

SUBJECT: Adjusting vehicle storage fees based on the Consumer Price Index

COMMITTEE: Licensing and Administrative Procedures — committee substitute recommended

VOTE: 7 ayes — T. King, Goldman, Harless, Herrero, K. King, Kuempel, Paddie
0 nays
3 absent — Geren, Guillen, Hernandez
1 present not voting — S. Thompson

WITNESSES: For — Paul Martin, National Association of Mutual Insurance Companies; Tasha Mora, Southwest Tow Operators Association; Ken Ulmer, Texas Towing and Storage Association; (*Registered, but did not testify*: Scott Mosser, CT Towing; Lorie Court and Vincent Court, Excel Towing; Shonda Jordan, J&J Towing Inc.; Tessie Anderson, Tommy Anderson, James Bennett, Gary Hoffman, and Curtis Jordan, Southwest Tow Operators; Jeanette Rash, Texas Towing and Storage Association; Aimee Hoffman, James Lindgren, and Linda Lindgren, Tow King of Waco)
Against — None
On — (*Registered, but did not testify*: Brian Francis, Texas Department of Licensing and Regulation)

BACKGROUND: Occupations Code sec. 2303.155 allows operators of vehicle storage facilities and governmental vehicle storage facilities to charge certain fees to owners of vehicles stored or parked at their facilities.
Some have said that vehicle storage facility fees should be adjusted with inflation to help operators run an economically viable business.

DIGEST: CSHB 1140 would require the Texas Commission of Licensing and

Regulation (TCLR) to adjust the impoundment and storage fees associated with vehicle storage facilities and government vehicle storage facilities biennially.

On January 1 of even-numbered years, fees for impoundment and storage would be adjusted by an amount equal to the fees in effect on December 31 of the preceding year multiplied by the percentage increase or decrease in the consumer price index during the preceding state fiscal biennium. The consumer price index would mean the Consumer Price Index for All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics of the U.S. Department of Labor. No later than November 1 of odd-numbered years, TCLR would be required to adjust the fees and publish them on the Texas Department of Licensing and Regulation website.

If the fee was decreased, operators would be required to begin charging the adjusted fee on the effective date of the decrease. If the fee was increased, operators could begin charging the adjusted fee at any time on or after the effective date of the increase.

The bill also would set a daily storage fee of \$20, rather than between \$5 and \$20, for vehicles 25 feet or shorter and would remove a fee that could be charged by operators for the remediation, recovery, or capture of environmental or biological hazards.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.