



COMMONWEALTH of VIRGINIA

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October 30, 2008

MEMORANDUM

TO: Governor Timothy Kaine & Members of the Virginia General Assembly

FROM: J. Marc Copeland

SUBJECT: 2008 Report from the Board of Towing and Recovery Operators

Attached is the 2008 report of the Board of Towing and Recovery Operators (Board), as required pursuant to § 46.2-2806.

I am pleased to report great progress over the past several months in establishing the Board's regulatory program. The Board anticipates all timely applications for operator licenses, decals and driver authorization documents will be processed and credentials issued on or before December 31, 2008, in advance of the statutory requirement of having same on and after January 1, 2009. Most important, the Board will repay its outstanding Treasury loans on or before the July 1, 2010 deadline, assuming revenue estimates hold firm.

If you have any questions about the attached report, please contact me by telephone at 804.367.0712 or by email at Marc.Copeland@btro.virginia.gov.

Attachment

C: The Honorable Pierce Homer
Ray Drumheller
Mark Sawyers

2008 Report of the Board of Towing and Recovery Operators

Summary of Fiscal Affairs

On October 15, 2008, the Board of Towing and Recovery Operators (the Board) began collecting and processing operator license, truck decal and driver authorization document applications along with their associated application fees. No revenue figures were available when this report was written. Projected estimates for net revenue collections by December 31, 2008, are about \$618,000.

The Board estimates it will be capable of funding its operations as well as repay its Treasury loans (two loans of \$350,000 each) on or before the July 1, 2010 repayment deadline by utilizing the projected application fee revenues.

Summary of Activities

Prior to July 24, 2008, the Board was primarily finalizing the *General Regulations for Towing and Recovery Operators*, addressing issues arising from its initial draft public safety towing regulations as well as researching and developing the upcoming licensing processes.

On July 14, 2008, Benjamin Foster, the former Executive Director, officially announced his resignation, effective July 25.

On July 24, the Board held the first of four required public meetings to receive public comments on the statutory requirement to regulate public safety towing. This first meeting was held in Wytheville. The majority of the comments received at that meeting generally made the case for minimal public safety towing regulation, no two-truck requirement and reliance on existing regulating entities at the local level and within law enforcement.

On August 7, 2008, the Board voted to elect current Chairman Ray Drumheller and current Vice Chairman Mark Sawyers. That same day, the Board voted to accept the assignment of J. Marc Copeland as Interim Executive Director.

The second and third required public meetings to gather public comments on the regulation of public safety towing took place in Fairfax and Richmond on August 21 and August 28, respectively. Comments were generally the same as received in the Wytheville meeting.

By the end of August, the Board, the Secretary of Transportation and the Governor had approved the *General Regulations for Towing and Recovery Operators* (the approved regulations were submitted to the Registrar of Regulations on August 26 for publication on September 15 and finalization on October 15). During that same period, the Board had selected a licensing software vendor (System Automation) and an application processing agency (Department of Health Professions).

By law, the Board is required to mail copies of its regulations to its licensees 30 days before the regulations are final. Although there were no licensees at that point, the Board was advised to try to contact those known to have interest in applying. On September 15, the Board met this requirement by mailing copies of the *General Regulations for Towing and Recovery Operators* to those persons and businesses known to have interest in becoming licensed by the Board.

Throughout September, the Board worked with the software vendor and the Department of Health Professions (DHP) to get the licensing system up and running for application processing. The turnaround time for this effort has been unprecedentedly rapid on the part of all involved.

By October 3, the Board developed and approved operator license and driver authorization document application forms. On October 6, the application packets were mailed to over 1,500 towing and recovery operators and about 4,200 tow truck drivers. The packet was also made available to potential applicants on the Board's web site.

The Board attended the 2008 Virginia Tow Expo in Harrisonburg on October 10 and 11, providing credential applications, fingerprint cards and help on filing them out. Staff and Board members present also answered questions from towers and the public in general.

On October 15, the *General Regulations for Towing and Recovery Operators* became final, providing the Board with its authority to license towing and recovery operators, supply qualifying tow truck drivers with authorization documents, issue decals for tow trucks and collect the fees associated with the issuance of these credentials.

The Board approved the format of the license certificates, truck decals and authorization documents on October 16. Issuance of these credentials to qualified applicants is expected to begin in mid to late November. In the meantime, the credentialing process continues with the attainable goal of issuing operator licenses, truck decals and driver authorization documents to all applicants, who submit in timely fashion, on or before December 31, 2008.

The last of four required public meetings to gather public comments on the regulation of public safety towing took place in Virginia Beach on October 16. Comments were generally the same as received in the previous three meetings. To ensure that adequate input on public safety towing is received, the Board scheduled additional public meetings on public safety towing in Danville (October 28), Harrisonburg (November 13) and Fredericksburg (November 18).

The Virginia State Police facilitated the fingerprinting of driver authorization document applicants by having troopers provide fingerprinting services during the public meeting at Virginia Beach. A similar effort is scheduled for Danville. The Board hopes to have local law enforcement provide these fingerprinting services at the Harrisonburg and Fredericksburg meetings.

The new Chairman, Vice Chairman and Acting Executive Director of the Board have been meeting with the membership of the various towing and recovery operator associations. Since September, they have met with the Virginia Beach Wreckers Association and the Commonwealth Towers Association. They are scheduled to meet with the Major Incident and Hazard Recovery Operators Association and the Virginia Association of Towing and Recovery Operators later this year.

During August and September, the new Chairman, Vice Chairman and Acting Executive Director of the Board also have held brief introductory meetings with the Commissioner of the Department of Motor Vehicles and the Superintendent of State Police. They expect to hold a similar meeting with the Commissioner of the Department of Agriculture and Consumer Services before the end of the year.

Administrative Hearings or Decisions

There have been no administrative hearings or decisions of the Board at this time.

General Summary of All Complaints Received Against Licensees and the Procedures Used to Resolve Them

The vast majority of the complaints received had to do with pricing issues. Those were either resolved among the parties directly or through intervention by the Office of Consumer Affairs at the Department of Agriculture and Consumer Services or state and local law enforcement, depending upon the nature of the tow. In those instances where the Board was involved in consumer and tower contacts, the goal was to seek objective information from all parties and provide guidance that would enable quick resolution to any disputed issue. To date, these procedures have been effective in resolving all disputes related to the above issues.

Once the thrust of the initial licensing process has subsided, the Board intends to work with local jurisdictions and state and local law enforcement to identify problem areas and develop consistent approaches and paradigms useful in resolving tower and consumer issues. Likewise, the Board intends to initiate efforts to provide consistent enforcement of towing laws from state to state within the region and beyond, as necessary.