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Alaska State Legislature House of Representatives



While in Session
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Representative Jay Ramras
District 10

Sponsor Statement

HB 251 – PRIORITY OF TOWING LIENS

Towing companies provide necessary service to Alaskans through the removal of abandoned, junked, and wrecked vehicles from public thoroughfares and private property. Alaskan towing companies follow prescribed laws in providing these towing services and in most cases are acting under the authorization or direction of public safety officers. Alaskan towing companies should be paid for providing these services to the public, but in certain situations they are not. Providing a statutory mechanism so that these small towing businesses are first in line for payment for delivered services will reduce business risk to these companies. House Bill 251 changes the priority in which payments may be made to provide for a fairer business environment to towing companies.

House Bill 251 prioritizes a possessory lien for towing services lawfully provided in conformity with AS 28.10.502. This prioritization is necessary and gives first position to towing companies to recoup costs for impound and contractual vehicular towing and storage. Without House Bill 251's clarifying language, Alaska's towing service companies could be harmed by allowing other lien holders to take possession of a vehicle in impound without paying for towing and storage services already provided. A nonpayment situation would at a minimum shift costs to other Alaskans and unfairly increase their towing charges, or in extreme cases induce business hardships and cause business failure for towing companies.

House Bill 251 corrects a current situation whereby certain lien holders may receive impound services from towing companies without paying for all or part of the charges. This is unfair to Alaska's towing companies. Reducing unfair business risk to Alaska's small companies is in the best interest of the state.