

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

Bill D

LLS NO. 24-0240.01 Jery Payne x2157

HOUSE BILL

HOUSE SPONSORSHIP

Boesenecker and Mauro,

SENATE SPONSORSHIP

Cutter and Priola,

House Committees

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE REGULATION OF BUSINESSES THAT OBTAIN A PERMIT
102 FROM THE PUBLIC UTILITIES COMMISSION TO TOW MOTOR
103 VEHICLES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Transportation Legislation Review Committee. The bill requires a driver of tow trucks to undergo a fingerprint-based criminal history record check (check). If the check produces a criminal history that the public utilities commission (commission) determines is inappropriate to drive a tow truck, the driver will not be permitted to drive the tow

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

truck.

Current law authorizes the commission to deny or refuse to renew a towing carrier permit if:

- The towing carrier was convicted within the last 5 years of a felony or a towing-related offense or has failed to satisfy a civil penalty imposed by the commission; or
- The commission determines that it is not in the public interest for the towing carrier to hold a towing carrier permit.

The bill:

- Authorizes the commission to suspend or revoke a permit for each of these specified violations;
- Authorizes the commission to suspend or revoke a permit if it is not in the public interest for the towing carrier to hold a towing permit; and
- Sets a rebuttable presumption that it is not in the public interest for a towing carrier to hold a permit if the towing carrier has violated the towing laws.

The bill prohibits a member of the towing task force in the department of regulatory agencies, which advises the commission on towing matters, from voting on a matter that will financially benefit the member or if the member is the subject of a complaint about which the task force is advising the commission.

Current law requires the commission to report certain towing issues and financial information to certain committees of the Senate and House of Representatives of the general assembly. The bill requires the commission to promulgate a rule to require towing carriers to provide:

- Any information needed to prepare the report;
- Audited financial statements; and
- Any other information required by the commission.

The bill directs the commission to aggregate and anonymize the financial statements and make the aggregated and anonymized data publicly available.

A towing carrier is forbidden from patrolling or monitoring property to enforce parking restrictions on behalf of the property owner.

Currently, the owner of a motor vehicle pays to retrieve the motor vehicle when the vehicle has been nonconsensually towed from another person's property. The bill requires certain property owners to pay for the removal of the vehicle from their property and for any storage for the first 30 days. The towing carrier is required to notify the vehicle owner that the vehicle owner can retrieve the vehicle free of charge for the first 30 days.

If a motor vehicle is nonconsensually towed in violation of the rights granted in state statute, the towing carrier must, within 48 hours after the determination of a statutory violation, return the vehicle to the

place it was towed from.

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

2 **SECTION 1.** In Colorado Revised Statutes, 40-10.1-110, **amend**
3 (1)(a) as follows:

4 **40-10.1-110. Record check - rules.** (1) (a) An individual who
5 wishes to drive: A taxicab for a motor carrier that is the holder of a
6 certificate to provide taxicab service issued under part 2 of this article
7 10.1; a motor vehicle for a motor carrier that is the holder of a permit to
8 operate as a charter bus, children's activity bus, luxury limousine, or
9 off-road scenic charter under part 3 of this article 10.1; A TOW TRUCK FOR
10 A TOWING CARRIER THAT IS THE HOLDER OF A PERMIT ISSUED UNDER PART
11 4 OF THIS ARTICLE 10.1; or a motor vehicle for a motor carrier that is the
12 holder of a permit to operate as a large-market taxicab service under part
13 7 of this article 10.1 must have the individual's fingerprints taken by a
14 local law enforcement agency or any third party approved by the
15 Colorado bureau of investigation for the purpose of obtaining a
16 fingerprint-based criminal history record check.

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

19 **40-10.1-401. Permit requirements.** (2) (a) (I) The commission
20 may deny an application FOR or SUSPEND, REVOKE, OR refuse to renew a
21 permit under this part 4 of a person ~~who~~ THAT has, within the
22 immediately preceding five years, been convicted of, or pled guilty or
23 nolo contendere to, a felony or a towing-related offense. The commission
24 may also deny an application under this part 4 or SUSPEND, REVOKE, OR
25 refuse to renew the permit of a towing carrier based upon a determination

1 that the towing carrier or any of its owners, principals, officers, members,
2 partners, or directors has not satisfied a civil penalty arising out of ~~any~~ AN
3 administrative or enforcement action brought by the commission.

4 (II) A TOWING CARRIER THAT APPLIES FOR A PERMIT OR THAT
5 APPLIES TO RENEW A PERMIT SHALL DISCLOSE TO THE COMMISSION EACH
6 PERSON THAT:

7 (A) OWNS MORE THAN FIFTEEN PERCENT OF THE TOWING CARRIER;

8 (B) IS A PRINCIPAL OF, AN OFFICER OF, OR A DIRECTOR OF THE
9 TOWING CARRIER; OR

10 (C) IS A MEMBER OR PARTNER OF THE TOWING CARRIER.

11 (b) The commission may deny an application FOR or SUSPEND,
12 REVOKE, OR refuse to renew a permit of a towing carrier under this part
13 4 based on a determination that ~~there is good cause to believe the~~
14 ~~issuance of or renewal of the permit~~ IT is not in the public interest FOR
15 THE TOWING CARRIER TO POSSESS A PERMIT. The determination is subject
16 to appeal in accordance with commission rules. IT IS REBUTTABLY
17 PRESUMED THAT A TOWING CARRIER'S POSSESSION OF A PERMIT IS NOT IN
18 THE PUBLIC INTEREST IF:

19 (I) THE TOWING CARRIER HAS WILLFULLY VIOLATED THIS ARTICLE
20 10.1 OR PART 18 OR 21 OF ARTICLE 4 OF TITLE 42; OR

21 (II) THE TOWING CARRIER HAS FAILED TO COMPLY WITH THIS
22 ARTICLE 10.1 OR PART 18 OR 21 OF ARTICLE 4 OF TITLE 42.

23 **SECTION 3.** In Colorado Revised Statutes, 40-10.1-403, **amend**
24 (4)(d)(II); and **add** (3.5), (4)(e), and (4)(f) as follows:

25 **40-10.1-403. Towing task force - creation - conflict of interest**
26 **- rules - report - repeal.** (3.5) (a) A MEMBER SHALL NOTIFY THE TASK
27 FORCE AND ABSTAIN FROM VOTING IF:

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

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

8 (b) A MEMBER DOES NOT HAVE A CONFLICT OF INTEREST IF THE
9 MEMBER BENEFITS MERELY FROM BELONGING TO A CLASS THAT IS
10 AFFECTED BY THE RATE SETTING DESCRIBED IN SUBSECTION (2.2)(a)(I) OF
11 THIS SECTION.

12 (4) (d) (II) This subsection (4)(d) is repealed, effective ~~July 1,~~
13 ~~2026~~ SEPTEMBER 1, 2025.

14 (e) (I) BY FEBRUARY 7, 2025, THE COMMISSION SHALL
15 PROMULGATE RULES REQUIRING EACH TOWING CARRIER TO PROVIDE THE
16 FOLLOWING AS A CONDITION OF PERMIT ISSUANCE OR RENEWAL ON OR
17 AFTER A DATE SPECIFIED IN THE RULES:

18 (A) ANY INFORMATION NEEDED TO PREPARE THE REPORT
19 REQUIRED BY SUBSECTION (4)(d)(I) OF THIS SECTION; AND

20 (B) AUDITED FINANCIAL STATEMENTS FOR ONE OR MORE YEARS,
21 AS DETERMINED BY THE COMMISSION.

22 (II) THE COMMISSION SHALL AGGREGATE AND ANONYMIZE THE
23 FINANCIAL STATEMENTS OBTAINED IN ACCORDANCE WITH SUBSECTION
24 (4)(e)(I)(B) OF THIS SECTION AND MAKE THE AGGREGATED AND
25 ANONYMIZED DATA PUBLICLY AVAILABLE.

26 (f) THE COMMISSION MAY PROMULGATE RULES TO COLLECT OTHER
27 INFORMATION REQUIRED AS PART OF THE TOWING CARRIER PERMITTING

1 PROCESS. THE INFORMATION REQUIRED BY RULE MAY INCLUDE THE
2 ANNUAL VOLUME OF TOWS BY CATEGORY, CURRENT PRICING PER
3 CATEGORY OF TOW FOR ALL FEES CHARGED FOR CONSENSUAL AND
4 NONCONSENSUAL TOWS, AND THE NUMBER OF TOW TRUCKS EACH TOW
5 CARRIER OPERATES.

6 **SECTION 4.** In Colorado Revised Statutes, 40-10.1-405, **amend**
7 (4)(b)(II), (4)(f)(I)(A), (4)(f)(I)(B), (5)(b), (5)(c) introductory portion,
8 and (8); and **add** (3)(d), (4)(f)(I)(C), and (4)(h) as follows:

9 **40-10.1-405. Nonconsensual tows - rights of owners,**
10 **operators, and lienholders - rules. (3) Authorization and notice**
11 **required for tows from private property. (d) A TOWING CARRIER**
12 **SHALL NOT PATROL OR MONITOR PROPERTY TO ENFORCE PARKING**
13 **RESTRICTIONS ON BEHALF OF THE PROPERTY OWNER.**

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

17 (II) State: "If a vehicle is nonconsensually towed from private
18 property, the owner may retrieve the contents of the vehicle OR THE
19 VEHICLE WITHIN THE FIRST THIRTY DAYS even if the owner does not pay
20 the towing carrier's fees. If the owner fills out the appropriate form, the
21 owner may retrieve the vehicle after paying a reduced fee, but the owner
22 still owes the towing carrier the balance of those fees ACCRUED AFTER
23 THE FIRST THIRTY DAYS."

24 (f) (I) A towing carrier shall not perform a nonconsensual tow of
25 a vehicle, other than an abandoned motor vehicle as defined in section
26 42-4-2102 (1), from private property normally used for parking unless:

27 (A) Notice of the parking regulations was provided to the vehicle

1 operator when the vehicle entered the private property and parked; and

2 (B) Notice that any vehicle parked in violation of the regulations
3 is subject to tow ~~at the vehicle owner's expense~~ was provided to the
4 vehicle operator when the vehicle entered the private property and
5 parked; AND

6 (C) THE TOWING CARRIER HAS A CONTRACT WITH THE PROPERTY
7 OWNER REQUIRING THE PROPERTY OWNER TO PAY ALL FEES FOR THE
8 NONCONSENSUAL TOW, ALL FEES FOR THE REQUIRED NOTIFICATIONS, AND
9 ALL STORAGE FEES FOR THE FIRST THIRTY DAYS THE VEHICLE IS STORED
10 AS A RESULT OF THE NONCONSENSUAL TOW.

11 (h) THE TOWING CARRIER SHALL, IMMEDIATELY UPON BEING
12 CONTACTED BY AN AUTHORIZED OR INTERESTED PERSON ABOUT A
13 NONCONSENSUALLY TOWED VEHICLE, NOTIFY THE AUTHORIZED OR
14 INTERESTED PERSON THAT THE VEHICLE MAY BE RETRIEVED WITHOUT
15 CHARGE WITHIN THE FIRST THIRTY DAYS AND THEREAFTER FOR A
16 REDUCED FEE. THE TOWING CARRIER SHALL NOT REQUIRE THE PERSON TO
17 UNDERGO AN APPROVAL PROCESS OTHER THAN SIGNING THE FORM
18 CREATED PURSUANT TO SUBSECTION (5)(d) OF THIS SECTION.

19 (5) **No mechanic's liens on contents.** (b) If an authorized or
20 interested person requests that a towing carrier return the contents of a
21 vehicle that was towed without consent within thirty days after the
22 postmarked date the notice was mailed in accordance with section
23 42-4-2103 (4) or the date the operator received notice that no record
24 exists for the motor vehicle, the towing carrier shall ~~immediately retrieve~~
25 ~~or~~ allow the authorized or interested person to retrieve the vehicle's
26 contents. This subsection (5)(b) does not apply to the contents of a
27 vehicle if the contents of the vehicle are subject to a hold order issued by

1 a court, district attorney, law enforcement agency, or peace officer.

2 (c) The towing carrier shall immediately retrieve a vehicle that
3 has been nonconsensually towed or allow the owner to retrieve the
4 vehicle WITHIN THE FIRST THIRTY DAYS FOLLOWING THE TOW. THE
5 TOWING CARRIER SHALL IMMEDIATELY RETRIEVE A VEHICLE THAT HAS
6 BEEN NONCONSENSUALLY TOWED OR ALLOW THE OWNER TO RETRIEVE
7 THE VEHICLE AFTER THE FIRST THIRTY DAYS FOLLOWING A TOW if:

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

11 (b) WITHIN FORTY-EIGHT HOURS AFTER A NONCONSENSUAL TOW
12 IS DETERMINED TO HAVE BEEN PERFORMED IN VIOLATION OF THIS
13 SECTION, THE TOWING CARRIER SHALL RETURN AN IMPROPERLY TOWED
14 VEHICLE BACK TO THE LOCATION FROM WHERE IT WAS TOWED UNLESS THE
15 AUTHORIZED OR INTERESTED PERSON NOTIFIES THE TOWING CARRIER
16 THAT THE PERSON PREFERS TO RETRIEVE THE VEHICLE FROM THE TOW
17 CARRIER'S IMPOUND LOT WITHOUT CHARGE.

18 **SECTION 5.** In Colorado Revised Statutes, 42-4-2105, **amend**
19 (1)(b)(II) as follows:

20 **42-4-2105. Liens upon towed motor vehicles.** (1) (b) The lien
21 granted in subsection (1)(a) of this section attaches to the motor vehicle
22 in accordance with the following schedule:

23 (II) If the operator recovered, removed, or stored the motor
24 vehicle upon instructions of the owner or lessee of real property upon
25 which a motor vehicle was illegally parked or abandoned or upon the
26 owner's or lessee's agent authorized in writing, the lien attaches to the
27 motor vehicle ~~thirty~~ SIXTY days after the postmarked date the notice was

1 mailed in accordance with section 42-4-2103 (4) or the date the operator
2 received notice that no record exists for the motor vehicle.

3 **SECTION 6. Act subject to petition - effective date -**
4 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
5 the expiration of the ninety-day period after final adjournment of the
6 general assembly; except that, if a referendum petition is filed pursuant
7 to section 1 (3) of article V of the state constitution against this act or an
8 item, section, or part of this act within such period, then the act, item,
9 section, or part will not take effect unless approved by the people at the
10 general election to be held in November 2024 and, in such case, will take
11 effect on the date of the official declaration of the vote thereon by the
12 governor.

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