

CONCURRENCE IN SENATE AMENDMENTS

CSA1 Bill Id:AB 987 Author:(Sharp-Collins)

As Amended Ver:August 28, 2025

Majority vote

SUMMARY

Expands the types of towing and storage fees that are considered unreasonable.

Senate Amendments

- 1) *Provide that an owner or an operator of a tow truck that removes a vehicle to the nearest shoulder during a state emergency and acts in good faith shall not be subject to civil liability for damages to personal property that results in the removal of the vehicle, so long as their behavior does not constitute gross negligence or willful or wanton misconduct.*
- 2) *Provide that storage fees in excess of 50% of the daily storage rate when a vehicle is recovered within the first four hours is unreasonable.*
- 3) *Make technical, clarifying changes related to the definition of normal business hours to conform with existing law.*

COMMENTS

The California Legislature has taken steps to reduce a number of anti-consumer behaviors by some towing and storage companies. There was a growing problem with bandit towing that involved the removal of legitimately parked cars. In these cases, a tower would remove the parked car, take it to a storage lot, and then charge inflated towing and storage fees. To address the problem, AB 2210 (Goldberg), Chapter 609, Statutes of 2006, required written approval before the tow operator could remove a parked car. If the tow was on private property, the written approval had to come from the property owner and, if on public property, the written approval was required to be from law enforcement or a public agency. AB 2210, among other things, required tow operators to maintain CHP-approved rates, vehicle storage facilities to release towed vehicles after normal business hours, and set specified storage rate fees.

AB 519 (Solorio), Chapter 566, Statutes of 2010, required towing companies to provide consumers a Towing Fees and Access Notice and an itemized invoice of all towing and storage fees. Towing companies are also required to accept credit cards, debit cards, and insurance checks.

AB 2392 (Santiago), Chapter 432, Statutes of 2018 aimed to protect consumers against unreasonable towing fees by clarifying what towing fees were considered reasonable and what fees were considered unreasonable, with the general rule creating a presumption that fees that were higher than the prevailing rate in the area or higher than the negotiated cost made with local law enforcement or the CHP were unreasonable if the insurer was responsible for covering the cost of the tow.

This bill builds on AB 2392 and expands what fees (shown above) are considered unreasonable. This bill mirrors the provisions in CHP Tow Service Agreements, with the exception of the half day storage charge for vehicles recovered within the first 12 hours. CHP currently has towing service agreements with towing companies that they use and CHP negotiates the price of the tow

for consumers. Rates higher than the rate for the standard towing agreement or agreements with local law enforcement are presumed unreasonable under the law even if the towing company does not have an agreement for CHP. The CHP will suspend a towing company from its preferential towing list if consumers bring repeated complaints against the company.

Under existing law, if an individual is charged unreasonable fees they are entitled to bring a lawsuit against a towing and storage facility for damages. Existing law authorizes damages to be as much as four times the cost of the towing and storage charges (the damages are limited to a maximum of \$10,000 if brought in small claims court). If a towing agency refuses to accept a credit card, insurer's check, or a bank draft, fails to provide a Towing Fees and Access Notice and an itemized invoice, or is not open during normal business hours they can be found civilly liable up to two times the amount charge but a maximum liability of \$500 per vehicle.

According to the Author

"Unreasonable tow and storage fees can place a severe financial burden on working-class individuals, especially when their vehicles are towed unexpectedly or through no fault of their own. Current law only limits fees in certain situations, allowing towing companies to impose excessive charges—such as holiday fees, after-hours releases, or unnecessary administrative costs—in most other cases. These practices exploit people in vulnerable moments, often forcing them to choose between paying exorbitant fees or losing access to vital transportation. This bill expands the definition of "unreasonable" fees to provide clear consumer protections and prevent predatory pricing."

Arguments in Support

According to the Consumers for Auto Reliability and Safety, "Unfortunately, some unscrupulous tow companies impose unjustified and unreasonable charges upon vehicle owners as a condition of returning their vehicles, causing significant financial strain, particularly for moderate and low-income individuals and families. Many vehicle owners are forced to pay exorbitant fees to retrieve their vehicles, often resulting in unexpected financial hardship. For many, this burden can lead to a cascade of problems, such as missed work, difficulty accessing healthcare, and challenges in providing for their families.

While current law offers some protection against unreasonable tow fees, loopholes and gaps remain, allowing towing companies to exploit vehicle owners through excessive and unjustified charges. AB 987 takes an important step toward expanding the definition of "unreasonable" tow fees, offering greater consumer protections and reducing the risk of predatory pricing. These provisions are crucial for helping ensure that vehicle owners are not unfairly burdened by arbitrary and exorbitant fees, or unjustly deprived of their only means of transportation."

Arguments in Opposition

None

FISCAL COMMENTS

Pursuant to Senate Rule 28.8, negligible state costs.

VOTES:

ASM TRANSPORTATION: 16-0-0

YES: Wilson, Davies, Aguiar-Curry, Ahrens, Carrillo, Harabedian, Hart, Hoover, Jackson, Lackey, Lowenthal, Macedo, Papan, Ransom, Rogers, Ward

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

ASSEMBLY FLOOR: 75-0-4

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Elhawary, Ellis, Fong, Gabriel, Gallagher, Garcia, Gipson, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Dixon, Flora, Jeff Gonzalez, Papan

SENATE FLOOR: 40-0-0

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

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