



## Department of the Secretary of State Bureau of Motor Vehicles

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### JOINT STANDING COMMITTEE ON TRANSPORTATION

#### **L.D. 1846 "An Act to Amend the Law Governing Notification to Vehicle Owners and Lienholders When a Vehicle Is Towed or Left Without Permission on Residential or Business Property"**

Testimony of Shenna Bellows, Secretary of State and  
Cathie Curtis, Deputy Secretary for the Bureau of Motor Vehicles,  
Department of the Secretary of State

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Senator Nangle, Representative Crafts, Members of the Transportation Committee. I am providing testimony that is neither for nor against L.D. 1846, "An Act to Amend the Law Governing Notification to Vehicle Owners and Lienholders When a Vehicle Is Towed or Left Without Permission on Residential or Business Property."

The Department of the Secretary of State recognizes that there are several concerns regarding the towing industry and the ripple effects it has on the abandoned vehicle laws. This is why we supported L.D. 1377, "Resolve, to Convene a Working Group to Evaluate Potential Regulation of the Vehicle Towing Industry and the Impact on State Agencies and Industries." Predatory towing is a trend sweeping across the nation, and Maine is not relieved from this trend. The National Insurance Crime Bureau (NICB) reported that between 2021 and 2022, there was an increase of about 103% in potential towing fraud cases.

L.D. 1846 proposes changes to the notification process for abandoned vehicles. The Department processes approximately 52,000 abandoned vehicle title applications annually. The title applications are reviewed to determine the legal ownership of the vehicle. Often the ownership is granted to the towing company. However, about 20% of the title applications require extensive follow-up from our staff due to discrepancies with the submitted paperwork. The current process absorbs the time of one full-time title examiner.

This bill requires the property owners or their agents, who are often towing companies, to send notification to the owner or lienholder of the vehicle via certified mail within 48 hours of holding the vehicle.

While we agree with this would be a step in the right direction, we suggest that the notification be on a standardized on form prescribed by our department which would streamline the process for determining ownership. Absent this standardization, there will likely be significant discrepancies in the paperwork submitted to the Department. It is estimated that the additional notification process could double the rejection rate, further hindering the process and making it more inefficient.

Two other observation with the bill we want to bring to your attention:

- it requires an additional report to be filed with our department; and
- there is a mandated minimum 21-day waiting period after receiving the report from the property owner or agent, before we can issue the title or letter of ownership to the applicant.

Both of these requirements are a step in the right direction, but they will necessitate computer system updates which will result in a fiscal note.

As previously mentioned, the Department supports L.D. 1377. The issues raised in that bill likely would address the situations this bill is addressing in holistic manner, through a working group study, focused on discussing the potential regulation of the vehicle towing industry. This collaborative approach would bring together various stakeholders to devise a comprehensive solution to the overarching issues, rather than addressing them independently.

If this bill does move forward, the Department respectfully suggests an amendment to require that the property owner or their agent utilize a form prescribed by the Secretary of State to facilitate accurate and consistent notifications to vehicle owners.

In conclusion, we agree steps need to be taken to protect vehicle owners by addressing the costs and potential fraud with regard to towed vehicles. We do believe, however, that L.D. 1377 is a more comprehensive approach.

Thank you for your time. I will try to answer any questions from the committee.