

ASSEMBLY OVERSIGHT, REFORM AND FEDERAL  
RELATIONS COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 5038**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 22, 2023

The Assembly Oversight, Reform and Federal Relations Committee reports favorably and with committee amendments Assembly Bill No. 5038.

As amended and reported, this bill provides that a towing company would only be required to require the operator, owner, lessor, or lienholder of a vehicle to pay for reasonable fees charged in accordance with a duly authorized fee schedule for the non-consensual towing or related storage services of the vehicle before the towing company releases the vehicle, provided that the towing was authorized by a law enforcement officer of this State or by any political subdivision of this State. In the event the owner or operator of the vehicle defaults on payments to the lessor or lienholder, the bill further provides that the lessor or lienholder is responsible for these reasonable towing and storage fees.

The bill also requires a towing company to notify the operator, owner, lessor, and lienholder of a vehicle that has been subject to non-consensual towing, authorized by a law enforcement officer of this State or a political subdivision of this State, and related storage services within 30 days of the vehicle being towed and arriving at the towing company lot. If a towing company fails to notify the operator, owner, lessor, and lienholder of the vehicle within 30 days, the towing company is only entitled to charge a maximum storage fee of \$750 and is responsible for all additional towing or related storage services. Additionally, the bill sets the maximum liability for storage fees for matters pending prior to the date of the bill's enactment to \$5,000 but provides that towing fees for matters pending prior to the date of enactment are not to be subject to any fee limitation, provided that the fees remain reasonable and are charged in accordance with a duly authorized fee schedule.

The bill also allows garage keepers that tow, maintain, or furnish certain supplies at the request of a vehicle's owner, a representative of the vehicle's owner, or at the request of a State law enforcement officer or political subdivision to place a lien on the vehicle or detain the vehicle until the reasonable fees are paid. Additionally, the bill provides that a

garage keeper would only be required to require reasonable fees to be paid by the operator, owner, lessor, or lienholder of a vehicle for the non-consensual towing or related storage services.

The provisions of the bill are retroactive to October 18, 2008.

#### COMMITTEE AMENDMENTS

The committee amended the bill to:

(1) provide that a towing company would only be required to require reasonable fees to be paid by the operator, owner, lessor, or lienholder of a vehicle for the non-consensual towing or related storage services.

As introduced, the bill permitted these fees to be imposed;

(2) require the reasonable fees for towing or related storage to be charged in accordance with a duly authorized fee schedule established by a municipality or other political subdivision of the State;

(3) provide that the provisions of the bill apply to reasonable fees charged for towing that is authorized by a law enforcement officer of this State or by a political subdivision of the State;

(4) require that a towing company notify the operator, owner, lessor, and lienholder of a vehicle that has been subject to non-consensual towing and related storage services within 30 days of the vehicle being towed and arriving at the towing company lot and limit the maximum amount of storage fees if the towing company fails to do so;

(5) set a maximum liability for storage fees for matters pending prior to the date of the bill's enactment;

(6) provide that towing fees for matters pending prior to the bills enactment are not subject to a fee cap if the fees remain reasonable and are charged in accordance with a duly authorized fee schedule established by a municipality or other political subdivision of the State;

(7) allow garage keepers that tow, maintain, or furnish certain supplies at the request of a vehicle's owner, a representative of the vehicle's owner, or at the request of a State law enforcement officer or political subdivision to place a lien on the vehicle or detain the vehicle until the reasonable fees are paid; and

(8) provide that a garage keeper would only be required to require reasonable fees to be paid by the operator, owner, lessor, or lienholder of a vehicle for the non-consensual towing or related storage services.