



4900 Rt. 33W • Suite 100
Wall Twp., NJ 07753
Phone: 732-256-9646
Fax: 732-256-9666
Web: www.njgca.org

December 18, 2017

To: New Jersey State Senate

From: Sal Risalvato, New Jersey Gasoline, C-Store, Automotive Association

Re: Support S-3459, “Exempts law enforcement officers and certain private property towing companies from certain provisions of ‘Predatory Towing Prevention Act.’”

On behalf of NJGCA, which represents several hundred of the state’s independent auto repair businesses, many of which perform their own towing operations, I ask that you support this legislation.

This bill simply corrects what I believe to be an unintentional flaw in the 2007 Predatory Towing Prevention Act (PTPA). The PTPA was introduced in early 2007 in response to a series of news reports about certain unscrupulous towers who were taking advantage of a lack of regulation to target and extort regular motorists. These towers were using vague policies to troll private parking lots and remove vehicles, then charge the motorist huge fees to get their vehicles back. In some cases, kickbacks were even being given to lot owners. As then-Assemblyman Bob Gordon said at the time, the marketplace for *private property* towing was “totally unregulated, it’s basically the Wild West”.

The PTPA made a series of reforms that were explicitly targeted at protecting motorists who had parked on private property. In the decade since, the market has been significantly cleaned up, and in our experience the world of towing in New Jersey has no more of a problem with ‘bad apples’ than any other industry.

The PTPA was passed nearly unanimously by both houses of the Legislature in just under four months. There were some issues with the new law that all sides agreed were problematic, and adjustments were made in a 2009 bill. However, there remains one serious issue with the law that this bill will clean up.

The Division of Consumer Affairs has interpreted the PTPA to cover not just tows from private property lots, but all non-consent tows, including those that are ordered by local police, most often as the result of a traffic accident. It seems that because the PTPA did not explicitly exempt police-ordered non-consent tows, the Division has determined that these tows are regulated by the PTPA, which has led to a variety of unfair and confusing issues for towers throughout the state.

Each of the state's municipalities have their own clearly defined rules and regulations regarding non-consent tows. Some local governments allow towers to charge for certain actions and services that others do not. They also set a flat rate of what the tow company can charge for the tow in such a situation.

If a tow company charges a fee for a service that is explicitly allowed for by the local municipal government, but not allowed for by the PTPA, then that tow company can be hit with a very costly fine by the Division of Consumer Affairs. If they comply with the PTPA and simply roll that expense into the flat rate they charge (rather than list it as a line-item), they will exceed the limit set by the municipality, which will lead to a fine and can lead to the complete loss of the local tow contract. The only other option is to simply eat the expense themselves, an option that is not sustainable.

If these small businesses can't be fairly compensated for the service they provide—services that in all the instances covered by this legislation are being ordered by a law enforcement official as part of their official duties—then they won't be able to survive, to the detriment of everyone.

This bill is a simple fix to a problem that was never intended to be created. The best piece of evidence for that is the fact that the lead sponsor of the 2007 law is also the co-prime sponsor of this bill. It is long past time for this fix to be made, and this simple bill will do just that.

I ask that you support it.

Sincerely,  NEW JERSEY GASOLINE > C-STORE > AUTOMOTIVE ASSOCIATION



Sal Risalvato
Executive Director