1 AN ACT relating to motor vehicles. 2 Be it enacted by the General Assembly of the Commonwealth of Kentucky: → Section 1. KRS 281.010 is amended to read as follows: 3 As used in this chapter: 4 5 "Automobile club" means a person that, for consideration, promises to assist its (1)6 members or subscribers in matters relating to the assumption of or 7 reimbursement of the expense or a portion thereof for towing of a motor vehicle; 8 emergency road service; matters relating to the operation, use, and maintenance 9 of a motor vehicle; and the supplying of services which includes, augments, or is 10 incidental to theft or reward services, discount services, arrest bond services, lock 11 and key services, trip interruption services, and legal fee reimbursement services 12 in defense of traffic-related offenses; 13 "Automobile utility trailer" means any trailer or semitrailer designed for use with (2)14 and towed behind a passenger motor vehicle; 15 "Automobile utility trailer certificate" means a certificate authorizing a person (3)[(2)] 16 to engage in the business of automobile utility trailer lessor; 17 "Automobile utility trailer lessor" means any person operating under an $(4)^{[(3)]}$ 18 automobile utility trailer certificate who is engaged in the business of leasing or 19 renting automobile utility trailers, but shall not include the agents of such persons; 20 "Broker" means a person selected by the cabinet through a request for $(5)^{[(4)]}$ 21 proposal process to coordinate human service transportation delivery within a 22 specific delivery area. A broker may also provide transportation services within the 23 specific delivery area for which the broker is under contract with the cabinet; 24 "Bus" means a motor vehicle operating under a bus certificate transporting $(6)^{(5)}$ 25 passengers for hire between points over regular routes; "Bus certificate" means a certificate granting authority for the operation of one 26 $(7)^{(6)}$ 27 (1) or more buses;

- 1 $(\underline{8})$ [(7)] "Cabinet" means the Kentucky Transportation Cabinet;
- 2 (9)[(8)] "Certificate" means a certificate of compliance issued under this chapter to
 3 motor carriers;

4 (10)[(9)] "Charter bus" means a motor vehicle operating under a charter bus certificate
5 providing for-hire intrastate transportation of a group of persons who, pursuant to a
6 common purpose under a single contract at a fixed charge for the motor vehicle,
7 have acquired the exclusive use of the motor vehicle to travel together under an
8 itinerary either specified in advance or modified after having left the place of origin;
9 (11)[(10)] "Charter bus certificate" means a certificate granting authority for the
10 operation of one (1) or more charter buses;

- 11 (12)[(11)] "Commissioner" means the commissioner of the Department of Vehicle
 Regulation;
- 13 (13)[(12)] "CTAC" means the Coordinated Transportation Advisory Committee created
 14 in KRS 281.870;

15 (14) [(13)] "Department" means the Department of Vehicle Regulation;

<u>(15)</u>[(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;

<u>(16)</u>[(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;

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(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;

4 (19)[(18)] "Driveaway" means the transporting and delivering of motor vehicles, except
5 semitrailers and trailers, whether destined to be used in either a private or for-hire
6 capacity, under their own power or by means of a full mount method, saddle mount
7 method, the tow bar method, or any combination of them over the highways of this
8 state from any point of origin to any point of destination for hire. "Driveaway" does
9 not include the transportation of such vehicles by the full mount method on trailers
10 or semitrailers;

11 (20)[(19)] "Driveaway certificate" means a certificate granting authority for the operation
 12 of one (1) or more motor carrier vehicles operating as a driveaway;

13 (21) [(20)] "Driver" means the person physically operating the motor vehicle;

14 (22) ''Flatbed/rollback service'' means a form of towing service which involves
 15 moving vehicles by loading them onto a flatbed platform;

16 (23)[(21)] "Highway" means all public roads, highways, streets, and ways in this state,
 17 whether within a municipality or outside of a municipality;

18 (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;

21 (26)[(24)] "Household goods certificate" means a certificate granting authority for the
 22 operation of one (1) or more household goods vehicles;

23 (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 stateprograms:
- 26 (a) Nonemergency medical transportation under KRS Chapter 205;
- 27 (b) Mental health, intellectual disabilities, or comprehensive care under KRS

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1		Chapter 202A, 202B, 210, or 645;
2	(c)	Work programs for public assistance recipients under KRS Chapter 205;
3	(d)	Adult services under KRS Chapter 205, 209, 216, or 273;
4	(e)	Vocational rehabilitation under KRS Chapter 151B or 157; or
5	(f)	Blind industries or rehabilitation under KRS Chapter 151B or 163;
6	<u>(28)</u> [(26)]	"Interstate commerce" has the same meaning as in 49 C.F.R. sec. 390.5;
7	<u>(29)</u> [(27)]	"Intrastate commerce" has the same meaning as in 49 C.F.R. sec. 390.5;
8	<u>(30)</u> [(28)]	"Limousine" means a motor vehicle operating under a limousine certificate
9	that i	is designed or constructed with not more than fifteen (15) regular seats;
10	<u>(31)</u> [(29)]	"Limousine certificate" means a certificate granting authority for the operation
11	of or	ne (1) or more limousines transporting passengers for hire;
12	<u>(32)</u> [(30)]	"Mobile application" means an application or a computer program designed to
13	run c	on a smartphone, tablet computer, or other mobile device that is used by a TNC
14	to co	nnect drivers with potential passengers;
15	<u>(33)</u> [(31)]	"Motor carrier" means any person in either a private or for-hire capacity who
16	owns	s, controls, operates, manages, or leases, except persons leasing to authorized
17	moto	or carriers, any motor vehicle for the transportation of passengers or property
18	upon	any highway, and any person who engages in the business of automobile
19	utilit	y trailer lessor, <i>vehicle towing</i> , driveaway, or U-Drive-It;
20	<u>(34)[(32)]</u>	"Motor carrier vehicle" means a motor vehicle used by a motor carrier to
21	trans	port passengers or property;
22	<u>(35)</u> [(33)]	"Motor carrier vehicle license" means a license issued by the department for a
23	moto	or carrier vehicle authorized to operate under a certificate;
24	<u>(36)</u> [(34)]	"Motor carrier license plate" means a license plate issued by the department to
25	a mo	otor carrier authorized to operate under a certificate other than a household
26	good	s, property, TNC, or U-Drive-It certificate;
27	<u>(37)[(35)]</u>	"Motor vehicle" means any motor-propelled vehicle used for the

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1 transportation of passengers or property on a public highway, including any such 2 vehicle operated as a unit in combination with other vehicles; 3 (38)[(36)] "Passenger" means an individual or group of people; 4 (39) "Permit" means a temporary permit of compliance issued under this chapter 5 for a specified period not to exceed ten (10) days, and for a specific vehicle, to any 6 motor carrier, including one who is a nonresident of the Commonwealth, who 7 operates a motor vehicle and is not entitled to an exemption from the payment of 8 fees imposed under KRS 186.050 because of the terms of a reciprocal agreement 9 between the Commonwealth and the state in which the vehicle is licensed;

<u>(40)</u>[(38)] "Person" means any individual, firm, partnership, corporation, company,
 association, or joint stock association, and includes any trustee, assignee, or
 personal representative thereof;

<u>(41)</u>[(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);

17 (42)[(40)] "Prearranged ride" means the period of time that begins when a transportation
 18 network company driver accepts a requested ride through a digital network or
 19 mobile application, continues while the driver transports the rider in a personal
 20 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;

25 (44)[(42)] "Property" means general or specific commodities, including hazardous and
 26 nonhazardous materials;

27 (45)[(43)] "Property certificate" means a certificate granting authority for the

1	transportation of property, other than household goods, not exempt under KRS
2	281.605;
3	<u>(46) ''Recovery'':</u>
4	(a) Means a form of towing service which involves moving vehicles by the use
5	<u>of a wheel-lift device, such as a lift, crane, hoist, winch, cradle, jack,</u>
6	automobile ambulance, tow dolly, or any other similar device as requested
7	by a state or local law enforcement agency; and
8	(b) Includes:
9	1. Relocating a vehicle or cargo from a place where towing is not
10	possible to a place where towing is possible; and
11	2. The cleanup of debris or cargo, and returning an area to pre-event
12	condition;
13	(47)[(44)] "Regular route" means the scheduled transportation of passengers between
14	designated points over designated routes under time schedules that provide a
15	regularity of services;
16	(48)[(45)] "Regular seat" means a seat ordinarily and customarily used by one (1)
17	passenger and, in determining such seating capacity, the manufacturer's rating may
18	be considered;
19	(49) "Storage facility" means any lot, facility, or other property used to store motor
20	vehicles that have been removed from another location by a tow truck;
21	(50) [(46)] "Street hail" means a request for service made by a potential passenger using
22	hand gestures or verbal statement;
23	(51) [(47)] "Subcontractor" means a person who has signed a contract with a broker to
24	provide human service transportation delivery within a specific delivery area and
25	who meets human service transportation delivery requirements, including proper
26	operating authority;
27	(52)[(48)] "Tariff" means the listing of compensation received by a motor carrier for

1	household goods that includes the manner in which and the amount of fares an
2	authorized motor carrier may charge;
3	(53)[(49)] "Taxicab" means a motor vehicle operating under a taxicab certificate that is
4	designed or constructed with not more than eight (8) regular seats and may be
5	equipped with a taximeter;
6	(54)[(50)] "Taxicab certificate" means a certificate granting authority for the operation of
7	one (1) or more taxicabs transporting passengers for hire;
8	(55) [(51)] "Taximeter" means an instrument or device approved by the department that
9	automatically calculates and plainly indicates the charge to a passenger for hire who
10	is being charged on the basis of mileage;
11	(56) "Tow truck" means a motor vehicle equipped to provide any form of towing
12	service, including recovery service or flatbed/rollback service;
13	(57) "Tow truck operator" means an individual who operates a tow truck as an
14	employee or agent of a towing company;
15	(58) "Towing" means:
16	(a) Emergency towing, which is the towing of a motor vehicle, with or without
17	the owner's consent, because of:
18	<u>1. A motor vehicle accident on a public highway;</u>
19	2. An incident related to an emergency; or
20	3. An incident that necessitates the removal of the motor vehicle from a
21	location for public safety reasons;
22	(b) Private property towing, which is the towing of a motor vehicle, without the
23	owner's consent, from private property:
24	1. On which the motor vehicle was illegally parked; or
25	2. Because of an exigent circumstance necessitating its removal to
26	
	another location; and

1	purposes involving the:
2	1. Maintenance of the chain of custody of evidence;
3	2. Forfeiture of assets; or
4	3. Delinquency of highway fuel tax, weight distance tax, or any other
5	taxes and fees administered by the Transportation Cabinet;
6	(59) ''Towing company'':
7	(a) Means a service or business operating as a motor carrier that:
8	1. Tows or otherwise moves motor vehicles by means of a tow truck; or
9	2. Owns or operates a storage lot;
10	(b) Includes a tow truck operator acting on behalf of a towing company when
11	appropriate in the context; and
12	(c) Does not include an automobile club, car dealership, insurance company,
13	repossession company, lienholders and entities hired by lienholders for the
14	purpose of repossession, local government, or any other entity that contracts
15	with a towing company;
16	(60) [(52)] "Transportation network company" or "TNC" means a person or entity that
17	connects passengers through its digital network or mobile application to its drivers
18	for the provision of transportation network company services;
19	(61)[(53)] "Transportation network company certificate" or "TNC certificate" means a
20	certificate granting the authority for the operation of one (1) or more transportation
21	network company vehicles transporting passengers for hire;
22	(62)[(54)] "Transportation network company driver" or "TNC driver" means an
23	individual who operates a motor vehicle that is owned or leased by the individual,
24	or a motor vehicle for which the driver is an insured driver and has the permission
25	of the owner or lessee of the motor vehicle, and used to provide transportation
26	network company services;
27	(63)[(55)] "Transportation network company service" or "TNC service" means a

1	prearranged passenger transportation service offered or provided through the use of
2	a transportation network company mobile application or digital network to connect
3	potential passengers with transportation network company drivers;
4	(64)[(56)] "Transportation network company vehicle" or "TNC vehicle" means a
5	privately owned or leased motor vehicle, designed or constructed with not more
6	than eight (8) regular seats, operating under a transportation network company
7	certificate;
8	(65)[(57)] "U-Drive-It" means any person operating under a U-Drive-It certificate who
9	leases or rents a motor vehicle for consideration to be used for the transportation of
10	persons or property, but for which no driver is furnished, and the use of which
11	motor vehicle is not for the transportation of persons or property for hire by the
12	lessee or rentee; and
13	$(\underline{66})$ [(58)] "U-Drive-It certificate" means a certificate granting authority for the operation
14	of one (1) or more U-Drive-Its.
15	→SECTION 2. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO
16	READ AS FOLLOWS:
17	As used in Sections 2 to 10 of this Act:
18	(1) "Lienholder" means a person, including a secured party, with a lien indicated on
19	a certificate of title issued by any state;
20	(2) "Motor vehicle renting company" has the same meaning as in KRS 281.687; and
21	(3) "Owner" when referring to a motor vehicle, means:
22	(a) The person or entity to whom a motor vehicle is registered;
23	(b) The person to whom a motor vehicle is leased, if the terms of the lease
24	require the lessee to maintain and repair the vehicle; or
25	(c) A motor vehicle rental company, if the vehicle was rented pursuant to a
26	rental agreement.
27	→ SECTION 3. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO

1	REA	AD AS FOLLOWS:
2	<u>(1)</u>	This section applies to any towing company that engages in, or offers to engage
3		in, emergency towing.
4	<u>(2)</u>	(a) Prior to the removal of a towed motor vehicle from a tow truck, a towing
5		company that engages in emergency towing shall take photographs, video,
6		or other visual documentation to document evidence of any vehicle damage,
7		<u>debris, or damaged cargo or property.</u>
8		(b) A towing company operating under this section may document, at the scene,
9		any complications to the recovery process in writing or by using any of the
10		methods outlined in paragraph (a) of this subsection, if:
11		1. Law enforcement does not object; and
12		2. It can be performed in a safe manner.
13	<u>(3)</u>	Except as provided in subsection (4) of this section, a towing company, while
14		providing an emergency tow, shall not stop, or cause a person to stop, at the scene
15		of an accident or near a disabled motor vehicle, for the purpose of:
16		(a) Soliciting an engagement for emergency towing services;
17		(b) Moving a motor vehicle from a public street, road, or highway; or
18		(c) Accruing charges in connection with paragraph (a) or (b) of this
19		subsection.
20	<u>(4)</u>	A towing company may stop, or cause a person to stop, at the scene of an accident
21		or near a disabled motor vehicle under the circumstances of subsection (3) of this
22		section if the:
23		(a) Towing company is requested to stop or to perform a towing service by a law
24		<u>enforcement officer;</u>
25		(b) Towing company is summoned to the scene or requested to stop by the
26		owner or operator of a disabled motor vehicle;
27		(c) Owner of a disabled motor vehicle has provided consent to the towing

1			company to stop or perform a towing service; or
2		<u>(d)</u>	Towing company has reasonable belief that a motorist is in need of
3			immediate aid. A towing company shall not offer towing services under this
4			paragraph unless a condition of paragraph (a), (b), or (c) of this subsection
5			<u>has been met.</u>
6	<u>(5)</u>	(a)	Except as provided in subsections (6) and (7) of this section, the owner or
7			operator of a disabled motor vehicle, in consultation with law enforcement
8			or with authorized state or local government personnel, may:
9			1. Summon to the disabled motor vehicle's location the towing company
10			of the owner's or operator's choice, either directly or through an
11			insurance company's or an automobile club's emergency service
12			arrangement; and
13			2. Designate the location to which the disabled motor vehicle is to be
14			towed.
15		<u>(b)</u>	If the location designated by the owner or operator is not a storage facility
16			owned or operated by the towing company, the owner or operator shall
17			arrange for payment to the towing company at the time the towing company
18			<u>is summoned.</u>
19	<u>(6)</u>	Sub	section (5) of this section shall not apply:
20		<u>(a)</u>	In the event of a declared emergency; or
21		<u>(b)</u>	If the owner or operator of a disabled motor vehicle:
22			1. Is incapacitated or otherwise unable to summon a towing company; or
23			2. Defers to law enforcement or to authorized state or local government
24			personnel as to the towing company to be summoned or the location to
25			which the disabled motor vehicle is to be towed.
26	<u>(7)</u>	The	authority of an owner or operator of a disabled motor vehicle to summon the
27		<u>towi</u>	ng company of the owner's or operator's choice under subsection (5) of this

1	section shall be superseded by a law enforcement officer or by authorized state or
2	local government personnel if:
3	(a) The towing company the owner or operator chooses is unable to respond to
4	the location of the disabled motor vehicle in a timely fashion; or
5	(b) The disabled motor vehicle is a hazard, impedes the flow of traffic, or may
6	not legally remain in the motor vehicle's location in the opinion of the law
7	enforcement officer or authorized state or local government official.
8	(8) If a disabled motor vehicle is causing or poses a safety hazard, the towing
9	company may move the disabled motor vehicle to a safe location after being
10	authorized by a law enforcement officer or by authorized state or local
11	government personnel. The owner of the disabled vehicle shall be responsible for
12	the costs of the tow.
13	(9) A disabled vehicle shall not be removed from a scene that is under the control of
14	a law enforcement agency without authorization from the law enforcement
15	agency.
16	(10) If a towing company is summoned for emergency towing by the owner or
17	operator of a disabled motor vehicle, the towing company shall make a record, to
18	the extent available, consisting of:
19	(a) The first and last name and telephone number of the individual who
20	summoned the towing company to the scene; and
21	(b) The color, make, model, year, vehicle identification number, and license
22	plate number of the disabled motor vehicle.
23	(11) If a towing company is summoned for emergency towing by a law enforcement
24	officer or by authorized state or local government personnel, the towing company
25	shall make a record, to the extent available, consisting of:
26	(a) The identity of the law enforcement agency or authorized state, county, or
27	municipal agency requesting the emergency towing; and

1	(b) The color, make, model, year, vehicle identification number, and license
2	plate number of the disabled motor vehicle.
3	(12) A towing company shall maintain a record created under subsection (10) or (11)
4	of this section and provide the record to a law enforcement agency upon request
5	from the time the towing company appears at the location of the disabled motor
6	vehicle until the time the motor vehicle is towed and released to an authorized
7	third party. A towing company shall retain the record created under subsection
8	(10) or (11) of this section for a period of two (2) years from the date the disabled
9	motor vehicle was towed and, throughout the two (2) year period, make the
10	record available for inspection and copying, not later than forty-eight (48) hours
11	after receiving a written request from a law enforcement agency, the Attorney
12	General, the disabled motor vehicle's owner, or an authorized agent of the
13	disabled motor vehicle's owner. If the disabled motor vehicle was involved in a
14	collision, the records shall be available for inspection by any individual involved
15	in the underlying collision, his or her respective insurance companies, or his or
16	her legal representatives. Records maintained under this subsection shall be kept
17	in paper or electronic form.
18	(13) A towing company that performs emergency towing under this section shall,
19	upon taking possession of the motor vehicle, secure a towed motor vehicle
20	properly and take all reasonable efforts to prevent further damage, including
21	weather damage, or theft of a towed motor vehicle, including the motor vehicle's
22	cargo and contents until the motor vehicle is out of the towing company's
23	possession. A towing company shall not be responsible for damage that occurred
24	prior to taking possession of the motor vehicle for towing.
25	→SECTION 4. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO
26	READ AS FOLLOWS:
27	(1) (a) This section applies to any towing company that engages in, or offers to

1		engage in, private property towing.
2		(b) This section does not apply to the towing of a motor vehicle from a tow-
3		away zone that is not located on private property.
4	<u>(2)</u>	Prior to removing a motor vehicle from a tow truck under this section, a towing
5		company that engages in or offers to engage in private property towing shall take
6		photographs, video, or other visual documentation to document evidence of any
7		vehicle damage, debris, or damaged cargo or property, or complications to the
8		recovery process.
9	<u>(3)</u>	A private property owner may establish a tow-away zone on the owner's property.
10		A property owner that establishes a tow-away zone under this subsection shall
11		post at the location of the tow-away zone a sign that is clearly visible to the
12		public. The sign shall include a statement that the area is a tow-away zone,
13		pertinent contact information, and a description of any persons authorized to
14		park or prohibited from parking in the area.
15	<u>(4)</u>	A towing company that tows a motor vehicle under this section shall ensure that
16		the motor vehicle is towed to a storage facility located within twenty-five (25)
17		miles of the location of the tow-away zone from which the motor vehicle was
18		removed or, if no storage facility is located within twenty-five (25) miles of the
19		location of the tow-away zone, to the storage facility nearest to the tow-away zone.
20	<u>(5)</u>	If the owner or operator of a motor vehicle parked in violation of a tow-away
21		zone arrives at the location of the tow-away zone or private property while the
22		motor vehicle is being towed, the towing company shall give the owner or
23		operator either oral or written notification that the owner or operator may pay a
24		fee in an amount not greater than fifty percent (50%) of the amount of the fee the
25		towing company normally charges for the release of a motor vehicle. Upon the
26		owner's or operator's payment of the amount specified, the towing company shall
27		release the motor vehicle to the owner or operator and give the owner or operator

1	a receipt showing the full amount of the fee the towing company normally
2	charges for the release of a motor vehicle and the amount of the fee paid by the
3	owner or operator.
4	(6) A towing company shall provide notice to the law enforcement agency having
5	jurisdiction in the location of the private property not later than two (2) hours
6	after completing a tow of a motor vehicle from private property.
7	(7) A towing company that performs private property towing shall secure a towed
8	motor vehicle properly and take all reasonable efforts to prevent further damage,
9	including weather damage, or theft of a towed motor vehicle, including the motor
10	vehicle's cargo and contents until the motor vehicle is out of the towing
11	company's possession. A towing company shall not be responsible for damage
12	that occurred prior to taking possession of the motor vehicle for towing.
13	→SECTION 5. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO
14	READ AS FOLLOWS:
15	(1) This section applies to any towing company that engages in, or offers to engage
16	in, emergency towing.
17	(2) Prior to attaching a motor vehicle to the tow truck, the towing company shall
18	furnish the vehicle's owner or operator, if the owner or operator is present at the
19	scene of the disabled vehicle and upon the owner's or operator's request, a rate
20	sheet listing all rates for towing services, including but not limited to all rates for
21	towing and associated fees, cleanup, labor, storage, and any other services
22	provided by the towing company.
23	(3) (a) Any towing company or storage facility shall post a rate sheet at its place of
24	business and shall make the rate sheet available upon a customer's request.
25	(b) Any charge in excess of the rate sheets provided under this subsection shall
26	<u>be deemed excessive.</u>
27	(4) An itemized invoice of actual towing charges assessed by a towing company for a

1		completed tow shall be made available to the owner of the motor vehicle or the
2		owner's agent no later than one (1) business day after:
3		(a) The tow is completed; or
4		(b) The towing company has obtained all necessary information to be included
5		on the invoice, including any charges submitted by subcontractors used by
6		the towing company to complete the tow and recovery.
7	(5)	The itemized invoice required under subsection (4) of this section shall contain
8		the following information:
9		(a) The date and time the motor vehicle was towed;
10		(b) The location to which the motor vehicle was towed;
11		(c) The name, address, and telephone number of the towing company;
12		(d) A description of the towed motor vehicle, including the color, make, model,
13		year, and vehicle identification number of the motor vehicle;
14		(e) The license plate number and state of registration for the towed motor
15		<u>vehicle;</u>
16		(f) The cost of the original towing service;
17		(g) The cost of any vehicle storage fees, expressed as a daily rate;
18		(h) Other fees, including documentation fees and motor vehicle search fees;
19		and
20		(i) A list of the services that were performed under a warranty or that were
21		otherwise performed at no cost to the owner of the motor vehicle.
22	<u>(6)</u>	Any service or fee in addition to the services or fees described in subsection (5)(f),
23		(g), or (h) of this section shall be set forth individually as a single line item on the
24		invoice required by this section, with an explanation and the exact charge for the
25		service or the exact amount of the fee.
26	<u>(7)</u>	A copy of each invoice and receipt submitted by a tow truck operator in
27		accordance with this section shall:

1	(a) Be retained by the towing company for a period of two (2) years from the
2	date of issuance; and
3	(b) Throughout the two (2) year period described in this subsection, be made
4	available for inspection and copying not later than forty-eight (48) hours
5	after receiving a written request for inspection from:
6	<u>1. A law enforcement agency;</u>
7	2. The Attorney General;
8	3. A city attorney, county attorney, or the prosecuting attorney having
9	jurisdiction in the location of any of the towing company's business
10	locations;
11	4. The disabled motor vehicle's owner or lienholder;
12	5. An agent of the disabled motor vehicle's owner or lienholder; or
13	6. Any individual involved in the underlying collision, his or her
14	respective insurance companies, or his or her legal representatives, if
15	the disabled motor vehicle was involved in a collision.
16	→SECTION 6. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO
17	READ AS FOLLOWS:
18	(1) Within one (1) business day of the removal, a towing company shall contact the
19	cabinet in order to ascertain the identity of the owner and any lienholder of any
20	motor vehicle registered in Kentucky which it has towed and, within ten (10) days
21	of the removal, shall, by certified mail, provide notice to the owner and any
22	lienholder at the address or addresses of record, when a motor vehicle has been:
23	(a) Towed under Section 4 or 5 of this Act;
24	(b) Involuntarily towed or transported pursuant to order of police, other public
25	authority, or private person or business for any reason;
26	(c) Stolen or misappropriated and its removal from the public ways has been
27	ordered by police, other public authority, or by private person or business;

1			<u>or</u>
2		<u>(d)</u>	In any other situation, involuntarily towed or transported by order of police,
3			other authority, or by private person or business. If the lienholder is a
4			registered organization listed in the business records of the Secretary of
5			State, the cabinet shall provide the address listed for the lienholder.
6	(2)	The	cabinet shall, within two (2) business days, provide the towing company the
7		<u>nam</u>	e and address of the owner and lienholder of any motor vehicle requested
8		<u>purs</u>	suant to subsection (1) of this section.
9	<u>(3)</u>	(a)	If a vehicle described in subsection (1) of this section is placed in a garage
10			or other storage facility, the owner of the facility shall provide the notice
11			required in subsection (1) of this section, by certified mail, to the owner and
12			any lienholder at the address or addresses of record of the motor vehicle
13			within ten (10) days of recovery of, or taking possession of, the motor
14			<u>vehicle.</u>
15		<u>(b)</u>	Any notice sent under this subsection shall comply with the notification
16			provisions of subsection (4) of this section and shall include an estimated
17			itemized invoice pursuant to subsection (5) of Section 5 of this Act that
18			specifies the amount of charges for towing, recovery, storage, transporting,
19			and other applicable charges due on the vehicle.
20		<u>(c)</u>	If the owner of the storage facility fails to provide notice as provided in this
21			section, the motor vehicle storage facility shall forfeit all storage fees
22			accrued after ten (10) days from the date of tow.
23		<u>(d)</u>	This subsection shall not apply to a garage or storage facility owned or
24			operated by a government entity.
25	<u>(4)</u>	Any	notification required under subsection (1) or (2) of this section shall include:
26		<u>(a)</u>	The date and time the vehicle was towed;
27		<u>(b)</u>	The location from which the vehicle was towed;

1		(c) The name, address, and telephone number where the vehicle will be located;
2		(d) The location, address, and phone number where payment and business
3		transactions take place if different from the business address;
4		(e) The name, address, and phone number of the towing company or storage
5		<u>facility;</u>
6		(f) A description of the towed vehicle which shall at a minimum include the
7		make, model, year, vehicle identification number, and color of the towed
8		<u>vehicle;</u>
9		(g) The license plate number and state of registration of the towed vehicle; and
10		(h) A copy of the rate sheet required in subsection (2) of Section 5 of this Act, if
11		the vehicle was towed by a towing company operating under this chapter
12		and vehicles are being held in a storage facility or garage.
13	<u>(5)</u>	If a vehicle described in subsection (1) of this section is determined to be a
14		corporately owned motor vehicle, the notices required under subsections (1) and
15		(2) of this section shall be sent to the corporate address listed on the registration.
16		A motor vehicle under this subsection shall be held for up to forty-five (45) days
17		to allow the motor vehicle owner or lienholder to retrieve the towed motor vehicle.
18		The rate charged shall be the standard daily rate of the towing company or
19		storage facility. If at any time more than one (1) motor vehicle owned by the same
20		corporation is under the control of a towing company or storage facility, each
21		motor vehicle shall be processed under a separate transaction.
22	<u>(6)</u>	A towing company or storage facility that has met the provisions of this section
23		may sell the towed vehicle in accordance with Section 11 of this Act.
24		→SECTION 7. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO
25	REA	AD AS FOLLOWS:
26	<u>(1)</u>	This section applies to towing companies that tow and store motor vehicles, and
27		to storage facilities that store vehicles towed by a towing company, regardless of

1	whether the towing company and the storage facilities are affiliates.
2	(2) Upon payment of all costs incurred against a motor vehicle towed and stored
3	under this chapter, the towing company or storage facility shall release the motor
4	vehicle to:
5	(a) A properly identified owner or lienholder of the motor vehicle; or
6	(b) An authorized representative of the insurance company or its contracted
7	service provider insuring the motor vehicle if the:
8	1. Motor vehicle is covered by an active policy of insurance and the
9	insurance representative provides proof of coverage; or
10	2. Owner of the motor vehicle approves release of the vehicle to the
11	insurance company representative.
12	(3) (a) Prior to payment of fees and release of the motor vehicle, a storage facility
13	or towing company shall not refuse the right of physical inspection of the
14	towed vehicle during posted business hours by:
15	1. An owner;
16	2. A lienholder;
17	3. A representative of the insurance company that insures the motor
18	<u>vehicle; or</u>
19	4. A contracted service provider of the insurance company.
20	(b) The inspection of a vehicle that is being held as evidence by a law
21	enforcement agency shall only occur if authorized by the investigating law
22	enforcement agency. The law enforcement agency may impose any or all of
23	the following restrictions:
24	<u>1.</u> Restrict the inspection to visual and touchless only; or
25	2. Require any persons or entities outlined in paragraph (a) of this
26	subsection to be accompanied by a law enforcement officer.
27	(4) A towing company or storage facility shall accept payment made by any of the

1	following means from an individual seeking to release a motor vehicle:
2	<u>(a) Cash;</u>
3	(b) Check from an insurer or its agent;
4	(c) Credit card;
5	(d) Debit card;
6	(e) Money order; or
7	(f) Check drawn by a bank or other financial institution.
8	(5) Upon receiving payment of all costs incurred against a motor vehicle, a towing
9	company or storage facility shall provide to the person making payment an
10	itemized receipt in accordance with subsections (4) and (5) of Section 5 of this
11	Act to the extent the information is known or available.
12	(6) A towing company or storage facility shall be open for business or accessible by
13	telephone during posted business hours. A towing company or storage facility
14	shall provide a telephone number available on a twenty-four (24) hour basis to
15	receive calls and messages from callers, including calls made outside posted
16	business hours. All calls made to a towing company or storage facility shall be
17	returned within twenty-four (24) hours from the time received. However, if
18	adverse weather, an emergency situation, or another act over which the towing
19	company or storage facility has no control prevents the towing company or
20	storage facility from returning calls within twenty-four (24) hours, the towing
21	company or storage facility shall return all calls received as quickly as possible.
22	→SECTION 8. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO
23	READ AS FOLLOWS:
24	(1) A towing company or storage facility shall not charge a fee for towing, cleanup
25	services, storage of a motor vehicle, or a combination thereof that is in excess of
26	the rate sheets required in Section 5 of this Act.
27	(2) All services rendered by a towing company or storage facility, including warranty

1	or no-cost services, shall be recorded on an invoice. The storage facility, towing
2	company, or the owner or operator of a tow truck, shall maintain the records for
3	two (2) years, including rate sheets, and shall make the records available for
4	inspection and copying upon written request from law enforcement or the
5	cabinet. Records maintained under this section shall be kept in paper or
6	electronic form.
7	→SECTION 9. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO
8	READ AS FOLLOWS:
9	(1) A towing company shall not:
10	(a) Falsely represent that the towing company represents or is approved by any
11	law enforcement agency, or any organization that provides emergency road
12	service for disabled motor vehicles;
13	(b) Require an owner or operator of a disabled motor vehicle to preauthorize
14	more than twenty-four (24) hours of storage or repair work as a condition
15	to providing towing service for the disabled vehicle;
16	(c) Charge more than one (1) towing fee when the owner or operator of a
17	disabled motor vehicle requests transport of the motor vehicle to a repair
18	facility owned or operated by the towing company; or
19	(d) Tow a motor vehicle to a repair facility, unless the owner of the motor
20	vehicle or the owner's designated representative gives consent and the
21	consent is given prior to the removal of the motor vehicle from the location
22	from which the motor vehicle is to be towed. This paragraph shall not apply
23	to a storage facility that has a repair facility on the same site so long as the
24	motor vehicle is not moved into the repair facility without consent.
25	(2) A towing company or storage facility shall not:
26	(a) Upon payment of all costs incurred against a motor vehicle towed and
27	stored under this chapter, refuse to release the motor vehicle to a properly

1	identified owner or lienholder of the motor vehicle or to an authorized
2	representative of the insurance company insuring the motor vehicle or the
3	insurance company's contracted provider, if the motor vehicle is covered by
4	an active policy of insurance. Motor vehicle release under this paragraph
5	shall not apply to any case in which a law enforcement agency has ordered
6	the motor vehicle not to be released or in any case in which a judicial order
7	prohibits its release;
8	(b) Refuse to permit a properly identified owner or lienholder of a motor
9	vehicle or a representative of the insurance company insuring the motor
10	vehicle if the motor vehicle is covered by an active policy of insurance to
11	inspect the motor vehicle during posted business hours before all costs
12	incurred against the motor vehicle are paid or the motor vehicle is released;
13	<u>or</u>
14	(c) Charge a storage fee for a stored motor vehicle with respect to any day on
15	which release of the motor vehicle or inspection of the motor vehicle by the
16	owner, lienholder, or insurance company is not permitted during posted
17	business hours by the towing company or storage facility.
18	→SECTION 10. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO
19	READ AS FOLLOWS:
20	<u>The cabinet shall be held harmless for any mistakes, errors, delays, or property damage</u>
21	to any motor vehicle in relation to the towing or storage of a vehicle under Sections 2
22	to 10 of this Act.
23	Section 11. KRS 359.230 is amended to read as follows:
24	(1) (a) If the occupant is in default for a period of more than forty-five (45) days, the
25	operator may enforce a lien by selling the property stored in the leased space
26	at a public or private sale, for cash.
27	(b) Proceeds shall then be applied to satisfy the lien, with any surplus disbursed as

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1			provided in subsection (5) of this section.
2	(2)	Befo	ore conducting a sale under subsection (1) of this section, the operator shall:
3		(a)	Notify the occupant of the default by regular or verified electronic mail at the
4			occupant's last known address;
5		(b)	Send a second notice of default by verified mail or verified electronic mail to
6			the occupant at the occupant's last known address which includes:
7			1. A statement that the contents of the occupant's leased space are subject
8			to the operator's lien;
9			2. A statement of the operator's claim, indicating the charges due on the
10			date of the notice, the amount of any additional charges which shall
11			become due before the date of sale, and the date those additional charges
12			shall become due;
13			3. A demand for payment of the charges due within a specified time, not
14			less than fourteen (14) days after the date of the notice;
15			4. A statement that unless the claim is paid within the time stated, the
16			contents of the occupant's leased space shall be sold at a specified time
17			and place; and
18			5. The name, street address, and telephone number of the operator, or his
19			or her designated agent, whom the occupant may contact to respond to
20			the notice; and
21		(c)	At least three (3) days before the sale, advertise the time, place, and terms of
22			the sale in a newspaper of general circulation in the jurisdiction where the sale
23			is to be held.
24	(3)	At a	any time before a sale under this section, the occupant may pay the amount
25		nece	essary to satisfy the lien and redeem the occupant's personal property.
26	(4)	The	sale under this section shall be held at the self-service storage facility, the
27		loca	tion of the self-contained storage unit where the personal property is stored, or a

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1		publ	icly accessible Web site.
2	(5)	If a s	sale is held under this section, the operator shall:
3		(a)	Satisfy the lien from the proceeds of the sale;
4		(b)	Hold the balance, if any, for delivery to any other recorded lienholders who
5			present claims within sixty (60) days. Notwithstanding Article 9 of KRS
6			Chapter 355, claims shall be satisfied on a first come first served basis; and
7		(c)	Deliver, upon expiration of sixty (60) days, the balance of any remaining
8			proceeds to the occupant.
9	(6)	A p	urchaser in good faith of any personal property sold under KRS 359.200 to
10		359.	250 takes the property free and clear of any rights of:
11		(a)	Persons against whom the lien was valid; and
12		(b)	Other lienholders.
13	(7)	If th	ne operator complies with the provisions of KRS 359.200 to 359.250, the
14		oper	ator's liability:
15		(a)	To the occupant shall be limited to the net proceeds received from the sale of
16			the personal property;
17		(b)	To other lienholders shall be limited to the net proceeds received from the sale
18			of any personal property covered by that other lien; and
19		(c)	To the occupant or valid lienholders shall be relieved upon full distribution of
20			proceeds in accordance with the provisions of KRS 359.200 to 359.250.
21	(8)	If an	occupant is in default, the operator may deny the occupant access to the leased
22		spac	e.
23	(9)	(a)	Unless otherwise specifically provided, all notices required by KRS 359.200
24			to 359.250 shall be sent by verified mail or verified electronic mail.
25		(b)	1. Notices sent to the operator shall be sent to the operator's principal
26			office, as listed on the rental agreement.
27			2. Notices to the occupant shall be sent to the occupant at the occupant's

1		last known address.
2		(c) Notices shall be deemed delivered when deposited with the United States
3		Postal Service, properly addressed as provided in paragraph (b) of this
4		subsection, with postage paid, or sent by verified electronic mail.
5	(10)	Provided, however, unless the rental agreement specifically provides otherwise and
6		until a lien sale under KRS 359.200 to 359.250, the exclusive care, custody, and
7		control of all personal property stored in the leased space shall remain vested in the
8		occupant.
9	(11)	If the rental agreement specifies a limit on the value of the personal property that
10		may be stored in the occupant's leased space, the limit shall be deemed to be the
11		maximum value of the stored personal property.
12	(12)	If the occupant is in default for more than sixty (60) days and the personal property
13		stored in the leased space is a motor vehicle as defined in KRS 376.268, the
14		operator may, in lieu of a sale authorized in this chapter, have the vehicle or
15		watercraft towed or removed from the self-service storage facility, and the towing
16		company shall execute the notice provisions as specified in Section 6 of this
17		<u>Act[KRS 376.275]</u> .
18		→Section 12. KRS 376.275 is amended to read as follows:
19	(1)	[When a motor vehicle has been involuntarily towed or transported pursuant to
20		order of police, other public authority, or private person or business for any reason
21		or when the vehicle has been stolen or misappropriated and its removal from the
22		public ways has been ordered by police, other public authority, or by private person
23		or business, or in any other situation where a motor vehicle has been involuntarily
24		towed or transported by order of police, other authority, or by private person or
25		business, the police, other authority, private person or business shall attempt to
26		ascertain from the Transportation Cabinet the identity of the registered owner of the
27		motor vehicle or lessor of a motor carrier as defined in KRS Chapter 281 and within

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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.

5 (2) If a vehicle described in subsection (1) of this section is placed in a garage or other 6 storage facility, the owner of the facility shall attempt to provide the notice provided 7 in subsection (1) of this section, by certified mail, to the registered owner at the 8 address of record of the motor vehicle or lessor of a motor carrier as defined in KRS 9 Chapter 281 within ten (10) business days of recovery of, or taking possession of 10 the motor vehicle. The notice shall contain the information as to the make, model, 11 license number and vehicle identification number of the vehicle, the location of the 12 vehicle and the amount of reasonable charges for towing, recovery, storage, 13 transporting, and other applicable charges due on the vehicle. When the owner of 14 the facility fails to provide notice as provided herein, the motor vehicle storage 15 facility shall forfeit all storage fees accrued after ten (10) business days from the 16 date of tow. This subsection shall not apply to a garage or storage facility owned or 17 operated by a government entity.

(3)] (a) Any person engaged in the business of storing or towing motor vehicles, who 18 19 has <u>substantially</u> complied with the *notification* aforementioned 20 requirements of Section 6 of this Act[this section], shall have a lien on the 21 motor vehicle and its contents, except as set forth in subsection (2) (4) of this 22 section, for the *applicable and reasonable charges assessed in accordance* 23 with Sections 5 and 8 of this Act_{[reasonable or agreed charges for towing,} 24 recovery, storage, transporting, and other applicable charges due on the 25 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

1	by the owner or an insurance company representative. Release of the vehicle
2	shall occur to the owner or insurance company representative upon payment
3	and consent of the release from the owner or the owner's authorized
4	representative. Each additional service shall be set forth individually as a
5	single line item in the bill with an explanation and the exact charge for the
6	service.
7	(c)]If, after a period of forty-five (45) days, the <i>applicable and reasonable</i>
8	charges assessed in accordance with Sections 5 and 8 of this Act[reasonable
9	or agreed charges for towing, recovery, storage, transporting, and other
10	applicable charges due on a motor vehicle and its contents] have not been
11	paid, the motor vehicle and its contents, except as set forth in subsection
12	(2) [(4)] of this section, may be sold to pay the charges after the owner <u>and any</u>
13	lienholder have [has] been notified by certified mail at the addresses
14	specified in subsection (1) of Section 6 of this Act, ten (10) days prior to the
15	time and place of the sale. If the proceeds of the sale of any vehicle pursuant
16	to this section are insufficient to satisfy accrued charges[for towing,
17	transporting, and storage], the sale and collection of proceeds shall not
18	constitute a waiver or release of responsibility for payment of unpaid [towing,
19	transporting, and storage] charges by the owner or responsible casualty insurer
20	of the vehicle. A lien on a vehicle under this subsection shall be subject to
21	prior recorded liens, unless released by any existing lienholder pursuant to
22	paragraph (c) of subsection (1) of this section.
23	(c) [(d)] A lien holder having a prior recorded lien listed on the title issued by the
24	Commonwealth of Kentucky shall be notified by certified mail within the first
25	ten (10)[fifteen (15)] days of impoundment in accordance with Section 6 of
26	this Act. Such notification, in addition to the requirements of Section 6 of
27	this Act [The letter] shall include the make, model, license number, vehicle

1		identification number, owner's name and last known address, and tentative
2		date of sale for the vehicle, and state that the towing company or storage
3		facility seeks to obtain a new title free and clear of any liens, excluding tax
4		liens. If the above-referenced certified letter is not sent within the ten
5		(10)[fifteen (15)] days by the towing and storage company, then only <u>ten</u>
6		(10)[fifteen (15)] days of storage may be charged. The lien holder has the right
7		to take possession of the motor vehicle after showing proof of lien still
8		enforced, and paying the reasonable or agreed towing and storage charges on
9		the motor vehicle. If a lienholder does not exercise the right to take
10		possession of the motor vehicle under this paragraph within forty-five (45)
11		days of notification, and all lienholders agree in writing, the tow company
12		or storage facility may obtain a new title under Section 14 of this Act free
13		and clear of any liens, excluding tax liens. Nothing in this section shall allow
14		the transfer of a vehicle subject to a lien, except as provided in KRS
15		186A.190.
16	<u>(d)</u>	If there are no lienholders required to be notified under Sections 2 to 10, 11,
17		and 12 of this Act, and the owner does not exercise the right to take
18		possession of the motor vehicle under this section within forty-five (45) days
19		of notification required under Section 6 of this Act, the tow company or
20		storage facility may obtain a new title under Section 14 of this Act free and
21		<u>clear of any liens, excluding tax liens.</u>
22	<u>(2)[(4)]</u>	Subsection $(1)[(3)]$ of this section shall not apply to the following contents of
23	a m	notor vehicle, which shall be released to the vehicle owner or the owner's
24	desi	gnated agent upon request, if the request is made within forty-five (45) days of
25	the	date the vehicle was towed:

- 26 (a) Prescription medication in its proper container;
- 27 (b) Personal medical supplies and equipment or records;

- 1 Educational materials, including but not limited to calculators, books, papers, (c) 2 and school supplies; 3 Documents, files, electronic devices, or equipment which may be able to store (d) 4 personal information or information relating to a person's employment or 5 business: 6 Firearms and ammunition. Notwithstanding the provisions of subsection (e) 7 (3)[(5)] of this section, firearms and ammunition which are not claimed by the 8 owner of the vehicle within forty-five (45) days of the date the vehicle was 9 towed shall be transferred to the Department of Kentucky State Police for 10 disposition as provided by KRS 16.220; Cargo in the possession of persons engaged in transportation in interstate 11 (f) 12 commerce as registered under KRS 186.020; 13 Cargo in the possession of an integrated intermodal small package carrier as (g) 14 defined by KRS 281.605(12); 15 Child restraint systems or child booster seats; and (h) 16 (i) Checks, checkbooks, debit or credit cards, money orders, stocks, or bonds. 17 Except as provided <u>[for]</u> in subsection (2)(e)[(4)(e)] of this section, any $(3)^{[(5)]}$ 18 contents exempted under subsection (2)(c), (d), (f), and (g) $\frac{1}{(4)}$ of this section that 19 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 20 21 or towing company. Any contents exempted under subsection (2)(a), (b), (h), and 22 (i) of this section that are not claimed by the owner of the vehicle within forty-five 23 (45) days of the date the vehicle was towed shall not be sold, but shall be 24 otherwise legally disposed of by the storage or towing company. 25 $(4)^{[(6)]}$ The storage or towing company shall not be responsible for contents in a 26
- 27

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

1		without the owner's consent.
2	<u>(5)</u> [([7] [The provisions of]This section shall not apply when a local government
3		causes a vehicle to be towed pursuant to KRS 82.605 to 82.640 or if state
4		government causes a vehicle to be towed.
5		→ Section 13. KRS 189.725 is amended to read as follows:
6	(1)	Any owner or attendant of a privately owned parking lot may have <u>a towing</u>
7		<u>company remove</u> [removed] from the lot any unauthorized <u>parked</u> vehicle[parked].
8		A towing company [and any person] engaged to remove such vehicle shall have a
9		lien on the vehicle in accordance with Section 12 of this Act[KRS 376.275].
10	(2)	Every operator of a parking lot covered by [the provisions of] subsection (1) of this
11		section shall post signs stating thereon that the parking lot is privately owned and
12		unauthorized vehicles will be towed away at the owner's expense.
13		Section 14. KRS 186A.145 is amended to read as follows:
14	<u>(1)</u>	Except as provided in subsections (2) and (3) of this section, a county clerk shall
15		not process an application for Kentucky title and registration from or to any
16		Kentucky resident who has a delinquent motor vehicle ad valorem property tax
17		account.
18	<u>(2)</u>	This <u>section</u> [provision] shall not apply to transactions involving:
19		(a) Licensed Kentucky motor vehicle dealers:
20		(b) A person who is engaged in the business of storing or towing motor
21		vehicles, applying for a new title under subsection (1)(c) of Section 12 of
22		this Act; or
23		(c) A secured party applying for a repossession title under KRS 186.045 (6).
24	<u>(3)</u>	(a) For any vehicle obtained as the result of a claim on a motor vehicle
25		insurance policy, an insurer and its agent shall not be responsible for the
26		payment of any delinquent motor vehicle ad valorem property taxes owed by
27		any previous owner, when:

1		1. Applying for a regular or salvage title; or
2		2. Transferring ownership of the vehicle to another party.
3		(b) The owner of a motor vehicle that was transferred to an insurer or its agent
4		under paragraph (a) of this subsection shall remain responsible for any
5		delinquent motor vehicle ad valorem property taxes owed prior to the
6		transfer.
7	<u>(4)</u>	An insurer shall not be exempt from any motor vehicle ad valorem property taxes
8		owed on any vehicle that it owns:
9		(a) As a part of its business operations; or
10		(b) On January 1, that was obtained as the result of a claim on a motor vehicle
11		insurance policy.