

MAINE STATE LEGISLATURE

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L D 1661

Date 6/21/23

MAJORITY

(Filing No S-410)

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
SENATE
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S P 666, L D 1661, "An Act to Require a Liability Automobile Insurance Policy to Cover the Costs of Towing and Storing Certain Vehicles"

Amend the bill by striking out everything after the enacting clause and inserting the following

'PART A

Sec. A-1. 29-A MRS §1605, sub-§1, ¶C, as amended by PL 2007, c 213, §1 and affected by §3, is further amended to read

C Be in the amount or limit of at least

- (1) For damage to property, \$25,000,
- (2) For injury to or death of any one person, \$50,000,
- (3) For one accident resulting in injury to or death of more than one person, \$100,000, ~~and~~
- (4) For medical payments pursuant to section 1605-A, \$2,000-, ~~and~~
- (5) For towing and storage charges pursuant to section 1605-B, \$500

Sec. A-2. 29-A MRS §1605-B is enacted to read

§1605-B. Towing and storage charges

A motor vehicle liability policy issued for a motor vehicle registered or principally garaged in this State must provide coverage in an amount up to \$500 per accident for the reasonable towing and storage charges incurred as a result of an accident involving the insured vehicle if the vehicle is towed at the request of a law enforcement officer. The coverage required by this section applies only to the reasonable towing and storage charges of the insured vehicle. This section does not apply to a policy insuring more than 4 motor vehicles, nor to any policy covering a garage, automobile sales agency, repair shop, service station or public parking place.

COMMITTEE AMENDMENT

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Sec. A-3. 29-A MRSA §1861, first ¶, as amended by PL 2017, c 120, §1, is further amended to read

A person holding or storing an abandoned vehicle, holding or storing a vehicle towed at the request of the vehicle's operator, owner or owner's agent or holding or storing a vehicle stored at the request of a law enforcement officer may hold the vehicle and all its accessories, contents and equipment, not including the personal effects of the registered owner, until reasonable towing and storage charges of the person holding or storing the vehicle are paid, except that a person may not hold the perishable cargo of a commercial motor vehicle, as defined in 49 Code of Federal Regulations, Part 390 5, as amended, when the perishable cargo being transported in interstate or intrastate commerce is not owned by the motor carrier or driver of the commercial motor vehicle being held and the person holding or storing the towed vehicle is presented with evidence of insurance, as defined in section 1551, covering the commercial motor vehicle and the vehicle's cargo For purposes of this paragraph, "perishable cargo" means cargo of a commercial motor vehicle that is subject to spoilage or decay or is marked with an expiration date The owner of the vehicle shall maintain, at a minimum, the amounts of motor vehicle financial responsibility in accordance with section 1605-B to pay the reasonable towing and storage charges of the person holding or storing the vehicle

Sec. A-4. Application. This Part applies to all motor vehicle liability insurance policies executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 2024 For purposes of this Part, all policies are deemed to be renewed no later than the next yearly anniversary of the contract date

Sec. A-5. Appropriations and allocations. The following appropriations and allocations are made

PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF Insurance - Bureau of 0092

Initiative Provides a one-time allocation of funds for review of rate plans and forms associated with motor vehicle liability policy coverage of towing and vehicle storage

OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
All Other	\$0	\$20,250
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$20,250

PART B

Sec. B-1. Review of impact on premiums. The Department of Professional and Financial Regulation, Bureau of Insurance shall review proposed rates provided by insurers offering motor vehicle liability insurance in this State on or after July 1, 2024 to determine the premium impact on rates of requiring coverage in accordance with the Maine Revised Statutes, Title 29-A, section 1605-B The bureau shall submit a report to the Joint Standing Committee on Health Coverage, Insurance and Financial Services no later than February 1, 2024 The committee may report out a bill based on the report to the Second Regular Session of the 131st Legislature '

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively

COMMITTEE AMENDMENT

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SUMMARY

This amendment replaces the bill. The amendment amends the minimum motor vehicle financial responsibility requirements to add a requirement for coverage of up to \$500 per accident for the reasonable towing and storage charges incurred as a result of an accident involving the insured vehicle if the vehicle is towed at the request of a law enforcement officer. The requirements apply to motor vehicle liability insurance policies beginning July 1, 2024.

The amendment also requires the Department of Professional and Financial Regulation, Bureau of Insurance to evaluate the impact of the coverage required for towing and storage costs on premiums for motor vehicle liability insurance policies offered in this State. The bureau is required to submit a report to the Joint Standing Committee on Health Coverage, Insurance and Financial Services no later than February 1, 2024. The committee may report out a bill based on the report to the Second Regular Session of the 131st Legislature.

FISCAL NOTE REQUIRED
(See attached)



131st MAINE LEGISLATURE

LD 1661

LR 529(02)

An Act to Require a Liability Automobile Insurance Policy to Cover the Costs of Towing and Storing Certain Vehicles

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-410)
Committee: Health Coverage, Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Appropriations/Allocations				
Other Special Revenue Funds	\$0	\$20,250	\$0	\$0

Fiscal Detail and Notes

This bill includes a one-time Other Special Revenue Funds allocation to the Department of Professional and Financial Regulation, Bureau of Insurance of \$20,250 in fiscal year 2024-25 to review insurance rate plans and forms associated with motor vehicle liability policy coverage of towing and vehicle storage

Additional costs to the Bureau of Insurance associated with reviewing the impact on insurance premiums of requiring coverage for storage and towing costs can be absorbed within existing budgeted resources