

**Local Government Mandate Statement  
Kentucky Legislative Research Commission  
2021 Regular Session**

**Part I: Measure Information**

**Bill Request #:** 1443

**Bill #:** SB 167

**Document ID #:** 3970

**Bill Subject/Title:** AN ACT relating to the provision of private towing services to local governments.

**Sponsor:** Senator Max Wise

Unit of Government:  City  County  Urban-County  
Unified Local  
 Charter County  Consolidated Local  Government

Office(s) Impacted: Local Governments, Local Law Enforcement

Requirement:  Mandatory  Optional

Effect on Powers & Duties:  Modifies Existing  Adds New  Eliminates Existing

**Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government**

SB 167 creates a new section of KRS Chapter 65 to require all local governments to enact an ordinance establishing a list of authorized towing companies that may be employed to provide towing services for local government. Local law enforcement shall contact towing companies in rotation and shall not use a towing service twice in a row unless all other towing services on the list cannot respond in a timely manner.

**The fiscal impact of this measure is indeterminable and will likely have a minimal to moderately negative impact on local government.**

Local governments will need to create and regularly modify the required ordinance to update the list of authorized towing companies as companies close, change names, merge, or adding new companies. The legislation does not address procurement issues (i.e. issuing an RFP/RFQ, utilizing a bidding process, adding companies that request to be added, etc.).

Local governments that create ordinances will incur costs associated with the drafting, publication, indexing and recording of adopted ordinances, and at least every five years, review and eliminate redundant, obsolete, inconsistent, and invalid provisions.

According to Kentucky League of Cities (KLC), most cities, especially the smaller ones, retain their city attorney on contract and pay on an hourly basis. Time spent drafting an ordinance is influenced by its complexity and the amount of research that is necessary. In FY 2020, the average hourly rate was \$107. Rates for legal notices vary greatly depending on the length of the publication, the number of times it needs to be published and the newspaper in which the publication is placed. Therefore, these costs are unknown.

The bill defines a “towing company” as one that is a service or business operating as a motor carrier that: tows or otherwise moves motor vehicles by means of a tow truck or owns and operates a storage lot. Additional parameters and requirements of a towing company may need to be considered prior to placement on the list created by ordinance to address concerns that may lead to litigation, which could be a significant impact to local government to defend.

For local law enforcement, this legislation will likely require a point person to track all of the towing contracts and approves which firm to contact next. Given that towing services may be necessary at any point of a day, the department will have to develop a system that is not solely dependent upon a single person. This may require the development of an IT application to select track and select the towing company. Local law enforcement agencies will have increased administrative and IT costs to ensure compliance with the Act.

The Kentucky Sheriffs’ Association, the Kentucky Fraternal Order of Police, and KLC have indicated that mandating an ordinance to establish or modify a towing services list will add unnecessary costs and time in order to make changes to the eligible towing list. Several local law enforcement agencies have an established list and utilize a rotation basis. These agencies regularly add and remove companies for reasons such as lack of insurance, no permits, price gouging, etc.

**Part III: Differences to Local Government Mandate Statement from Prior Versions**

Part II, above, pertains to the bill as drafted.

**Data Source(s):** Kentucky League of Cities, Kentucky Sheriffs' Association, Kentucky Fraternal Order of Police

**Preparer:** Mark Offerman      **Reviewer:** KHC      **Date:** 2/12/21