

SUBJECT: Renaming service fees charged by vehicle storage yards

COMMITTEE: Transportation — favorable, without amendment

VOTE: 7 ayes — Alexander, Siebert, Hartnett, Hawley, Hill, Pickett, Uher
0 nays
2 absent — Edwards, Finnell

WITNESSES: For — Jeanette Rash and Larry Cernosek, Texas Towing and Storage Association
Against — None

BACKGROUND : Vehicle storage facilities can assess a one-time fee of \$10 to help cover costs of processing vehicles, running motor vehicle checks, and providing security and for other miscellaneous costs necessary to preserve, protect or service vehicles stored or parked at such facilities. This fee is called a “preservation fee.”

DIGEST: HB 1025 would amend the Vehicle Storage Facility Act to change the name of the fee to the “impoundment fee” and to replace other references to “preservation” with the term “impoundment.”
The bill would take immediate effect is finally passed by a two-thirds record vote of the membership of both houses.

SUPPORTERS SAY: HB 1025 would make a simple technical change in wording to more accurately describe the type of services covered by the fee that vehicle storage facilities collect.
The term “preservation fee” could be misinterpreted to require of storage facilities a far higher standard of care than was envisioned by the Legislature when it enacted the Vehicle Storage Facility Act. The one-time \$10 fee was not meant to imply such care but rather only to cover some of the overhead costs incurred by these facilities. Replacing the misleading term with the more accurate “impoundment fee” would serve to clarify for both facility

operators and vehicle owners exactly what services are covered by the fee. This change would help stave off lawsuits that mistakenly claim that the \$10 “preservation fee” requires extraordinary measures of vehicle storage facilities.

HB 1025 would not create any extra fees nor allow storage yards to charge for any additional costs. It would simply change the term for a fee that is already being assessed in order to better reflect legislative intent.

OPPONENTS
SAY:

No apparent opposition.