

SUBJECT: Adjusting certain vehicle storage facility fees

COMMITTEE: Licensing & Administrative Procedures — favorable, without amendment

VOTE: 8 ayes — K. King, Walle, Goldman, Hernandez, Herrero, T. King, Patterson, Schaefer

1 nay — Harless

2 absent — Shaheen, S. Thompson

WITNESSES: For —Mark Denson, On Site Towing; Trevor Forbes, Peak Auto Storage; Tasha Mora, Southwest Tow Operators; Ken Ulmer, Texas Towing and Storage Association; Timothy Ward (*Registered, but did not testify*: Mike Phillips, All American Towing; James Bennett Jr, Beards Towing; Chloe Borden, Beards Towing; Curtis Jordan, Shonda Jordan, Jordan Towing; Tommy Anderson, Southwest Tow Operators; Barbara Perales, SW Tow Operators; Gary Hoffman, Tow King, Southwest Tow Operators; Brian Walters)

Against — None

On — (*Registered, but did not testify*: Steve Bruno, Texas Department of Licensing and Regulation)

BACKGROUND: Some have suggested that vehicle storage facility impoundment fees, storage fees, and notification fees have not been appropriately adjusted according to changes in the Consumer Price Index for All Urban Consumers (CPI-U).

DIGEST: HB 4447 would specify that the maximum amount of a notification fee imposed on the owner of a vehicle stored or parked at a vehicle storage facility could be adjusted biennially by the Texas Commission of Licensing and Regulation (TCLR) according to a change in the CPI-U and under certain conditions. Any adjustments would be required to be published on the Texas Department of Licensing and Regulation's

(TDLR's) website.

No later than November 1, 2023, TCLR would be required to adjust the impoundment fee, storage fees, and the maximum amount of the notification fee for vehicle storage facilities by an amount equal to the applicable fee or maximum amount in effect on December 31, 2005, multiplied by the percentage change in the CPI-U that occurred during the period beginning December 31, 2005, and ending December 31, 2019. Any adjustments would be posted on TDLR's website.

No later than November 1, 2023, TCLR would be required to increase the maximum amount of the notification fee by an amount equal to the sum of the maximum amount of the notification fee in effect on December 31, 2019, multiplied by the percentage increase TCLR applied to the impoundment fee, storage fees, and the maximum amount of the notification fee as adjusted under the bill multiplied by the percentage increase the commission applied to the impoundment fee and the storage fees.

The bill would take effect September 1, 2023. Provisions relating to one-time fee adjustments would expire September 1, 2025.