

Date of Hearing: June 16, 2026

ASSEMBLY COMMITTEE ON JUDICIARY
Ash Kalra, Chair
SB 1112 (Archuleta) – As Amended June 8, 2026

As Proposed to be Amended

SENATE VOTE: 38-0

SUBJECT: VEHICLES: TOWING COMPANIES AND STORAGE FACILITIES

SYNOPSIS

‘Bandit’ towing refers to when a tow operator arrives at a crash scene, uninvited or without being called, claims a tow and charges excessive fees. These tow operators often listen to police scanners to determine where accidents happen and then show up on the scene. Last year, after the Eaton fire had burned parts of Southern California, some towing companies fraudulently towed vehicles of fire victims to the Inland Empire and demanded amounts in the thousands of dollars to return the vehicles. For many who rely on a single vehicle, this creates an impossible choice: pay the excessive fees to get the vehicle back or pursue litigation, which will take time and delay the return of the vehicle. This bill aims to create a process where vehicle owners can post a bond, or other adequate security, to have their vehicle released, as they pursue litigation. The author is proposing some amendments to the bill to clarify the bill’s language, adjust a civil penalty, and remove a provision regarding the bond forms utilized. Those amendments are incorporated into the SUMMARY and discussed in further detail in the body of this analysis.

This bill enjoys support from the American Rental Car Association (ACRA) and is sponsored by Enterprise Mobility. While there is no formal opposition, the California Autobody Association (CAA) has proposed an amendment to the bill.

SUMMARY: Creates a bond process for vehicle owners to gain possession of their vehicles while they challenge their vehicle’s storage, and corresponding charges, in judicial proceedings. Specifically, **this bill:**

- 1) Allows the registered owner, legal owner, lienholder or insurer of a vehicle, before the sale of the vehicle by a towing company, impound yard, or storage facility, to post a bond or other adequate security with the court in the county in which the vehicle is stored and have the vehicle released.
 - a) Requires the bond or other adequate security to be in an amount equal to the accrued towing and storage charges at the time of the release of the vehicle.
 - b) Requires the clerk of the court, upon the posting of the bond or other adequate security, to issue a certificate directing the towing company, impound yard, or storage facility to release the vehicle to the party that posted the bond or other adequate security.
 - c) Requires the towing company, impound yard, or storage facility, upon receipt of a copy of the certificate directing the release of the vehicle, to release the vehicle during regular business hours, to the person who posted the bond or other adequate security.

- 2) Specifies if the towing company, impound yard, or storage facility fails to release the vehicle, then the towing company, impound yard, or storage facility must:
 - a) Forfeit any rights to the bond posted with the court and any storage fees or other charges; and
 - b) Pay the registered or legal owner's attorney's fees and costs incurred in obtaining the vehicle or securing its release.
- 3) Requires the party posting the bond to initiate judicial proceedings within 10 days after the issuance of the certificate by the clerk of the court, alleging a violation of at least one of specified statutes, in addition to any other applicable causes of action.
- 4) Provides that if the party posting the bond fails to initiate judicial proceedings within 10 days, the bond is forfeited in favor of the towing company, impound yard, or storage facility.
- 5) Prohibits an auto body shop, impound yard, or storage facility from knowingly participating in, or profiting from, a violation of 3). If an auto body shop, impound yard, or storage facility accepts vehicles they know or should have known, were wrongfully taken or withheld, in violation of 3), then it will be subject to a civil penalty not more than four times the amount charged to the vehicle owner.
- 6) Specifies that failure to provide notice, as required by Sections 3071 and 3072 of the Civil Code, will render storage charges void.
- 7) Requires, by January 1, 2028, the Bureau of Automotive Repair to develop and distribute a notice that states a vehicle owner's rights pursuant to this bill.
 - a) Requires, by July 1, 2028, a towing company, impound yard, storage facility, and auto body shop to post the notice visible to consumers onsite.
 - b) Provides that an entity that fails to comply with the notice requirement will be subject to a civil penalty of not more than \$1,500 for the first violation and not more than \$2,500 for the second and subsequent violations.
- 8) Clarifies that this bill does not apply to any vehicle towed by an approved towing company and stored at an approved storage facility or impound yard at the request of the Department of the California Highway Patrol (CHP), a local enforcement agency, the Department of Transportation, or a local transportation department or agency if the department or agency has an administrative oversight mechanism to address violations of law.

EXISTING LAW:

- 1) Requires a lienholder to apply to the Department of Motor Vehicles (DMV) for the issuance of an authorization to conduct a lien sale for any vehicle with a value determined to be over four thousand dollars (\$4,000).
 - a) Requires the DMV, upon receipt of an application to:
 - i) Notify the vehicle registry agency of a foreign state of the pending lien sale, if the vehicle bears indicia of registration in that state; and

- ii) By certified mail, send a notice, a copy of the application, and a return envelope preaddressed to the department to the registered and legal owners at their addresses of record with the department, and to any other person whose name and address is listed in the application. The notice must contain, among other things, a statement that the person has a right to a hearing and a Declaration of Opposition form.
 - b) Requires the DMV, if it receives the Declaration of Opposition form in the time specified, to notify the lienholder within 16 days of the receipt of the form that a lien sale shall not be conducted unless the lienholder files an action in court within 30 days of the department's notice. A lien sale of the vehicle cannot be conducted unless judgment is subsequently entered in favor of the lienholder or the declarant subsequently releases his or her interest in the vehicle. If a money judgment is entered in favor of the lienholder and the judgment is not paid within five days after becoming final, then the judgment may be enforced by lien sale proceedings.
 - c) Requires the lienholder, upon receipt of authorization to conduct the lien sale from the DMV, to do the following:
 - i) At least 5 days, but not more than 20 days, prior to the lien sale, not counting the day of the sale, give notice of the sale by advertising once in a newspaper of general circulation published in the county in which the vehicle is located. If there is no newspaper published in the county, notice shall be given by posting a Notice of Sale form in three of the most public places in the town in which the vehicle is located and at the place where the vehicle is to be sold for 10 consecutive days prior to and including the day of the sale; and
 - ii) Send a Notice of Pending Lien Sale form 20 days prior to the sale but not counting the day of sale, by certified mail with return receipt requested, to the registered and legal owners of the vehicle (if registered in California), all persons known to have an interest in the vehicle, and the DMV.
 - d) Allows for the legal or registered owner, within 10 days after the sale of any vehicle pursuant to this section, to redeem the vehicle upon the payment of the amount of the sale, all costs and expenses of the sale, together with interest on the sum at the rate of 12 percent per annum from the due date thereof or the date when that sum was advanced until the repayment. (Civil Code Section 3071.)
- 2) Requires a lienholder to apply to the DMV for the names and addresses of registered legal owners of record for any vehicle with a value determined to be four thousand dollars (\$4,000) or less.
- a) Requires the lienholder, immediately upon receipt of the names and addresses, send a completed Notice of Pending Lien Sale form, a blank Declaration of Opposition form, and a return envelope preaddressed to the department, to the registered owner and legal owner at their addresses of record with the department, and to any other person known to have an interest in the vehicle.
 - b) Requires the DMV, if it receives the Declaration of Opposition form in the time specified, to notify the lienholder within 16 days of the receipt of the form that a lien sale shall not be conducted unless the lienholder files an action in court within 30 days of the

department's notice. A lien sale of the vehicle cannot be conducted unless judgment is subsequently entered in favor of the lienholder or the declarant subsequently releases his or her interest in the vehicle. If a money judgment is entered in favor of the lienholder and the judgment is not paid within five days after becoming final, then the judgment may be enforced by lien sale proceedings.

- c) Requires the lienholder, at least 10 consecutive days prior to and including the day of the sale, to post a Notice of Pending Lien Sale form in a conspicuous place on the premises of the business office of the lienholder and if the pending lien sale is scheduled to occur at a place other than the premises of the business office of the lienholder, at the site of the forthcoming sale. (Civil Code Section 3072.)
- 3) Prohibits the imposition of a fee or service charge on a legal owner of a vehicle whenever the name and address of the legal owner of a motor vehicle is known, or may be ascertained from the registration records in the vehicle or from the records of the DMV, except: no fee or service charge may be imposed upon the legal owner for the parking and storage of the motor vehicle except as follows:
 - a) The first 15 days of possession; and
 - b) Following that 15-day period, the period commencing 3 days after written notice is sent by the person in possession to the legal owner by certified mail, return receipt requested, and continuing for a period not to exceed any applicable time limits. (Vehicle Code Section 10652.5.)
 - 4) Prohibits a towing service from providing and prohibits a person or public entity from accepting any direct or indirect commission, gift, or any compensation whatever from a towing service in consideration of arranging or requesting the services of a tow truck. As used in this section, "arranging" does not include the activities of employees or principals of a provider of towing services in responding to a request for towing services.
 - a) This section does not preclude a public entity, otherwise authorized by law from requiring a fee in connection with the award of a franchise for towing vehicles on behalf of that public entity.
 - b) However, the fee in those cases may not exceed the amount necessary to reimburse the public entity for its actual and reasonable costs incurred in connection with the towing program. (Vehicle Code Section 12110.)
 - 5) Makes it a misdemeanor for a towing company or the owner or operator of a tow truck to stop or cause a person to stop at the scene of an accident or near a disabled vehicle for the purpose of soliciting an engagement for towing services, either directly or indirectly, to furnish towing services, to move a vehicle from a highway, street, or public property when the vehicle has been left unattended or when there is an injury as the result of an accident, or to accrue charges for services furnished under those circumstances, unless requested to perform that service by a law enforcement officer or public agency pursuant to that agency's procedures, or unless summoned to the scene or requested to stop by the owner or operator of a disabled vehicle. (Vehicle Code Section 22513 (a).)

- 6) Requires a towing company or owner or operator of a tow truck to provide, if the vehicle owner or operator is present, a written itemized estimate of all charges and services to be performed. (Vehicle Code Section 22513 (c).)
- 7) Requires all towing and storage fees charged when those services are performed as a result of an accident or recovery of a stolen vehicle to be reasonable. (Vehicle Code Section 22524.5.)
- 8) Specifies requirements that a person, as defined, including a tow yard, storage facility, or an impounding yard that charges for towing or storage or both, must follow including posting a notice of towing and storage fees. (Vehicle Code Section 22651.07.)
- 9) Specifies the requirements for removal of a vehicle from private property, including notice of towing and towing, service and storage rates. (Vehicle Code Section 22658.)
- 10) Requires, whenever an authorized member of a public agency directs the storage of a vehicle, the agency or person directing the storage to provide the vehicle's registered and legal owners of record, or their agents, with the opportunity for a poststorage hearing to determine the validity of the storage. (Vehicle Code Section 22852.)
- 11) Specifies the notice requirements and procedures whenever an officer or an employee removes a vehicle from a highway, public property, or private property, and does not know or is unable to ascertain the owner of the vehicle. (Vehicle Code Section 22853.)
- 12) Specifies the requirement processes for a motor carrier to obtain a carrier identification number from the DMV. (Vehicle Code Section 34507.5.)

FISCAL EFFECT: As currently in print this bill is keyed fiscal.

COMMENTS: 'Bandit' towing refers to when a tow operator arrives at a crash scene, uninvited or without being called, claims a tow and then charges excessive fees. (Robert Goldberg, *Drivers: Stay safe & avoid 'bandit' tows*, AAA (Apr. 18, 2025) available at: <https://www.ace.aaa.com/automotive/advocacy/bandit-tow-truck-scams.html>.) These tow operators often listen to police scanners to determine where accidents happen and then show up on the scene. (Gina Silva, *Tow truck scammers targeting crash victims. What to know*. FOX 11 (Oct. 3, 2025) available at: <https://www.foxla.com/news/tow-truck-scam-redondo-beach-victim-speaks-out>.) Last year, after the Eaton fire had burned parts of Southern California, some towing companies fraudulently towed vehicles of fire victims to the Inland Empire and demanded amounts in the thousands of dollars to return the vehicles. (Deborah Brennan, *'Bandit' tow companies target LA wildfire victims*, CalMatters (Mar. 5, 2025) available at: <https://calmatters.org/environment/wildfires/2025/03/la-tow-companies-inland-empire/>.) The author writes:

Bandit towing refers to the act of a towing company taking or holding a vehicle under false pretenses or for excessive fees. This phenomenon has been on the rise, especially in Southern California. A 2025 Department of Insurance Inland Empire Automobile Insurance Fraud Task Force report found that just one fraud ring had conspired to collect over \$200,000 from consumers and rental companies. These bad actors harm everyone: California consumers, tourists, car rental companies, and even the legitimate towing industry itself. Inspired by a recently enacted law out of Florida, SB 1112 attempts to crack down on bandit towing by

making it significantly easier for consumers and companies to retrieve their vehicles and file a case against unjust towing or excessive fees.

For many who rely on a single vehicle, this creates an impossible choice: pay the excessive fees to get the vehicle back or pursue litigation, which will take time and delay the return of the vehicle. According to the author:

Under current law, the only remedy for consumers in these situations is to file a lawsuit against the towing company. These lawsuits, which go through the California civil courts, are lengthy, expensive, and have no guarantee of the consumer retrieving their car in a timely manner. This leaves consumers with two real options: pay the towing company the demanded amount or surrender their vehicle.

Unlike auto repair shops, which are regulated by the Bureau of Automotive Repair (BAR), the towing industry is not a licensed industry, which results in little regulation and challenges with enforcement.

This bill allows for a vehicle owner to post a bond, or adequate security, with the local court, in order to gain possession of their vehicle from a towing company or storage facility. The vehicle owner then must initiate judicial proceedings within 10 days or the bond or security, which is for the amount of the accrued towing and storage charges, will be given to the towing company, impound yard, or storage facility that held the vehicle. The towing company, impound yard, or storage facility must then release the vehicle to the vehicle's owner, while judicial proceedings move forward. The bill establishes a civil penalty for auto body shops, storage facilities, and impound yards that knowingly participating in, or profiting from, the acceptance of a vehicle that was wrongfully taken or withheld. The bill also establishes a civil penalty, beginning July 1, 2028, for a towing company, impound yard, storage facility, or auto body shop that fails to post a notice regarding a vehicle owner's rights, pursuant to this bill.

Bond Process Implementation. The bill would allow the owner of a vehicle to submit a bond or other adequate security with the clerk of the court in the county in which the vehicle is stored. The clerk must then issue a certificate directing the vehicle's release. If the vehicle owner does not initiate judicial proceedings within 10 days after the issuing of the certificate, then the bond is forfeited to the towing company, impound yard, or storage facility. Currently, courts do not have a process in place to manage this process of taking bonds and managing bond distribution. *The author is encouraged to continue working with the Judicial Council to determine the specific processes and costs in establishing a bond process and how the courts would effectively manage the collection, review, and distribution of the bond.*

The bill requires the bond, or other adequate security, to be in the amount equal to the accrued towing and storage charges at the time of release on the vehicle. Since the bond will need to go to the court, which will need to issue a certificate, and the certificate must then be given to the storage facility, there may be a few days for this entire process to play out. That would mean the vehicle owner posting the bond may have to estimate the date the vehicle would be released when posting the bond with the court. It could be one day of storage fees, or it could be several days of storage fees. *The author may wish to specify the timeline for release, or change the method for calculating the bond amount, so that it can be more exact since the timing of the release of the vehicle may vary.*

Law Enforcement/Transportation Exception. The bill provides an exception from the bond process for any vehicle that was towed at the request of the CHP, local law enforcement agencies, the Department of Transportation, or a local transportation department or agency, if the department or agency has an administrative oversight mechanism to address violations of the law. Under existing law, whenever a public agency directs the storage of a vehicle, the public agency is required to provide the owner of the vehicle with the opportunity for a poststorage hearing, to determine the validity of the storage. (Vehicle Code Section 22852.) Although this bill's law enforcement/transportation exception may be slightly duplicative of the poststorage hearing requirement in existing law, the exception deals more specifically with the bond and certificate process established in this bill. *The author may wish to amend the bill to specify the administrative oversight mechanism components that would be sufficient for the law enforcement exception to apply. These components could include, but not limited to: (1) a contractual cap on the fee for towing; (2) a contractual cap on the daily storage fee; (3) if the administrative agency requests a hold of the vehicle for any reason, a process by which the agency must inform the vehicle owner in writing that the hold has been lifted; and (4) a process by which a vehicle owner may challenge fees that exceed contractual caps.*

The California Autobody Association (CAA) has requested an amendment to the bill that would exclude automotive repair shops that are registered with the BAR. The BAR regulates "automotive repair dealers, Smog Check stations and technicians, and vehicle safety systems stations and technicians." (*About the Bureau of Automotive Repair*, BAR, available at: <https://www.bar.ca.gov/about-bar>.) Automotive repair shops will often receive vehicles that are towed at the request of the vehicle owner, so that the vehicles may be fixed. The concern the CAA raises is that automotive repair shops would deal with duplicative rules, under this bill and the BAR regulations. The BAR has regulations for storage fees for automotive repair dealers that must abide by when a lien has arisen. (*Automotive repair dealers and storage fees*, BAR (Jan. 5, 2024) available at: <https://www.bar.ca.gov/storage>.) *If the author wishes to exclude automotive repair shops that are licensed with the BAR from the bond process established in this bill, the author may consider including the amendment suggested by the CAA. CAA's proposed amendment, adding to Section 22852.1 (g) of the bill, is as follows:*

This section shall not apply to an automotive repair dealer registered with the Bureau of Automotive Repair that receives a vehicle for diagnostic, estimate, storage, or repair services at the request of the vehicle owner or the owner's authorized representative.

Author's Amendments. As now in print, the bill does not require the use of a particular form for posting the bond, unless the clerk of the court in that county requires a form. The Judicial Council of California provided feedback that this provision may lead to inconsistency with the statewide forms process. In order to address this concern, the author proposes to remove this provision of the bill.

Additionally, the bill as now in print calculates the civil penalty amount for an entity's failure to post the notice of a vehicle owner's rights by the amount charged to the vehicle owner. Since a failure to post a notice may not be dependent on an individual vehicle owner, the author proposes changing the civil penalty to not more than \$1,500 for the first violation, and not more than \$2,500 for any second and subsequent violations.

Lastly, the author proposes to amend the bill to make the bill's language uniform and more consistent with existing law. The amendments are as follows:

On page 3, line 25, insert, “or other adequate security” after “bond”

On page 3, line 30, insert, “or other adequate security” after “bond”

On page 4, line 3, insert, “or other adequate security” after “bond”

On page 4, line 5, insert, “or other adequate security” after “bond”

On page 4, line 13, remove, “fine” and replace with “penalty”

ARGUMENTS IN SUPPORT: This bill is sponsored by Enterprise Mobility and supported by the American Car Rental Association (ACRA). ACRA writes in support:

California law extensively regulates towing practices, including the circumstances under which a vehicle may be removed, required notifications, and allowable fees. However, there is no comprehensive licensure requirement for tow operators and no centralized oversight entity. This gap has enabled some operators to disregard existing law and exploit vehicle owners.

Bad actors engage in practices such as transporting vehicles to undisclosed storage facilities, failing to provide timely or adequate notice, and imposing excessive fees that can escalate to thousands of dollars within a matter of days. In these circumstances, vehicle owners are left without a specialized oversight authority to turn to dispute these practices.

Under current law, a vehicle owner challenging a tow or related charges must pursue relief through the standard court process. During this period, the vehicle remains in the possession of the tow company and storage fees continue to accrue. The only means for a vehicle owner to recover their vehicle in this time is to hand over the extortionate fees to a company behaving outside the confines of the law.

SB 1112 provides a balanced solution. It allows a vehicle owner to post a bond and initiate a judicial review of the tow or associated fees. Upon doing so, the court issues a certificate requiring the immediate release of the vehicle. The parties then proceed through the normal legal process to determine the appropriate charges, if any.

This approach restores fairness to the process. It prevents tow operators from using possession of a vehicle as leverage to extract excessive or unlawful fees, while preserving their ability to recover legitimate charges through the bond. At the same time, it allows vehicle owners to regain use of their property without waiting for a final court determination and does not require expedited court proceedings.

REGISTERED SUPPORT / OPPOSITION:

Support

Enterprise Mobility (sponsor)
American Car Rental Association (ACRA)

Concern (Proposed Amendment)

California Autobody Association

Analysis Prepared by: Griff Ryan-Roberts / JUD. / (916) 319-2334