

## CHAPTER 132

**AN ACT** concerning fees charged for certain towing and storage of motor vehicles and amending P.L.2007, c.193 and N.J.S.2A:44-21.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

1. Section 10 of P.L.2007, c.193 (C.56:13-16) is amended to read as follows:

C.56:13-16 Unlawful practices, towing company.

10. It shall be an unlawful practice for any private property towing company or for any other towing company that provides non-consensual towing services:

- a. (Deleted by amendment, P.L.2009, c.39)
- b. (Deleted by amendment, P.L.2009, c.39)
- c. (Deleted by amendment, P.L.2009, c.39)

d. To give any benefit or advantage, including a pecuniary benefit, to any person for providing information about motor vehicles parked for unauthorized purposes on privately owned property or otherwise in connection with private property towing of motor vehicles parked without authorization or during a time at which such parking is not permitted;

e. To fail, when so requested by the owner or operator of a vehicle subject to non-consensual towing, to release a vehicle to the owner or operator that has been, or is about to be, hooked or lifted but has not actually been moved or removed from the property when the vehicle owner or operator returns to the vehicle, unless the vehicle subject to non-consensual towing has been authorized to be towed by a law enforcement officer of this State, or any political subdivision of the State, while in the actual performance of the officer's duties and as deemed appropriate for public safety, or to charge the owner or operator requesting release of the vehicle an unreasonable or excessive decoupling fee. Such a fee shall be presumptively unreasonable and excessive if it exceeds by more than 25 percent, or a different percentage established by the director by regulation, the usual and customary decoupling fee charged by the towing company for a vehicle subject to consensual towing, or if it exceeds by more than 50 percent, or a different percentage established by the director by regulation, the usual and customary decoupling fee charged for vehicles subject to non-consensual towing by other private property towing companies operating in the municipality in which the vehicle was subjected to non-consensual towing;

f. (1) To charge a fee for a private property or other non-consensual towing or related storage service not listed on the schedule of services for which a fee may be charged as established by the director except as may be permitted by the director by regulation; or

- (2) To charge an unreasonable or excessive fee;

g. To refuse to accept for payment in lieu of cash or an insurance company check for towing or storage services a debit card, charge card or credit card if the operator ordinarily accepts such card at his place of business, unless such refusal is authorized in accordance with section 4 of P.L.2002, c.67 (C.56:13-4); or

h. To monitor, patrol, or otherwise surveil a private property for the purposes of identifying vehicles parked for unauthorized purposes and towing a motor vehicle parked for an unauthorized purpose from such private property without having been specifically requested to tow such vehicle by the owner of the property.

i. Nothing contained in any provision of the "Predatory Towing Prevention Act," P.L.2007, c.193 (C.56:13-7 et seq.) shall be construed to prevent a towing company from charging a reasonable fee for storage of a vehicle that has been subject to non-consensual towing authorized by a law enforcement officer of this State or by any political subdivision of this

State. Nothing contained in any provision of the "Predatory Towing Prevention Act," P.L.2007, c.193 (C.56:13-7 et seq.) shall be construed to prevent a towing company from charging fees for non-consensual towing or related storage services in accordance with a duly-authorized fee schedule established by a municipality or other political subdivision of this State with respect to a vehicle that has been subject to non-consensual towing authorized by a law enforcement officer of this State or the political subdivision, and there shall be a rebuttable presumption that fees charged in accordance with a fee schedule are not unreasonable or excessive.

A towing company shall only require that reasonable fees charged in accordance with a duly authorized fee schedule established by a municipality or other political subdivision of this State for towing, authorized by a law enforcement officer of this State or by a political subdivision of this State, or related storage services be paid by the operator, owner, lessor, or lienholder of the vehicle prior to the towing company's release of the vehicle. In the event the owner or operator of the vehicle defaults on payments to the lessor or lienholder of the vehicle, the lessor or lienholder shall be responsible for these reasonable towing and related storage fees.

Notwithstanding the provisions of P.L.1964, c.81 (C.39:10A-1 et seq.), or any other law, rule, or regulation to the contrary, a towing company shall notify the operator, owner, lessor, and lienholder of a vehicle that has been subject to non-consensual towing, authorized by a law enforcement officer of this State or a political subdivision of this State, and related storage services within 30 days of the vehicle being towed and arriving at the towing company lot. If a towing company fails to notify the operator, owner, lessor, and lienholder of the vehicle within 30 days, the towing company may charge a maximum storage fee of \$750, and the towing company shall be responsible for all additional towing or related storage services.

Notwithstanding any provision of this subsection to the contrary, the maximum liability for storage fees for matters pending prior to the date of enactment of P.L.2023, c.132, shall not exceed \$5,000. Towing fees for matters pending prior to the date of enactment of P.L.2023, c.132 shall not be subject to any fee limitation, provided that such fees remain reasonable and are charged in accordance with a duly authorized fee schedule established by a municipality or other political subdivision of this State.

For the purposes of this subsection, non-consensual towing shall be considered to be authorized by a law enforcement officer of this State or a political subdivision if the law enforcement officer or an agent or employee of the political subdivision initiates, directs, orders, or requests the non-consensual towing of the vehicle; and a municipal fee schedule shall be considered duly authorized if it has been established by municipal ordinance or resolution or by contract between the municipality and the towing company which conforms to the requirements of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) and any related regulations.

2. N.J.S.2A:44-21 is amended to read as follows:

Garage keeper liens; detention of vehicles; notice; priority.

2A:44-21. A garage keeper who shall tow, store, maintain, keep, or repair a motor vehicle or furnish gasoline, accessories or other supplies therefor, at the request or with the consent of the owner or the owner's representative, or at the request of a law enforcement officer of this State or any political subdivision of this State, shall have a lien upon the motor vehicle or any part thereof for the sum due for such towing, storing, maintaining, keeping, or repairing of such motor vehicle or for furnishing gasoline or other fuel, accessories or other supplies therefor, and may, without process of law, detain the same at any time it is lawfully in his possession until the sum is paid. A motor vehicle is considered detained when the owner or

person entitled to possession of the motor vehicle is advised by the garage keeper, by a writing sent by certified mail return receipt requested to the address supplied by the owner or person entitled to possession of the motor vehicle, that goods or services have been supplied or performed, and that there is a sum due for those goods or services.

The lien shall not be superior to, nor affect a lien, title or interest of a person held by virtue of a prior conditional sale or a prior chattel mortgage properly recorded or a prior security interest perfected in accordance with chapter 9 of Title 12A of the New Jersey Statutes.

A garage keeper shall only require that reasonable fees, charged in accordance with a duly authorized fee schedule established by a municipality or other political subdivision of this State for non-consensual towing, authorized by a law enforcement officer of this State or by a political subdivision of this State, or for related storage services be paid by the operator, owner, lessor, or lienholder of the vehicle prior to the towing company's release of the vehicle. In the event the owner or operator of the vehicle defaults on payments to the lessor or lienholder of the vehicle, the lessor or lienholder shall be responsible for these reasonable towing and related storage fees.

3. This act shall take effect immediately but shall be retroactive to October 18, 2008.

Approved August 7, 2023.