

CHAPTER 74

(SB 71)

AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 281.010 is amended to read as follows:

As used in this chapter:

- (1) *"Automobile club" means a person that, for consideration, promises to assist its members or subscribers in matters relating to the assumption of or reimbursement of the expense or a portion thereof for towing of a motor vehicle; emergency road service; matters relating to the operation, use, and maintenance of a motor vehicle; and the supplying of services which includes, augments, or is incidental to theft or reward services, discount services, arrest bond services, lock and key services, trip interruption services, and legal fee reimbursement services in defense of traffic-related offenses;*
- (2) "Automobile utility trailer" means any trailer or semitrailer designed for use with and towed behind a passenger motor vehicle;
- (3)~~(2)~~ "Automobile utility trailer certificate" means a certificate authorizing a person to engage in the business of automobile utility trailer lessor;
- (4)~~(3)~~ "Automobile utility trailer lessor" means any person operating under an automobile utility trailer certificate who is engaged in the business of leasing or renting automobile utility trailers, but shall not include the agents of such persons;
- (5)~~(4)~~ "Broker" means a person selected by the cabinet through a request for proposal process to coordinate human service transportation delivery within a specific delivery area. A broker may also provide transportation services within the specific delivery area for which the broker is under contract with the cabinet;
- (6)~~(5)~~ "Bus" means a motor vehicle operating under a bus certificate transporting passengers for hire between points over regular routes;
- (7)~~(6)~~ "Bus certificate" means a certificate granting authority for the operation of one (1) or more buses;
- (8)~~(7)~~ "Cabinet" means the Kentucky Transportation Cabinet;
- (9)~~(8)~~ "Certificate" means a certificate of compliance issued under this chapter to motor carriers;
- (10)~~(9)~~ "Charter bus" means a motor vehicle operating under a charter bus certificate providing for-hire intrastate transportation of a group of persons who, pursuant to a common purpose under a single contract at a fixed charge for the motor vehicle, have acquired the exclusive use of the motor vehicle to travel together under an itinerary either specified in advance or modified after having left the place of origin;
- (11)~~(10)~~ "Charter bus certificate" means a certificate granting authority for the operation of one (1) or more charter buses;
- (12)~~(11)~~ "Commissioner" means the commissioner of the Department of Vehicle Regulation;
- (13)~~(12)~~ "CTAC" means the Coordinated Transportation Advisory Committee created in KRS 281.870;
- (14)~~(13)~~ "Department" means the Department of Vehicle Regulation;
- (15)~~(14)~~ "Delivery area" means one (1) or more regions established by the cabinet in administrative regulations promulgated under KRS Chapter 13A for the purpose of providing human service transportation delivery in that region;
- (16)~~(15)~~ "Disabled persons vehicle carrier" means a motor carrier for hire, transporting passengers including the general public who require transportation in disabled persons vehicles;
- (17)~~(16)~~ "Disabled persons vehicle" means a motor vehicle operating under a disabled persons vehicle certificate especially equipped for the transportation of passengers with disabilities in accordance with 49 C.F.R. pt. 38, and is designed or constructed with not more than fifteen (15) regular seats. It shall not mean an ambulance as defined in KRS 311A.010. It shall not mean a motor vehicle equipped with a stretcher;

- (18)~~(17)~~ "Disabled persons vehicle certificate" means a certificate granting authority for the operation of one (1) or more disabled persons vehicles transporting passengers for hire;
- (19)~~(18)~~ "Driveaway" means the transporting and delivering of motor vehicles, except semitrailers and trailers, whether destined to be used in either a private or for-hire capacity, under their own power or by means of a full mount method, saddle mount method, the tow bar method, or any combination of them over the highways of this state from any point of origin to any point of destination for hire. "Driveaway" does not include the transportation of such vehicles by the full mount method on trailers or semitrailers;
- (20)~~(19)~~ "Driveaway certificate" means a certificate granting authority for the operation of one (1) or more motor carrier vehicles operating as a driveaway;
- (21)~~(20)~~ "Driver" means the person physically operating the motor vehicle;
- (22) *"Flatbed/rollback service" means a form of towing service which involves moving vehicles by loading them onto a flatbed platform;*
- (23)~~(21)~~ "Highway" means all public roads, highways, streets, and ways in this state, whether within a municipality or outside of a municipality;
- (24)~~(22)~~ "Household goods" has the same meaning as in 49 C.F.R. sec. 375.103;
- (25)~~(23)~~ "Household goods carrier" has the same meaning as "household goods motor carrier" in 49 C.F.R. sec. 375.103;
- (26)~~(24)~~ "Household goods certificate" means a certificate granting authority for the operation of one (1) or more household goods vehicles;
- (27)~~(25)~~ "Human service transportation delivery" means the provision of transportation services to any person that is an eligible recipient in one (1) of the following state programs:
- (a) Nonemergency medical transportation under KRS Chapter 205;
 - (b) Mental health, intellectual disabilities, or comprehensive care under KRS Chapter 202A, 202B, 210, or 645;
 - (c) Work programs for public assistance recipients under KRS Chapter 205;
 - (d) Adult services under KRS Chapter 205, 209, 216, or 273;
 - (e) Vocational rehabilitation under KRS Chapter 151B or 157; or
 - (f) Blind industries or rehabilitation under KRS Chapter 151B or 163;
- (28)~~(26)~~ "Interstate commerce" has the same meaning as in 49 C.F.R. sec. 390.5;
- (29)~~(27)~~ "Intrastate commerce" has the same meaning as in 49 C.F.R. sec. 390.5;
- (30)~~(28)~~ "Limousine" means a motor vehicle operating under a limousine certificate that is designed or constructed with not more than fifteen (15) regular seats;
- (31)~~(29)~~ "Limousine certificate" means a certificate granting authority for the operation of one (1) or more limousines transporting passengers for hire;
- (32)~~(30)~~ "Mobile application" means an application or a computer program designed to run on a smartphone, tablet computer, or other mobile device that is used by a TNC to connect drivers with potential passengers;
- (33)~~(31)~~ "Motor carrier" means any person in either a private or for-hire capacity who owns, controls, operates, manages, or leases, except persons leasing to authorized motor carriers, any motor vehicle for the transportation of passengers or property upon any highway, and any person who engages in the business of automobile utility trailer lessor, **vehicle towing**, driveaway, or U-Drive-It;
- (34)~~(32)~~ "Motor carrier vehicle" means a motor vehicle used by a motor carrier to transport passengers or property;
- (35)~~(33)~~ "Motor carrier vehicle license" means a license issued by the department for a motor carrier vehicle authorized to operate under a certificate;
- (36)~~(34)~~ "Motor carrier license plate" means a license plate issued by the department to a motor carrier authorized to operate under a certificate other than a household goods, property, TNC, or U-Drive-It certificate;

- (37)~~(35)~~ "Motor vehicle" means any motor-propelled vehicle used for the transportation of passengers or property on a public highway, including any such vehicle operated as a unit in combination with other vehicles;
- (38)~~(36)~~ "Passenger" means an individual or group of people;
- (39)~~(37)~~ "Permit" means a temporary permit of compliance issued under this chapter for a specified period not to exceed ten (10) days, and for a specific vehicle, to any motor carrier, including one who is a nonresident of the Commonwealth, who operates a motor vehicle and is not entitled to an exemption from the payment of fees imposed under KRS 186.050 because of the terms of a reciprocal agreement between the Commonwealth and the state in which the vehicle is licensed;
- (40)~~(38)~~ "Person" means any individual, firm, partnership, corporation, company, association, or joint stock association, and includes any trustee, assignee, or personal representative thereof;
- (41)~~(39)~~ "Platoon" means a group of two (2) individual commercial motor vehicles traveling in a unified manner at electronically coordinated speeds at following distances that are closer than would ordinarily be allowed under KRS 189.340(8)(b);
- (42)~~(40)~~ "Prearranged ride" means the period of time that begins when a transportation network company driver accepts a requested ride through a digital network or mobile application, continues while the driver transports the rider in a personal vehicle, and ends when the transportation network company services end;
- (43)~~(41)~~ "Pre-trip acceptance liability policy" means the transportation network company liability insurance coverage for incidents involving the driver for a period of time when a driver is logged into a transportation network company's digital network or mobile application but is not engaged in a prearranged ride;
- (44)~~(42)~~ "Property" means general or specific commodities, including hazardous and nonhazardous materials;
- (45)~~(43)~~ "Property certificate" means a certificate granting authority for the transportation of property, other than household goods, not exempt under KRS 281.605;
- (46) **"Recovery":**
- (a) ***Means a form of towing service which involves moving vehicles by the use of a wheel-lift device, such as a lift, crane, hoist, winch, cradle, jack, automobile ambulance, tow dolly, or any other similar device as requested by a state or local law enforcement agency; and***
- (b) ***Includes:***
1. ***Relocating a vehicle or cargo from a place where towing is not possible to a place where towing is possible; and***
 2. ***The cleanup of debris or cargo, and returning an area to pre-event condition;***
- (47)~~(44)~~ "Regular route" means the scheduled transportation of passengers between designated points over designated routes under time schedules that provide a regularity of services;
- (48)~~(45)~~ "Regular seat" means a seat ordinarily and customarily used by one (1) passenger and, in determining such seating capacity, the manufacturer's rating may be considered;
- (49) ***"Storage facility" means any lot, facility, or other property used to store motor vehicles that have been removed from another location by a tow truck;***
- (50)~~(46)~~ "Street hail" means a request for service made by a potential passenger using hand gestures or verbal statement;
- (51)~~(47)~~ "Subcontractor" means a person who has signed a contract with a broker to provide human service transportation delivery within a specific delivery area and who meets human service transportation delivery requirements, including proper operating authority;
- (52)~~(48)~~ "Tariff" means the listing of compensation received by a motor carrier for household goods that includes the manner in which and the amount of fares an authorized motor carrier may charge;
- (53)~~(49)~~ "Taxicab" means a motor vehicle operating under a taxicab certificate that is designed or constructed with not more than eight (8) regular seats and may be equipped with a taximeter;

- (54)~~(50)~~ "Taxicab certificate" means a certificate granting authority for the operation of one (1) or more taxicabs transporting passengers for hire;
- (55)~~(51)~~ "Taximeter" means an instrument or device approved by the department that automatically calculates and plainly indicates the charge to a passenger for hire who is being charged on the basis of mileage;
- (56) *"Tow truck" means a motor vehicle equipped to provide any form of towing service, including recovery service or flatbed/rollback service;*
- (57) *"Tow truck operator" means an individual who operates a tow truck as an employee or agent of a towing company;*
- (58) *"Towing" means:*
- (a) *Emergency towing, which is the towing of a motor vehicle, with or without the owner's consent, because of:*
 1. *A motor vehicle accident on a public highway;*
 2. *An incident related to an emergency; or*
 3. *An incident that necessitates the removal of the motor vehicle from a location for public safety reasons;*
 - (b) *Private property towing, which is the towing of a motor vehicle, without the owner's consent, from private property:*
 1. *On which the motor vehicle was illegally parked; or*
 2. *Because of an exigent circumstance necessitating its removal to another location; and*
 - (c) *Seizure towing, which is the towing of a motor vehicle for law enforcement purposes involving the:*
 1. *Maintenance of the chain of custody of evidence;*
 2. *Forfeiture of assets; or*
 3. *Delinquency of highway fuel tax, weight distance tax, or any other taxes and fees administered by the Transportation Cabinet;*
- (59) *"Towing company":*
- (a) *Means a service or business operating as a motor carrier that:*
 1. *Tows or otherwise moves motor vehicles by means of a tow truck; or*
 2. *Owns or operates a storage lot;*
 - (b) *Includes a tow truck operator acting on behalf of a towing company when appropriate in the context; and*
 - (c) *Does not include an automobile club, car dealership, insurance company, repossession company, lienholders and entities hired by lienholders for the purpose of repossession, local government, or any other entity that contracts with a towing company;*
- (60)~~(52)~~ "Transportation network company" or "TNC" means a person or entity that connects passengers through its digital network or mobile application to its drivers for the provision of transportation network company services;
- (61)~~(53)~~ "Transportation network company certificate" or "TNC certificate" means a certificate granting the authority for the operation of one (1) or more transportation network company vehicles transporting passengers for hire;
- (62)~~(54)~~ "Transportation network company driver" or "TNC driver" means an individual who operates a motor vehicle that is owned or leased by the individual, or a motor vehicle for which the driver is an insured driver and has the permission of the owner or lessee of the motor vehicle, and used to provide transportation network company services;
- (63)~~(55)~~ "Transportation network company service" or "TNC service" means a prearranged passenger transportation service offered or provided through the use of a transportation network company mobile application or digital network to connect potential passengers with transportation network company drivers;

- ~~(64)(56)~~ "Transportation network company vehicle" or "TNC vehicle" means a privately owned or leased motor vehicle, designed or constructed with not more than eight (8) regular seats, operating under a transportation network company certificate;
- ~~(65)(57)~~ "U-Drive-It" means any person operating under a U-Drive-It certificate who leases or rents a motor vehicle for consideration to be used for the transportation of persons or property, but for which no driver is furnished, and the use of which motor vehicle is not for the transportation of persons or property for hire by the lessee or rentee; and
- ~~(66)(58)~~ "U-Drive-It certificate" means a certificate granting authority for the operation of one (1) or more U-Drive-Its.

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO READ AS FOLLOWS:

As used in Sections 2 to 10 of this Act:

- (1) *"Lienholder" means a person, including a secured party, with a lien indicated on a certificate of title issued by any state;*
- (2) *"Motor vehicle renting company" has the same meaning as in KRS 281.687; and*
- (3) *"Owner" when referring to a motor vehicle, means:*
 - (a) *The person or entity to whom a motor vehicle is registered;*
 - (b) *The person to whom a motor vehicle is leased, if the terms of the lease require the lessee to maintain and repair the vehicle; or*
 - (c) *A motor vehicle rental company, if the vehicle was rented pursuant to a rental agreement.*

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO READ AS FOLLOWS:

- (1) *This section applies to any towing company that engages in, or offers to engage in, emergency towing.*
- (2)
 - (a) *Prior to the removal of a towed motor vehicle from a tow truck, a towing company that engages in emergency towing shall take photographs, video, or other visual documentation to document evidence of any vehicle damage, debris, or damaged cargo or property.*
 - (b) *A towing company operating under this section may document, at the scene, any complications to the recovery process in writing or by using any of the methods outlined in paragraph (a) of this subsection, if:*
 1. *Law enforcement does not object; and*
 2. *It can be performed in a safe manner.*
- (3) *Except as provided in subsection (4) of this section, a towing company, while providing an emergency tow, shall not stop, or cause a person to stop, at the scene of an accident or near a disabled motor vehicle, for the purpose of:*
 - (a) *Soliciting an engagement for emergency towing services;*
 - (b) *Moving a motor vehicle from a public street, road, or highway; or*
 - (c) *Accruing charges in connection with paragraph (a) or (b) of this subsection.*
- (4) *A towing company may stop, or cause a person to stop, at the scene of an accident or near a disabled motor vehicle under the circumstances of subsection (3) of this section if the:*
 - (a) *Towing company is requested to stop or to perform a towing service by a law enforcement officer;*
 - (b) *Towing company is summoned to the scene or requested to stop by the owner or operator of a disabled motor vehicle;*
 - (c) *Owner of a disabled motor vehicle has provided consent to the towing company to stop or perform a towing service; or*
 - (d) *Towing company has reasonable belief that a motorist is in need of immediate aid. A towing company shall not offer towing services under this paragraph unless a condition of paragraph (a), (b), or (c) of this subsection has been met.*

- (5) (a) *Except as provided in subsections (6) and (7) of this section, the owner or operator of a disabled motor vehicle, in consultation with law enforcement or with authorized state or local government personnel, may:*
1. *Summon to the disabled motor vehicle's location the towing company of the owner's or operator's choice, either directly or through an insurance company's or an automobile club's emergency service arrangement; and*
 2. *Designate the location to which the disabled motor vehicle is to be towed.*
- (b) *If the location designated by the owner or operator is not a storage facility owned or operated by the towing company, the owner or operator shall arrange for payment to the towing company at the time the towing company is summoned.*
- (6) *Subsection (5) of this section shall not apply:*
- (a) *In the event of a declared emergency; or*
- (b) *If the owner or operator of a disabled motor vehicle:*
1. *Is incapacitated or otherwise unable to summon a towing company; or*
 2. *Defers to law enforcement or to authorized state or local government personnel as to the towing company to be summoned or the location to which the disabled motor vehicle is to be towed.*
- (7) *The authority of an owner or operator of a disabled motor vehicle to summon the towing company of the owner's or operator's choice under subsection (5) of this section shall be superseded by a law enforcement officer or by authorized state or local government personnel if:*
- (a) *The towing company the owner or operator chooses is unable to respond to the location of the disabled motor vehicle in a timely fashion; or*
- (b) *The disabled motor vehicle is a hazard, impedes the flow of traffic, or may not legally remain in the motor vehicle's location in the opinion of the law enforcement officer or authorized state or local government official.*
- (8) *If a disabled motor vehicle is causing or poses a safety hazard, the towing company may move the disabled motor vehicle to a safe location after being authorized by a law enforcement officer or by authorized state or local government personnel. The owner of the disabled vehicle shall be responsible for the costs of the tow.*
- (9) *A disabled vehicle shall not be removed from a scene that is under the control of a law enforcement agency without authorization from the law enforcement agency.*
- (10) *If a towing company is summoned for emergency towing by the owner or operator of a disabled motor vehicle, the towing company shall make a record, to the extent available, consisting of:*
- (a) *The first and last name and telephone number of the individual who summoned the towing company to the scene; and*
- (b) *The color, make, model, year, vehicle identification number, and license plate number of the disabled motor vehicle.*
- (11) *If a towing company is summoned for emergency towing by a law enforcement officer or by authorized state or local government personnel, the towing company shall make a record, to the extent available, consisting of:*
- (a) *The identity of the law enforcement agency or authorized state, county, or municipal agency requesting the emergency towing; and*
- (b) *The color, make, model, year, vehicle identification number, and license plate number of the disabled motor vehicle.*
- (12) *A towing company shall maintain a record created under subsection (10) or (11) of this section and provide the record to a law enforcement agency upon request from the time the towing company appears at the location of the disabled motor vehicle until the time the motor vehicle is towed and released to an authorized third party. A towing company shall retain the record created under subsection (10) or (11) of this section for a period of two (2) years from the date the disabled motor vehicle was towed and,*

throughout the two (2) year period, make the record available for inspection and copying, not later than forty-eight (48) hours after receiving a written request from a law enforcement agency, the Attorney General, the disabled motor vehicle's owner, or an authorized agent of the disabled motor vehicle's owner. If the disabled motor vehicle was involved in a collision, the records shall be available for inspection by any individual involved in the underlying collision, his or her respective insurance companies, or his or her legal representatives. Records maintained under this subsection shall be kept in paper or electronic form.

- (13) *A towing company that performs emergency towing under this section shall, upon taking possession of the motor vehicle, secure a towed motor vehicle properly and take all reasonable efforts to prevent further damage, including weather damage, or theft of a towed motor vehicle, including the motor vehicle's cargo and contents until the motor vehicle is out of the towing company's possession. A towing company shall not be responsible for damage that occurred prior to taking possession of the motor vehicle for towing.*

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO READ AS FOLLOWS:

- (1) (a) *This section applies to any towing company that engages in, or offers to engage in, private property towing.*
- (b) *This section does not apply to the towing of a motor vehicle from a tow-away zone that is not located on private property.*
- (2) *Prior to removing a motor vehicle from a tow truck under this section, a towing company that engages in or offers to engage in private property towing shall take photographs, video, or other visual documentation to document evidence of any vehicle damage, debris, or damaged cargo or property, or complications to the recovery process.*
- (3) *A private property owner may establish a tow-away zone on the owner's property. A property owner that establishes a tow-away zone under this subsection shall post at the location of the tow-away zone a sign that is clearly visible to the public. The sign shall include a statement that the area is a tow-away zone, pertinent contact information, and a description of any persons authorized to park or prohibited from parking in the area.*
- (4) *A towing company that tows a motor vehicle under this section shall ensure that the motor vehicle is towed to a storage facility located within twenty-five (25) miles of the location of the tow-away zone from which the motor vehicle was removed or, if no storage facility is located within twenty-five (25) miles of the location of the tow-away zone, to the storage facility nearest to the tow-away zone.*
- (5) *If the owner or operator of a motor vehicle parked in violation of a tow-away zone arrives at the location of the tow-away zone or private property while the motor vehicle is being towed, the towing company shall give the owner or operator either oral or written notification that the owner or operator may pay a fee in an amount not greater than fifty percent (50%) of the amount of the fee the towing company normally charges for the release of a motor vehicle. Upon the owner's or operator's payment of the amount specified, the towing company shall release the motor vehicle to the owner or operator and give the owner or operator a receipt showing the full amount of the fee the towing company normally charges for the release of a motor vehicle and the amount of the fee paid by the owner or operator.*
- (6) *A towing company shall provide notice to the law enforcement agency having jurisdiction in the location of the private property not later than two (2) hours after completing a tow of a motor vehicle from private property.*
- (7) *A towing company that performs private property towing shall secure a towed motor vehicle properly and take all reasonable efforts to prevent further damage, including weather damage, or theft of a towed motor vehicle, including the motor vehicle's cargo and contents until the motor vehicle is out of the towing company's possession. A towing company shall not be responsible for damage that occurred prior to taking possession of the motor vehicle for towing.*

➔SECTION 5. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO READ AS FOLLOWS:

- (1) *This section applies to any towing company that engages in, or offers to engage in, emergency towing.*
- (2) *Prior to attaching a motor vehicle to the tow truck, the towing company shall furnish the vehicle's owner or operator, if the owner or operator is present at the scene of the disabled vehicle and upon the owner's or operator's request, a rate sheet listing all rates for towing services, including but not limited to all rates for towing and associated fees, cleanup, labor, storage, and any other services provided by the towing company.*

- (3) (a) *Any towing company or storage facility shall post a rate sheet at its place of business and shall make the rate sheet available upon a customer's request.*
- (b) *Any charge in excess of the rate sheets provided under this subsection shall be deemed excessive.*
- (4) *An itemized invoice of actual towing charges assessed by a towing company for a completed tow shall be made available to the owner of the motor vehicle or the owner's agent no later than one (1) business day after:*
- (a) *The tow is completed; or*
- (b) *The towing company has obtained all necessary information to be included on the invoice, including any charges submitted by subcontractors used by the towing company to complete the tow and recovery.*
- (5) *The itemized invoice required under subsection (4) of this section shall contain the following information:*
- (a) *The date and time the motor vehicle was towed;*
- (b) *The location to which the motor vehicle was towed;*
- (c) *The name, address, and telephone number of the towing company;*
- (d) *A description of the towed motor vehicle, including the color, make, model, year, and vehicle identification number of the motor vehicle;*
- (e) *The license plate number and state of registration for the towed motor vehicle;*
- (f) *The cost of the original towing service;*
- (g) *The cost of any vehicle storage fees, expressed as a daily rate;*
- (h) *Other fees, including documentation fees and motor vehicle search fees; and*
- (i) *A list of the services that were performed under a warranty or that were otherwise performed at no cost to the owner of the motor vehicle.*
- (6) *Any service or fee in addition to the services or fees described in subsection (5)(f), (g), or (h) of this section shall be set forth individually as a single line item on the invoice required by this section, with an explanation and the exact charge for the service or the exact amount of the fee.*
- (7) *A copy of each invoice and receipt submitted by a tow truck operator in accordance with this section shall:*
- (a) *Be retained by the towing company for a period of two (2) years from the date of issuance; and*
- (b) *Throughout the two (2) year period described in this subsection, be made available for inspection and copying not later than forty-eight (48) hours after receiving a written request for inspection from:*
1. *A law enforcement agency;*
 2. *The Attorney General;*
 3. *A city attorney, county attorney, or the prosecuting attorney having jurisdiction in the location of any of the towing company's business locations;*
 4. *The disabled motor vehicle's owner or lienholder;*
 5. *An agent of the disabled motor vehicle's owner or lienholder; or*
 6. *Any individual involved in the underlying collision, his or her respective insurance companies, or his or her legal representatives, if the disabled motor vehicle was involved in a collision.*

➔SECTION 6. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO READ AS FOLLOWS:

- (1) *Within one (1) business day of the removal, a towing company shall contact the cabinet in order to ascertain the identity of the owner and any lienholder of any motor vehicle registered in Kentucky which it has towed and, within ten (10) days of the removal, shall, by certified mail, provide notice to the owner and any lienholder at the address or addresses of record, when a motor vehicle has been:*
- (a) *Towed under Section 4 or 5 of this Act;*
- (b) *Involuntarily towed or transported pursuant to order of police, other public authority, or private person or business for any reason;*

- (c) *Stolen or misappropriated and its removal from the public ways has been ordered by police, other public authority, or by private person or business; or*
- (d) *In any other situation, involuntarily towed or transported by order of police, other authority, or by private person or business. If the lienholder is a registered organization listed in the business records of the Secretary of State, the cabinet shall provide the address listed for the lienholder.*
- (2) *The cabinet shall, within two (2) business days, provide the towing company the name and address of the owner and lienholder of any motor vehicle requested pursuant to subsection (1) of this section.*
- (3) (a) *If a vehicle described in subsection (1) of this section is placed in a garage or other storage facility, the owner of the facility shall provide the notice required in subsection (1) of this section, by certified mail, to the owner and any lienholder at the address or addresses of record of the motor vehicle within ten (10) days of recovery of, or taking possession of, the motor vehicle.*
- (b) *Any notice sent under this subsection shall comply with the notification provisions of subsection (4) of this section and shall include an estimated itemized invoice pursuant to subsection (5) of Section 5 of this Act that specifies the amount of charges for towing, recovery, storage, transporting, and other applicable charges due on the vehicle.*
- (c) *If the owner of the storage facility fails to provide notice as provided in this section, the motor vehicle storage facility shall forfeit all storage fees accrued after ten (10) days from the date of tow.*
- (d) *This subsection shall not apply to a garage or storage facility owned or operated by a government entity.*
- (4) *Any notification required under subsection (1) or (2) of this section shall include:*
 - (a) *The date and time the vehicle was towed;*
 - (b) *The location from which the vehicle was towed;*
 - (c) *The name, address, and telephone number where the vehicle will be located;*
 - (d) *The location, address, and phone number where payment and business transactions take place if different from the business address;*
 - (e) *The name, address, and phone number of the towing company or storage facility;*
 - (f) *A description of the towed vehicle which shall at a minimum include the make, model, year, vehicle identification number, and color of the towed vehicle;*
 - (g) *The license plate number and state of registration of the towed vehicle; and*
 - (h) *A copy of the rate sheet required in subsection (2) of Section 5 of this Act, if the vehicle was towed by a towing company operating under this chapter and vehicles are being held in a storage facility or garage.*
- (5) *If a vehicle described in subsection (1) of this section is determined to be a corporately owned motor vehicle, the notices required under subsections (1) and (2) of this section shall be sent to the corporate address listed on the registration. A motor vehicle under this subsection shall be held for up to forty-five (45) days to allow the motor vehicle owner or lienholder to retrieve the towed motor vehicle. The rate charged shall be the standard daily rate of the towing company or storage facility. If at any time more than one (1) motor vehicle owned by the same corporation is under the control of a towing company or storage facility, each motor vehicle shall be processed under a separate transaction.*
- (6) *A towing company or storage facility that has met the provisions of this section may sell the towed vehicle in accordance with Section 11 of this Act.*

➔SECTION 7. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO READ AS FOLLOWS:

- (1) *This section applies to towing companies that tow and store motor vehicles, and to storage facilities that store vehicles towed by a towing company, regardless of whether the towing company and the storage facilities are affiliates.*
- (2) *Upon payment of all costs incurred against a motor vehicle towed and stored under this chapter, the towing company or storage facility shall release the motor vehicle to:*

- (a) *A properly identified owner or lienholder of the motor vehicle; or*
- (b) *An authorized representative of the insurance company or its contracted service provider insuring the motor vehicle if the:*
 - 1. *Motor vehicle is covered by an active policy of insurance and the insurance representative provides proof of coverage; or*
 - 2. *Owner of the motor vehicle approves release of the vehicle to the insurance company representative.*
- (3) (a) *Prior to payment of fees and release of the motor vehicle, a storage facility or towing company shall not refuse the right of physical inspection of the towed vehicle during posted business hours by:*
 - 1. *An owner;*
 - 2. *A lienholder;*
 - 3. *A representative of the insurance company that insures the motor vehicle; or*
 - 4. *A contracted service provider of the insurance company.*
- (b) *The inspection of a vehicle that is being held as evidence by a law enforcement agency shall only occur if authorized by the investigating law enforcement agency. The law enforcement agency may impose any or all of the following restrictions:*
 - 1. *Restrict the inspection to visual and touchless only; or*
 - 2. *Require any persons or entities outlined in paragraph (a) of this subsection to be accompanied by a law enforcement officer.*
- (4) *A towing company or storage facility shall accept payment made by any of the following means from an individual seeking to release a motor vehicle:*
 - (a) *Cash;*
 - (b) *Check from an insurer or its agent;*
 - (c) *Credit card;*
 - (d) *Debit card;*
 - (e) *Money order; or*
 - (f) *Check drawn by a bank or other financial institution.*
- (5) *Upon receiving payment of all costs incurred against a motor vehicle, a towing company or storage facility shall provide to the person making payment an itemized receipt in accordance with subsections (4) and (5) of Section 5 of this Act to the extent the information is known or available.*
- (6) *A towing company or storage facility shall be open for business or accessible by telephone during posted business hours. A towing company or storage facility shall provide a telephone number available on a twenty-four (24) hour basis to receive calls and messages from callers, including calls made outside posted business hours. All calls made to a towing company or storage facility shall be returned within twenty-four (24) hours from the time received. However, if adverse weather, an emergency situation, or another act over which the towing company or storage facility has no control prevents the towing company or storage facility from returning calls within twenty-four (24) hours, the towing company or storage facility shall return all calls received as quickly as possible.*

➔SECTION 8. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO READ AS FOLLOWS:

- (1) *A towing company or storage facility shall not charge a fee for towing, cleanup services, storage of a motor vehicle, or a combination thereof that is in excess of the rate sheets required in Section 5 of this Act.*
- (2) *All services rendered by a towing company or storage facility, including warranty or no-cost services, shall be recorded on an invoice. The storage facility, towing company, or the owner or operator of a tow truck, shall maintain the records for two (2) years, including rate sheets, and shall make the records available for inspection and copying upon written request from law enforcement or the cabinet. Records maintained under this section shall be kept in paper or electronic form.*

➔SECTION 9. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO READ AS FOLLOWS:

(1) A towing company shall not:

- (a) *Falsely represent that the towing company represents or is approved by any law enforcement agency, or any organization that provides emergency road service for disabled motor vehicles;*
- (b) *Require an owner or operator of a disabled motor vehicle to preauthorize more than twenty-four (24) hours of storage or repair work as a condition to providing towing service for the disabled vehicle;*
- (c) *Charge more than one (1) towing fee when the owner or operator of a disabled motor vehicle requests transport of the motor vehicle to a repair facility owned or operated by the towing company; or*
- (d) *Tow a motor vehicle to a repair facility, unless the owner of the motor vehicle or the owner's designated representative gives consent and the consent is given prior to the removal of the motor vehicle from the location from which the motor vehicle is to be towed. This paragraph shall not apply to a storage facility that has a repair facility on the same site so long as the motor vehicle is not moved into the repair facility without consent.*

(2) A towing company or storage facility shall not:

- (a) *Upon payment of all costs incurred against a motor vehicle towed and stored under this chapter, refuse to release the motor vehicle to a properly identified owner or lienholder of the motor vehicle or to an authorized representative of the insurance company insuring the motor vehicle or the insurance company's contracted provider, if the motor vehicle is covered by an active policy of insurance. Motor vehicle release under this paragraph shall not apply to any case in which a law enforcement agency has ordered the motor vehicle not to be released or in any case in which a judicial order prohibits its release;*
- (b) *Refuse to permit a properly identified owner or lienholder of a motor vehicle or a representative of the insurance company insuring the motor vehicle if the motor vehicle is covered by an active policy of insurance to inspect the motor vehicle during posted business hours before all costs incurred against the motor vehicle are paid or the motor vehicle is released; or*
- (c) *Charge a storage fee for a stored motor vehicle with respect to any day on which release of the motor vehicle or inspection of the motor vehicle by the owner, lienholder, or insurance company is not permitted during posted business hours by the towing company or storage facility.*

➔SECTION 10. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO READ AS FOLLOWS:

The cabinet shall be held harmless for any mistakes, errors, delays, or property damage to any motor vehicle in relation to the towing or storage of a vehicle under Sections 2 to 10 of this Act.

➔Section 11. KRS 359.230 is amended to read as follows:

- (1) (a) If the occupant is in default for a period of more than forty-five (45) days, the operator may enforce a lien by selling the property stored in the leased space at a public or private sale, for cash.
- (b) Proceeds shall then be applied to satisfy the lien, with any surplus disbursed as provided in subsection (5) of this section.
- (2) Before conducting a sale under subsection (1) of this section, the operator shall:
 - (a) Notify the occupant of the default by regular or verified electronic mail at the occupant's last known address;
 - (b) Send a second notice of default by verified mail or verified electronic mail to the occupant at the occupant's last known address which includes:
 - 1. A statement that the contents of the occupant's leased space are subject to the operator's lien;
 - 2. A statement of the operator's claim, indicating the charges due on the date of the notice, the amount of any additional charges which shall become due before the date of sale, and the date those additional charges shall become due;
 - 3. A demand for payment of the charges due within a specified time, not less than fourteen (14) days after the date of the notice;

4. A statement that unless the claim is paid within the time stated, the contents of the occupant's leased space shall be sold at a specified time and place; and
 5. The name, street address, and telephone number of the operator, or his or her designated agent, whom the occupant may contact to respond to the notice; and
- (c) At least three (3) days before the sale, advertise the time, place, and terms of the sale in a newspaper of general circulation in the jurisdiction where the sale is to be held.
- (3) At any time before a sale under this section, the occupant may pay the amount necessary to satisfy the lien and redeem the occupant's personal property.
 - (4) The sale under this section shall be held at the self-service storage facility, the location of the self-contained storage unit where the personal property is stored, or a publicly accessible Web site.
 - (5) If a sale is held under this section, the operator shall:
 - (a) Satisfy the lien from the proceeds of the sale;
 - (b) Hold the balance, if any, for delivery to any other recorded lienholders who present claims within sixty (60) days. Notwithstanding Article 9 of KRS Chapter 355, claims shall be satisfied on a first come first served basis; and
 - (c) Deliver, upon expiration of sixty (60) days, the balance of any remaining proceeds to the occupant.
 - (6) A purchaser in good faith of any personal property sold under KRS 359.200 to 359.250 takes the property free and clear of any rights of:
 - (a) Persons against whom the lien was valid; and
 - (b) Other lienholders.
 - (7) If the operator complies with the provisions of KRS 359.200 to 359.250, the operator's liability:
 - (a) To the occupant shall be limited to the net proceeds received from the sale of the personal property;
 - (b) To other lienholders shall be limited to the net proceeds received from the sale of any personal property covered by that other lien; and
 - (c) To the occupant or valid lienholders shall be relieved upon full distribution of proceeds in accordance with the provisions of KRS 359.200 to 359.250.
 - (8) If an occupant is in default, the operator may deny the occupant access to the leased space.
 - (9)
 - (a) Unless otherwise specifically provided, all notices required by KRS 359.200 to 359.250 shall be sent by verified mail or verified electronic mail.
 - (b)
 1. Notices sent to the operator shall be sent to the operator's principal office, as listed on the rental agreement.
 2. Notices to the occupant shall be sent to the occupant at the occupant's last known address.
 - (c) Notices shall be deemed delivered when deposited with the United States Postal Service, properly addressed as provided in paragraph (b) of this subsection, with postage paid, or sent by verified electronic mail.
 - (10) Provided, however, unless the rental agreement specifically provides otherwise and until a lien sale under KRS 359.200 to 359.250, the exclusive care, custody, and control of all personal property stored in the leased space shall remain vested in the occupant.
 - (11) If the rental agreement specifies a limit on the value of the personal property that may be stored in the occupant's leased space, the limit shall be deemed to be the maximum value of the stored personal property.
 - (12) If the occupant is in default for more than sixty (60) days and the personal property stored in the leased space is a motor vehicle as defined in KRS 376.268, the operator may, in lieu of a sale authorized in this chapter, have the vehicle or watercraft towed or removed from the self-service storage facility, and the towing company shall execute the notice provisions as specified in *Section 6 of this Act* ~~KRS 376.275~~.

➔Section 12. KRS 376.275 is amended to read as follows:

- (1) ~~[When a motor vehicle has been involuntarily towed or transported pursuant to order of police, other public authority, or private person or business for any reason or when the vehicle has been stolen or misappropriated and its removal from the public ways has been ordered by police, other public authority, or by private person or business, or in any other situation where a motor vehicle has been involuntarily towed or transported by order of police, other authority, or by private person or business, the police, other authority, private person or business shall attempt to ascertain from the Transportation Cabinet the identity of the registered owner of the motor vehicle or lessor of a motor carrier as defined in KRS Chapter 281 and within ten (10) business days of the removal shall, by certified mail, attempt to notify the registered owner at the address of record of the make, model, license number and vehicle identification number of the vehicle and of the location of the vehicle, and the requirements for securing the release of said motor vehicle.~~
- (2) ~~If a vehicle described in subsection (1) of this section is placed in a garage or other storage facility, the owner of the facility shall attempt to provide the notice provided in subsection (1) of this section, by certified mail, to the registered owner at the address of record of the motor vehicle or lessor of a motor carrier as defined in KRS Chapter 281 within ten (10) business days of recovery of, or taking possession of the motor vehicle. The notice shall contain the information as to the make, model, license number and vehicle identification number of the vehicle, the location of the vehicle and the amount of reasonable charges for towing, recovery, storage, transporting, and other applicable charges due on the vehicle. When the owner of the facility fails to provide notice as provided herein, the motor vehicle storage facility shall forfeit all storage fees accrued after ten (10) business days from the date of tow. This subsection shall not apply to a garage or storage facility owned or operated by a government entity.~~
- (3) (a) Any person engaged in the business of storing or towing motor vehicles, who has ~~substantially~~ complied with the *notification* ~~forementioned~~ requirements of *Section 6 of this Act* ~~this section~~, shall have a lien on the motor vehicle and its contents, except as set forth in subsection (2) ~~(4)~~ of this section, for the *applicable and reasonable charges assessed in accordance with Sections 5 and 8 of this Act* ~~reasonable or agreed charges for towing, recovery, storage, transporting, and other applicable charges due on the vehicle~~, as long as it remains in his *or her* possession.
- (b) ~~[Prior to payment of fees and release of a vehicle, a towing or storage company shall not refuse the right of physical inspection of the towed vehicle by the owner or an insurance company representative. Release of the vehicle shall occur to the owner or insurance company representative upon payment and consent of the release from the owner or the owner's authorized representative. Each additional service shall be set forth individually as a single line item in the bill with an explanation and the exact charge for the service.~~
- (e) ~~If, after a period of forty-five (45) days, the *applicable and reasonable charges assessed in accordance with Sections 5 and 8 of this Act* ~~reasonable or agreed charges for towing, recovery, storage, transporting, and other applicable charges due on a motor vehicle and its contents~~ have not been paid, the motor vehicle and its contents, except as set forth in subsection (2) ~~(4)~~ of this section, may be sold to pay the charges after the owner *and any lienholder have* ~~has~~ been notified by certified mail *at the addresses specified in subsection (1) of Section 6 of this Act*, ten (10) days prior to the time and place of the sale. If the proceeds of the sale of any vehicle pursuant to this section are insufficient to satisfy accrued charges ~~for towing, transporting, and storage~~, the sale and collection of proceeds shall not constitute a waiver or release of responsibility for payment of unpaid ~~towing, transporting, and storage~~ charges by the owner or responsible casualty insurer of the vehicle. A lien on a vehicle under this subsection shall be subject to prior recorded liens, *unless released by any existing lienholder pursuant to paragraph (c) of this subsection.*~~
- (c) ~~(d)~~ A lien holder having a prior recorded lien listed on the title issued by the Commonwealth of Kentucky shall be notified by certified mail within the first *ten (10)* ~~fifteen (15)~~ days of impoundment *in accordance with Section 6 of this Act. Such notification, in addition to the requirements of Section 6 of this Act* ~~The letter~~ shall include the make, model, license number, vehicle identification number, owner's name and last known address, and tentative date of sale for the vehicle, *and state that the towing company or storage facility seeks to obtain a new title free and clear of any liens, excluding tax liens.* If the above-referenced certified letter is not sent within the *ten (10)* ~~fifteen (15)~~ days by the towing and storage company, then only *ten (10)* ~~fifteen (15)~~ days of storage may be charged. The lien holder has the right to take possession of the motor vehicle after showing proof of lien still enforced, and paying the reasonable or agreed towing and storage charges on the motor vehicle. *If a lienholder does not exercise the right to take possession of the motor vehicle under this paragraph within forty-*

five (45) days of notification, and all lienholders agree in writing, the towing company or storage facility may obtain a new title under Section 14 of this Act free and clear of any liens, excluding tax liens. Nothing in this section shall allow the transfer of a vehicle subject to a lien, except as provided in KRS 186A.190.

- (d) *If there are no lienholders required to be notified under Sections 2 to 10, 11, and 12 of this Act, and the owner does not exercise the right to take possession of the motor vehicle under this section within forty-five (45) days of notification required under Section 6 of this Act, the tow company or storage facility may obtain a new title under Section 14 of this Act free and clear of any liens, excluding tax liens.*

(2)(4) Subsection (1)(3) of this section shall not apply to the following contents of a motor vehicle, which shall be released to the vehicle owner or the owner's designated agent upon request, if the request is made within forty-five (45) days of the date the vehicle was towed:

- (a) Prescription medication in its proper container;
- (b) Personal medical supplies and equipment or records;
- (c) Educational materials, including but not limited to calculators, books, papers, and school supplies;
- (d) Documents, files, electronic devices, or equipment which may be able to store personal information or information relating to a person's employment or business;
- (e) Firearms and ammunition. Notwithstanding the provisions of subsection (3)(5) of this section, firearms and ammunition which are not claimed by the owner of the vehicle within forty-five (45) days of the date the vehicle was towed shall be transferred to the Department of Kentucky State Police for disposition as provided by KRS 16.220;
- (f) Cargo in the possession of persons engaged in transportation in interstate commerce as registered under KRS 186.020;
- (g) Cargo in the possession of an integrated intermodal small package carrier as defined by KRS 281.605(12);
- (h) Child restraint systems or child booster seats; and
- (i) Checks, checkbooks, debit or credit cards, money orders, stocks, or bonds.

(3)(5) Except as provided ~~for~~ in subsection (2)(e)(4)(e) of this section, any contents exempted under subsection (2)(c), (d), (f), and (g)(4) of this section that are not claimed by the owner of the vehicle within forty-five (45) days of the date the vehicle was towed may be sold or otherwise legally disposed of by the storage or towing company. ***Any contents exempted under subsection (2)(a), (b), (h), and (i) of this section that are not claimed by the owner of the vehicle within forty-five (45) days of the date the vehicle was towed shall not be sold, but shall be otherwise legally disposed of by the storage or towing company.***

(4)(6) The storage or towing company shall not be responsible for contents in a vehicle's trunk or other locked compartment to which the storage or towing company is without access, unless the towing company intentionally opens the area without the owner's consent.

(5)(7) ~~The provisions of~~ This section shall not apply when a local government causes a vehicle to be towed pursuant to KRS 82.605 to 82.640 or if state government causes a vehicle to be towed.

➔Section 13. KRS 189.725 is amended to read as follows:

- (1) Any owner or attendant of a privately owned parking lot may have ***a towing company remove*** ~~removed~~ from the lot any unauthorized ***parked*** vehicle ~~parked~~. ***A towing company*** ~~and any person~~ engaged to remove such vehicle shall have a lien on the vehicle in accordance with ***Section 12 of this Act*** ~~KRS 376.275~~.
- (2) Every operator of a parking lot covered by ~~the provisions of~~ subsection (1) ***of this section*** shall post signs stating thereon that the parking lot is privately owned and unauthorized vehicles will be towed away at the owner's expense.

➔Section 14. KRS 186A.145 is amended to read as follows:

- (1) ***Except as provided in subsections (2) and (3) of this section***, a county clerk shall not process an application for Kentucky title and registration from or to any Kentucky resident who has a delinquent motor vehicle ad valorem property tax account.

- (2) This ~~section~~~~provision~~ shall not apply to transactions involving:
- (a) Licensed Kentucky motor vehicle dealers;
 - (b) *A person who is engaged in the business of storing or towing motor vehicles, applying for a new title under subsection (1)(c) of Section 12 of this Act; or*
 - (c) *A secured party applying for a repossession title under KRS 186.045(6).*
- (3) (a) *For any vehicle obtained as the result of a claim on a motor vehicle insurance policy, an insurer and its agent shall not be responsible for the payment of any delinquent motor vehicle ad valorem property taxes owed by any previous owner, when:*
- 1. *Applying for a regular or salvage title; or*
 - 2. *Transferring ownership of the vehicle to another party.*
- (b) *The owner of a motor vehicle that was transferred to an insurer or its agent under paragraph (a) of this subsection shall remain responsible for any delinquent motor vehicle ad valorem property taxes owed prior to the transfer.*
- (4) *An insurer shall not be exempt from any motor vehicle ad valorem property taxes owed on any vehicle that it owns:*
- (a) *As a part of its business operations; or*
 - (b) *On January 1, that was obtained as the result of a claim on a motor vehicle insurance policy.*

Signed by Governor March 22, 2021.