introductory portion, and (5)(d) introductory portion; **repeal** (4)(f)(III), (8), and (9)(b)(I); and **add** (3)(a)(V), (3)(d), (3)(e), and (5)(e) as follows:

**40-10.1-405. Nonconsensual tows - rights of owners, operators, and lienholders - rules.** (3) **Authorization, signs, and notice required for tows from private property.** (a) A towing carrier shall not nonconsensually tow a vehicle from private property unless:

(IV) The towing carrier has received DOCUMENTED permission, ~~to~~ WHICH MUST NOT BE AUTOMATED OR PREAPPROVED, FOR EACH INDIVIDUAL tow OF the vehicle, within the twenty-four hours immediately preceding the tow, from THE FOLLOWING

PERSON THAT MUST DOCUMENT THE PERMISSION BY SIGNING THE FORM CREATED IN ACCORDANCE WITH SUBSECTION (3)(d)(I) OF THIS SECTION:

(A) The owner of or leaseholder of the private property; EXCEPT THAT, IF THE OWNER OR LEASEHOLDER WOULD EARN INCOME FROM THE NONCONSENSUAL TOW, THE TOWING CARRIER SHALL NOT PERFORM THE NONCONSENSUAL TOW BUT MAY AUTHORIZE ANOTHER TOWING CARRIER TO PERFORM THE NONCONSENSUAL TOW;

(C) An ~~agent~~ EMPLOYEE of a person described in subsection (3)(a)(IV)(A) or (3)(a)(IV)(B) of this section OR AN EMPLOYEE OF A PROPERTY MANAGEMENT COMPANY RETAINED TO COLLECT RENT AND PERFORM RESIDENTIAL SERVICES; ~~except that the towing carrier does not qualify as an agent with authority to grant permission under this subsection (3)(a).~~ EMPLOYEE WHO HAS A FINANCIAL INTEREST IN OR RELATIONSHIP WITH THE TOWING CARRIER OR A PARKING LOT MANAGEMENT COMPANY THAT EARNS INCOME FROM MANAGING OR CONTROLLING PARKING OR PERMISSION TO PARK OR THAT EARNS INCOME FROM NONCONSENSUAL TOWS SHALL NOT GRANT PERMISSION TO AUTHORIZE THE TOW; OR

(V) THE TOWING CARRIER HAS RECEIVED PERMISSION FOR EACH INDIVIDUAL TOW.

(b)(I) Except as provided in subsection (3)(b)(IV) of this section, a towing carrier shall not nonconsensually tow a vehicle from a parking space or common parking area without the towing carrier or property owner giving the vehicle owner or operator twenty-four hours' written notice, unless:

(H) The vehicle is parked without ~~displaying valid~~ authorization in a parking lot marked for the exclusive use of residents OR INVITED GUESTS.

(c) In order for a towing carrier to conduct a nonconsensual tow, ~~under subsection (3)(b)(I)(G) or (3)(b)(I)(H) of this section,~~ the property owner must have posted signage visible and facing the driver at each entryway into a parking area indicating that parking spaces are designated for one or more specified residents and that a vehicle parked without authorization is subject to being towed. The sign must also contain the international towing symbol no smaller than four inches by four inches and be permanently mounted in a position that is no lower than five feet and no higher than eight feet. THAT:

(I) IS NOT LESS THAN TWO SQUARE FEET IN SIZE;

(II) HAS LETTERING NOT LESS THAN ONE INCH IN HEIGHT;

(III) HAS LETTERING THAT CONTRASTS SHARPLY IN COLOR WITH THE BACKGROUND ON WHICH THE LETTERS ARE PLACED AND CONTRASTS SHARPLY WITH THE STRUCTURE THE SIGNS ARE PLACED ON;

(IV) CONTAINS THE FOLLOWING INFORMATION IN THE ORDER LISTED BELOW:

(A) THE RESTRICTION OR PROHIBITION ON PARKING;

(B) THE TIMES OF THE DAY AND DAYS THAT THE RESTRICTION IS APPLICABLE,

BUT, IF THE RESTRICTION APPLIES TWENTY-FOUR HOURS A DAY, SEVEN DAYS A WEEK, THE SIGN MUST SAY "AUTHORIZED PARKING ONLY"; AND

(C) THE NAME AND TELEPHONE NUMBER OF THE TOWING CARRIER AUTHORIZED TO PERFORM TOWS FROM THE PRIVATE PROPERTY;

(V) IS PRINTED IN ENGLISH AND SPANISH;

(VI) IS PERMANENTLY MOUNTED BOTH:

(A) AT THE ENTRANCE TO THE PRIVATE PROPERTY SO THAT THE SIGN FACES OUTWARD TOWARD THE STREET AND IS VISIBLE BEFORE AND UPON ENTERING THE PRIVATE PROPERTY; AND

(B) INSIDE THE PRIVATE PROPERTY SO THAT THE SIGN FACES OUTWARD TOWARD THE PARKING AREA;

(VII) IS NOT OBSTRUCTED FROM VIEW OR PLACED IN A MANNER THAT PREVENTS DIRECT VISIBILITY; AND

(VIII) IS NOT PLACED HIGHER THAN TEN FEET OR LOWER THAN THREE FEET FROM THE SURFACE CLOSEST TO THE SIGN'S PLACEMENT.

(d) (I) THE COMMISSION SHALL CREATE A FORM THAT IMPLEMENTS SUBSECTION (3)(a)(IV) OF THIS SECTION.

(II) THE TOWING CARRIER MUST RETAIN FOR THREE YEARS THE SIGNED FORM REQUIRED BY SUBSECTION (3)(a)(IV) OF THIS SECTION AND, UPON REQUEST, PROVIDE THE SIGNED FORM TO THE VEHICLE OWNER.

(e) A TOWING CARRIER SHALL NOT PATROL OR MONITOR PROPERTY TO ENFORCE PARKING RESTRICTIONS ON BEHALF OF THE PROPERTY OWNER.

(4) **Notice, disclosures, and towing carrier signs.** (b) A towing carrier shall maintain a clearly visible sign at the entrance to the storage facility holding a nonconsensually towed vehicle. The sign must:

(II) State: "If a vehicle is nonconsensually towed from private property, the ~~owner~~ AUTHORIZED OR INTERESTED PERSON may retrieve the contents of the vehicle even if the ~~owner~~ AUTHORIZED OR INTERESTED PERSON does not pay the towing carrier's fees. If the ~~owner~~ AUTHORIZED OR INTERESTED PERSON fills out the appropriate form, the ~~owner~~ AUTHORIZED OR INTERESTED PERSON may retrieve the vehicle after paying a reduced fee, but the ~~owner~~ AUTHORIZED OR INTERESTED PERSON still owes the towing carrier the balance of those fees."

(f) (III) ~~A towing carrier that enters into an agreement with a property owner to nonconsensually tow vehicles from the property shall post signs that:~~

~~(A) Are no less than one square foot in size;~~

~~(B) Have lettering not less than one inch in height;~~

~~(C) Have lettering that contrasts with the background on which the letters are placed;~~

~~(D) State: "Authorized Parking Only";~~

~~(E) Include the name and telephone number of the towing carrier authorized to perform tows from the private property;~~

~~(F) Are printed in English;~~

~~(G) Are placed at the entrance to the private property, face outward toward the street, and are visible prior to entering and upon entering the private property;~~

~~(H) Are placed inside the area used for parking, face toward the parking spaces, and, if the private property is not provided for residential parking and has more than ten freestanding lampposts on the property, are posted on each lamppost or posted upright near each lamppost;~~

~~(I) Are not obstructed or placed in such a manner that prevents visibility; and~~

~~(J) Are not placed higher than eight feet or lower than three feet from the ground surface closest to the sign's placement.~~

(5) **No mechanic's liens on contents.** (b) If an authorized or interested person requests that a towing carrier return the contents of a vehicle that was towed without consent within thirty days after the postmarked date the notice was mailed in accordance with section 42-4-2103 (4) or the date the operator received notice that no record exists for the motor vehicle, the towing carrier shall ~~immediately retrieve or~~ allow the authorized or interested person to retrieve the vehicle's contents. This subsection (5)(b) does not apply to the contents of a vehicle if the contents of the vehicle are subject to a hold order issued by a court, district attorney, law enforcement agency, or peace officer.

(c) The towing carrier shall immediately retrieve a vehicle that has been nonconsensually towed or allow the ~~owner~~ AUTHORIZED OR INTERESTED PERSON to retrieve the vehicle if:

(d) For an authorized or interested person to retrieve a vehicle without paying the towing carrier the total amount owed to the towing carrier, the authorized or interested person must sign a form affirming that the authorized or interested person owes the towing carrier payment for fees that comply with this article 10.1, part 21 of article 4 of title 42, or article 20 of title 38. Knowingly providing false information on the form is unlawful. Signing this form does not prohibit a vehicle owner from filing a complaint with the commission or pursuing other remedies. The towing carrier may use the form to take reasonable actions to collect the debt, including initiating a court action or using a collection agency. The ~~department~~ COMMISSION shall:

(e) A TOWING CARRIER SHALL NOT REQUIRE A PERSON TO UNDERGO AN APPROVAL PROCESS OTHER THAN SIGNING THE FORM CREATED PURSUANT TO SUBSECTION (5)(d) OF THIS SECTION.

(8) **Towing carrier responsibility.** For a nonconsensual tow, the towing carrier is responsible for the security and safety of the towed vehicle until it is released to an authorized or interested person.

(9) **Applicability.** This section does not apply to:

(b) A tow from a parking space that serves a business if:

(I) ~~The parking space is not in a common parking area; and~~

**SECTION 4.** In Colorado Revised Statutes, 40-10.1-406, **add** (1)(c) as follows:

**40-10.1-406. Failure to comply.** (1) **No fees - return of vehicle.** (c) WITHIN FORTY-EIGHT HOURS AFTER A TOW IS DETERMINED TO HAVE BEEN PERFORMED IN VIOLATION OF THIS ARTICLE 10.1 OR ANY RULES PROMULGATED UNDER THIS ARTICLE 10.1, THE TOWING CARRIER SHALL RETURN THE VEHICLE BACK TO THE LOCATION FROM WHERE IT WAS TOWED UNLESS:

(I) THE AUTHORIZED OR INTERESTED PERSON NOTIFIES THE TOWING CARRIER THAT THE PERSON PREFERS TO RETRIEVE THE VEHICLE FROM THE TOWING CARRIER'S STORAGE FACILITY WITHOUT CHARGE; OR

(II) RETURNING THE VEHICLE TO THE LOCATION FROM WHERE THE VEHICLE WAS TOWED IS NOT PRACTICAL, AS DETERMINED BY THE COMMISSION.

**SECTION 5.** In Colorado Revised Statutes, 40-10.1-409, **amend** (2) as follows:

**40-10.1-409. Violators subject to penalties.** (2) A violation of this part 4 is a deceptive trade practice under section 6-1-105 (1)(ttt) AND (1)(eeee) and is subject to enforcement by the attorney general's office ~~in addition to the~~ OR A DISTRICT ATTORNEY OR enforcement AS described in this section.

**SECTION 6.** In Colorado Revised Statutes, **add** 40-10.1-411 as follows:

**40-10.1-411. Towing carrier responsibility.** THE TOWING CARRIER IS RESPONSIBLE FOR THE SECURITY AND SAFETY OF THE TOWED VEHICLE UNTIL THE VEHICLE IS RELEASED TO AN AUTHORIZED OR INTERESTED PERSON.

**SECTION 7.** In Colorado Revised Statutes, 6-1-105, **add** (1)(eeee) as follows:

**6-1-105. Unfair or deceptive trade practices.** (1) A person engages in a deceptive trade practice when, in the course of the person's business, vocation, or occupation, the person:

(eeee) IS A TOWING CARRIER AND CONDUCTS A NONCONSENSUAL TOW IN VIOLATION OF SECTION 40-10.1-405.

**SECTION 8.** In Colorado Revised Statutes, 40-10.1-404, **amend** (1) as follows:

**40-10.1-404. Repeal of part - subject to review.** (1) This part 4 is repealed, effective September 1, 2025 2030. Before the repeal, this part 4 is scheduled for

review in accordance with section 24-34-104 and subsection (2) of this section.

**SECTION 9.** In Colorado Revised Statutes, 24-34-104, **repeal** (26)(a)(XIII); and **add** (31)(a)(XIII) as follows:

**24-34-104. General assembly review of regulatory agencies and functions for repeal, continuation, or reestablishment - legislative declaration - repeal.**

(26) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2025:

(XIII) ~~The public utilities commission's regulation of towing carriers under part 4 of article 10.1 of title 40.~~

(31) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2030:

(XIII) THE REGULATION OF TOWING CARRIERS BY THE PUBLIC UTILITIES COMMISSION UNDER PART 4 OF ARTICLE 10.1 OF TITLE 40.

**SECTION 10.** In Colorado Revised Statutes, 40-10.1-116, **amend** (3) as follows:

**40-10.1-116. Commission to notify local authorities - procedure.** (3) (a) A person injured by the noncompliance of a motor carrier with this ~~article~~ ARTICLE 10.1 or any other provision of law or an order, decision, rule, direction, or requirement of the commission may apply to a court of competent jurisdiction for the enforcement thereof, and the court has jurisdiction to enforce obedience thereto by injunction or other proper process, mandatory or otherwise, and to restrain the motor carrier and its officers, agents, employees, or representatives from further disobedience thereof, or to enjoin upon them obedience to the same, and any person so injured has cause of action in damages and is privileged to pursue the usual and proper remedies as in any other case.

(b) SUBSECTION (3)(a) OF THIS SECTION CREATES AN INDEPENDENT CAUSE OF ACTION, WHICH IS NOT SUBJECT TO ADMINISTRATIVE EXHAUSTION, AGAINST A TOWING CARRIER THAT VIOLATED THIS ARTICLE 10.1 OR ANY OTHER PROVISION OF LAW OR AN ORDER, DECISION, RULE, DIRECTION, OR REQUIREMENT OF THE COMMISSION.

**SECTION 11. Appropriation.** (1) For the 2024-25 state fiscal year, \$165,629 is appropriated to the department of regulatory agencies. This appropriation is from the public utilities commission motor carrier fund created in section 40-2-110.5 (6), C.R.S. To implement this act, the department may use this appropriation as follows:

(a) \$42,973 for use by the public utilities commission for personal services, which amount is based on an assumption that the commission will require an additional 0.6 FTE;

(b) \$7,438 for use by the public utilities commission for operating expenses; and

(c) \$115,218 for the purchase of legal services.

(2) For the 2024-25 state fiscal year, \$115,218 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of regulatory agencies under subsection (1)(c) of this section and is based on an assumption that the department of law will require an additional 0.5 FTE. To implement this act, the department of law may use this appropriation to provide legal services for the department of regulatory agencies.

**SECTION 12. Act subject to petition - effective date - applicability.** (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to acts committed on or after the applicable effective date of this act.

Approved: May 30, 2024