



Maine Credit Union League

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In Support Of

LD 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

Committee on Transportation

May 6, 2025

Good Afternoon, Senator Nangle, Representative Crafts, and distinguished members of the Committee on Transportation,

My name is Robert Caverly and I am the Vice President of Advocacy and Outreach at the Maine Credit Union League. The Maine Credit Union League is the trade association for Maine's 48 credit unions and over 750,000 members statewide. We respectfully submit the following testimony **in support of LD 1846**.

Excessive storage fees from the towing companies have been a problem for credit unions for a long time. In 2018 the League first proposed a cap on daily storage fees. In 2021, the League was able to pass a provision requiring notification to lienholders within 14 days, or not more than 14 days of storage fees would be permitted. Yet still, credit unions report receiving notices from the Secretary of State with storage fees in excess of what is legally permitted. In 2024 the League published a memo to our credit unions clarifying the existing law, and now credit unions are successfully challenging these bills in hearings with the Secretary of State's office.

This is inefficient. A notice of a title claim should not be the first time a credit union learns the location of a vehicle they are searching for. The Secretary of State should not have to hold hearings to enforce the law. Well managed, reputable towing companies should not have to wait on these processes in order to have vehicles retrieved and payment rendered.

LD 1846 changes the notification process for vehicle owners and lienholders, requiring towing companies to complete the notification via certified mail within 48 hours. The Secretary of State would then be able to verify that when looking at a report and claim for an abandoned vehicle.

When charging off loans, credit unions are required to provide a detailed account of all overdue costs. Towing and storage fees have been an opaque part of this process. There have been reports of towing operators who, upon being told their storage fees were in excess of the legal limit, amended the towing fee to make up for the lost revenue. These practices are why the bill also contains a requirement for towing companies to itemize their services.

With multiple bills already this session, and in years past, the committee is well aware of the issues surrounding towing. The League is in support of the Towing study bill, LD 1377, and should the committee choose to table this bill to use it as a vehicle pending the outcome of that study, we would be supportive of a more comprehensive towing reform bill that includes these provisions.