



60 Community Drive | Augusta, ME 04330-9486

1-800-452-8786 (in state)
(T) 207-623-8428
(F) 207-624-0129

Testimony of the Maine Municipal Association

Neither For Nor Against

LD 1401, An Act to Repeal the Provisions of Law Requiring Motor Vehicle Liability Insurance Policies to Cover the Cost of Towing and Storing Certain Vehicles

April 23, 2025

Sen. Bailey, Rep. Matheson and distinguished members of the Health Coverage, Insurance and Financial Services Committee, my name is Rebecca Graham, and I am submitting testimony neither for nor against on behalf of Maine Municipal Association for LD 1401, *An Act to Repeal the Provisions of Law Requiring Motor Vehicle Liability Insurance Policies to Cover the Cost of Towing and Storing Certain Vehicles*, at the direction of our 70 member Legislative Policy Committee (LPC).

As drafted, one would assume this bill has little to do with municipal operations. However, municipalities contract with towing companies to secure and remove vehicles that impede snow removal, pose a threat to roadways, are abandoned after a pursuit, or following the arrest of an impaired operator who has the choice of provider. Generally, these municipal contracts offer a consistent fee for that service that is clear and provides a balanced expectation of revenue for the towing company for their service, a predictable and transparent fee for those who incur the cost which is also able to be publicly displayed on street signs and parking areas subject to snow removal.

The requirement for insurance coverage on that covers the reasonable towing and storage charges of the person holding the vehicle protects their service knowing that a fee is recoverable through an insurance carrier even when the individual may not have the means to pay to remove the vehicle. Not only is this helpful to prevent shifting the burden to the individual who may or may not have the means to pay but does have active insurance, but also a form of a guarantee that a towing company as a path to be made whole for towing vehicles at the request of public safety. Otherwise, it may be impossible to find a towing company to assist in removing vehicles for public safety purposes.

Additionally, the Legislature has limited the criminal penalties for removing a vehicle without paying for a service on towing property so the remedy means implied in testimony are limited to the extent that a service can secure a vehicle that would require an individual to present themselves to pay for the services before release. This can be challenging when a large number of vehicles need to be removed and stored during extreme weather events.

We hope this information may aid you in your deliberations as to whether or not amendments to current statute may be necessary or appropriate.