Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1112 (Archuleta) – As Amended June 17, 2026

Policy Committee: Judiciary Vote: 12 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill creates a process allowing the owner, lienholder, or insurer of a towed or stored vehicle to post a bond or other adequate security with the court to obtain release of the vehicle while challenging the towing and storage charges in court.

Specifically, this bill:

1) Allows the registered owner, legal owner, lienholder, or insurer, before sale of the vehicle, to post a bond or other adequate security with the clerk of the court in the county where the vehicle is stored, in an amount equal to the accrued towing and storage charges, and requires the clerk to issue a certificate directing the towing company, impound yard, or storage facility to release the vehicle.

2) Requires the facility, on receipt of the certificate, to release the vehicle during regular business hours, and provides that a facility that fails to do so forfeits the bond and any storage fees and must pay the owner’s attorney’s fees and costs.

3) Requires the party posting the bond to initiate judicial proceedings within 10 days, alleging a violation of at least one of nine specified Vehicle Code or Civil Code sections, and forfeits the bond to the facility if the party does not.

4) Establishes a civil penalty of up to four times the amount charged for an auto body shop, impound yard, or storage facility that knowingly participates in or profits from accepting a wrongfully taken or withheld vehicle.

5) Requires the Bureau of Automotive Repair, by January 1, 2028, to develop and distribute a notice of vehicle owners’ rights under the bill, requires facilities to post the notice by July 1, 2028, and establishes civil penalties of up to $1,500 for a first violation and up to $2,500 for subsequent violations of the posting requirement.

6) Exempts vehicles towed and stored at the request of the California Highway Patrol, a local law enforcement agency, the Department of Transportation, or a local transportation agency, if the requesting agency has an administrative oversight mechanism to address violations of law.

FISCAL EFFECT:

1) Potential court cost pressures of an unknown, but potentially significant amount (Trial Court Trust Fund, General Fund) to establish and administer the new bond process. The bill appears to create a new court process involving bond administration, certificate issuance, deadline monitoring, potential forfeitures, and civil enforcement activities — a process the courts do not currently have in place. The Judicial Council identifies potential one-time impacts including development of statewide business rules and operational procedures, case management system configuration and deployment, creation of new bond and trust codes, development of forms and certificates, staff training, and trust accounting procedures, as well as ongoing workload to review and accept bonds, verify bond amounts, issue certificates directing vehicle release, track statutory deadlines and forfeitures, process refunds and disbursements, manage trust accounting, and conduct any judicial review of forfeitures, enforcement actions, and civil penalty proceedings. The Judicial Council indicates additional guidance will be necessary to determine the full operational, technology, workload, and fiscal impacts, and actual costs will depend on the number of bonds posted statewide. Although trial courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a need for increased General Fund support. The 2025-26 budget includes $117.3 million General Fund to backfill the Trial Court Trust Fund.

2) Potential court cost pressures of an unknown amount (Trial Court Trust Fund, General Fund) for additional civil litigation. The bill requires a party posting a bond to initiate judicial proceedings within 10 days and establishes new civil penalties, which together could generate additional filings and proceedings, with attendant workload to the courts. The actual impact will depend on the number of cases filed and the circumstances unique to each case.

3) One-time costs of $18,000 to the Bureau of Automotive Repair (Vehicle Inspection and Repair Fund) to develop, produce, and distribute the vehicle owner's rights notice, which the bureau considers minor and absorbable.

COMMENTS:

1) **Purpose**. According to the author, "bandit" towing — taking or holding a vehicle under false pretenses or for excessive fees — has been rising, particularly in Southern California, citing a Department of Insurance task force report finding that a single fraud ring collected over $200,000 from consumers and rental companies. The author states that under current law a consumer's only remedy is a lengthy and expensive lawsuit during which the towing company retains the vehicle, leaving owners to either pay the demanded amount or surrender the vehicle, and that the bill, modeled on a recent Florida law, makes it easier to retrieve a vehicle and challenge unjust charges.

2) **Background**. California law regulates towing practices, including when a vehicle may be removed, required notices, and allowable fees, but does not license tow operators or provide a centralized oversight entity, which the bill's proponents contend has allowed some operators to exploit vehicle owners. Existing law generally requires an owner challenging a tow to pursue relief through the ordinary court process while the vehicle remains in the company's possession and storage fees accrue. This bill instead allows the owner to post a bond equal to the accrued charges, obtain a court certificate directing release, and litigate the charges with the vehicle returned, with the bond serving as security for the facility's legitimate charges.

The committee analysis observes that the courts do not currently have a process to accept bonds, issue certificates, and manage bond distribution, and that the author is encouraged to continue working with the Judicial Council on the specific processes and costs. The analysis also notes that, because several days may elapse between posting the bond and release of the vehicle, the owner may have to estimate the storage charges when setting the bond amount, and suggests the author specify the release timeline or the method for calculating the bond amount.

3) **Support and Opposition**. The bill is sponsored by Enterprise Mobility and supported by the American Car Rental Association, which argues that the absence of centralized oversight has enabled bad actors to move vehicles to undisclosed facilities, withhold adequate notice, and impose excessive fees, and that the bond process restores fairness by allowing owners to regain use of their vehicles while preserving a facility's ability to recover legitimate charges. The Judicial Council opposes this bill, arguing existing law already provides a judicial remedy, the writ of possession under Code of Civil Procedure section 515.010, which requires the plaintiff to file an undertaking of no less than twice the value of the defendant's interest in the property, and that this bill would circumvent that process by permitting a party to receive court services without filing a lawsuit and while posting a smaller security. The Judicial Council further argues the "certificate" the bill requires is new and undefined, with no corresponding process in existing law, and that the bill would inappropriately require court clerks, whose role is administrative and ministerial, to make factual determinations and direct the release of property outside any adversarial action and without the involvement of a judicial officer.

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