



Tow Business Licensing for Oregon Towing Companies

Enhancing Accountability, Transparency & Enforcement

Oregon State Board of Towing
October 25, 2025

Legal Disclaimer

This presentation is prepared to facilitate discussion at the October 28, 2025 Board meeting.

This presentation is for discussion purposes only and does not represent legal advice, formal board action or opinion, and makes no changes to Oregon's existing laws or rules.


Written public comments may be submitted to the Board's office by email to: info@towboard.oregon.gov

Objectives

- Introduction
- Overview of Oregon's current towing regulatory system
- Benefits of a business license vs. vehicle permits
- Models of other state towing business license programs
- Recommend a new Tow Business Licensing framework for Oregon



Introduction to Oregon State Board of Towing



Creation of the Oregon State Board of Towing

Established in the **2021 Oregon legislative session** under **Senate Bill 300**

Purpose: Address rising complaints alleging violations of the law and unethical tow industry practices

Reflects: growing industry, public, and government concerns concerning:

- Consumer protection
- Unauthorized tows
- Illegal tow operations
- Lack of business regulation and oversight
- Rates and Fees

Role & Authority of the Towing Board

Independent 9-member regulatory board

- Appointed by the **Governor**

Board Administrator

- Hired by, and reports to, the Board

Current Authority Under

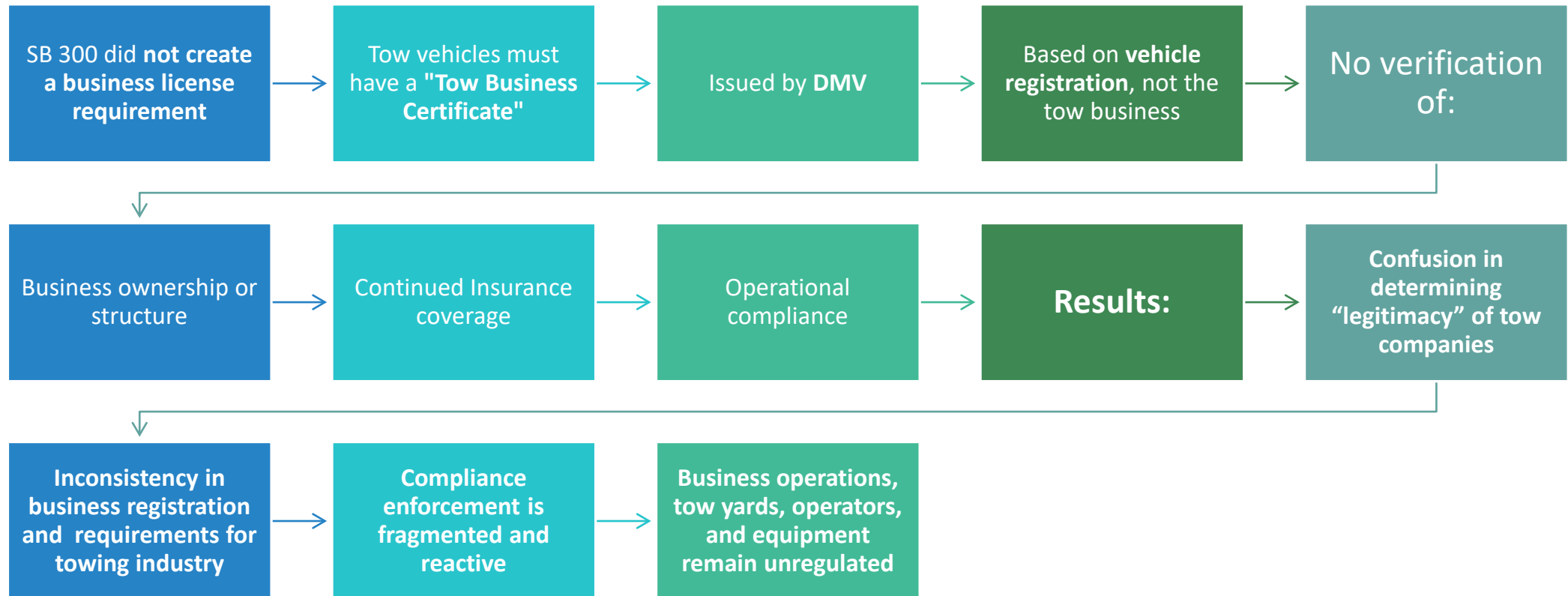
- **ORS 822.250 – 822.290**
- **ORS 822.995**

Responsibilities include:

- Adopting administrative rules
- Administering towing-related laws *assigned to the Board to administer*
- Education and Outreach
- Conducting investigations
- Issuing disciplinary actions for violations

Current Enforcement Limitation

No Business License





The Current Landscape in Oregon

- No centralized licensing or accountability mechanism
- Illegal tow operations
- Tow trucks may be in compliance, but businesses may not be
- Registered tow trucks operating outside of legal compliance with tow business certificates
- Difficult for public or partners to verify legitimacy of operators
- No official state registry or directory of legal tow businesses



PROPOSED SOLUTION

Implement a Tow Business License, issued by the Board

Benefits:

- Company-level accountability
- Clear authority to operate
- Unified, statewide enforcement
- Publicly verifiable license status
- Streamline processes for tow companies

ODOT and DMV would continue to be responsible for

1. Issuing tow vehicle registrations and TW plates
2. Possessory Lien Processes
3. Operator licensure requirements
4. Equipment requirements

Jurisdiction	Requirements
Arkansas	Business license from State Towing & Recovery Board + permit for each tow vehicle. Insurance & inspection required.
Florida	State license + local business tax receipt.
Connecticut	DMV license + vehicle registered as wrecker, inspection, rate schedule filing.
New York City, NY	Tow Truck Company License, insurance, bonding, fingerprinting, vehicle rosters, etc.
Seattle, WA	City business license + regulatory tow license, \$525/year, rate filing, storage review.
Chicago, IL	City license, fingerprinting, \$250/truck, biannual renewal, green sticker required.
Baltimore, MD	Licensing for private-property towing.
Portland, OR	City permit required for private-property towing; annual renewal.

Business License Models: Requirements in Other States

Benefits of a Board Business License

Accountability: Ties compliance to company/owner, not individual vehicles

Transparency: Public and law enforcement can verify legitimacy

Simplicity: Reduces duplicate processes for liens, registration, and complaints

Fairness: Levels the playing field across the industry





Public Verification & Transparency

- State Board maintains a public license directory
- Law enforcement, insurance, motor clubs, and the public can verify license status through the Board website
- Reduces need for public records requests through DMV lookups
- Disciplinary actions publicly posted by the Board

Clear Roles: Board vs. DMV

- **Board:** Regulates businesses, ensures legal operations, compliance enforcement of federal, state, and local regulations, sets standards
- **DMV:** Registers individual tow vehicles
- **Separation improves** efficiency, clarity, and responsiveness



Stronger, Faster, and Consistent Enforcement



Address

- Noncompliance at the business level

Prevent

- Repeated violations across renamed entities

Ensure

- Tow yards, employment practices, and federal/state requirements are met

Improve

- Coordination for joint operations and consistency in legal compliance enforcement across the state

Simplifying the System

1. Reduces redundancy in tow business operations
2. Possessory liens and registration submitted under the business license
3. Applicants for nonpreference and rotational tow programs may rely on the State issued business license number in application process.
4. Active licenses searchable by name, abn/dba or location on Board website available to:
 - Public
 - Law enforcement and state agencies
 - Motor clubs
 - Insurance companies
 - Other companies engaged in business with the towing industry

Preventing Rebranding Loopholes

Ownership

- Company ownership and management tied to the license

Protection

- Stops suspended or disciplined companies from reapplying under new names

Accountability

- Builds long-term accountability

Locations

- Verifies locations (and purpose) of tow yards, storage lots, and office locations in the state.



Stakeholder Benefits

Stakeholder	Benefit
Public	<ul style="list-style-type: none">• Protection from illegal towing• Increase consumer safety• Consistent industry practices and regulation
Law Enforcement and Government Agencies	<ul style="list-style-type: none">• Real-time verification• Reduces fraud• Increased enforcement
DMV	<ul style="list-style-type: none">• Lessens administrative burden• Increased requirement enforcement and integrity of licensing
Insurance/Motor Clubs/Roadside Asst.	Trustworthy vendor network
Towing Companies	<ul style="list-style-type: none">• Fair playing field• Streamlined process• Increase professionalism of the industry• Alignment with Oregon's other trades and services companies



Recommendation

Establish a State Tow Business License, issued and implemented by the Board

- ✓ Central oversight
- ✓ Standardized enforcement
- ✓ Increased transparency
- ✓ Stronger compliance framework

Projected Implementation Cost:

1. *\$5,000: Program Fees.* Add licensure option, form and process to current Board database and website
2. *\$5,000: Data Entry.* Add current tow business companies into the database
3. *\$4,000 License.* Annual software license for additional staff.
4. *\$ TBD - Staffing.* Additional staff to process applications and issue licenses, financed by business license fee.

Next Steps

- ☐ Draft legislative framework
- ☐ Board review & stakeholder workshops
- ☐ Develop public license directory system
- ☐ Define application, renewal, and enforcement standards



Questions?

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