

HB0336S01 compared with HB0336S02

19 **Money Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 This bill provides a special effective date.

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **72-1-102** , as last amended by Laws of Utah 2025, Chapter 373

26 **72-9-604** , as last amended by Laws of Utah 2025, Chapter 378

27 ENACTS:

28 **31A-22-323** , Utah Code Annotated 1953

29

30 *Be it enacted by the Legislature of the state of Utah:*

31 Section 1. Section 1 is enacted to read:

32 **31A-22-323. Insurer obligations -- Recovery operations -- Arbitration.**

33 (1) As used in this section:

34 (a) "Commercial vehicle" means the same as that term is defined in Section 72-9-102.

35 (b) "Motor carrier" means the same as that term is defined in Section 72-9-102.

36 (c) "Motor vehicle" means the same as that term is defined in Section 41-1a-102.

37 (d) "Non-consent police generated tow" means the towing of a vehicle, vessel, or outboard motor made at the request of a peace officer, a person acting on behalf of a law enforcement agency, or a highway authority under:

40 (i) Section 41-1a-1101;

41 (ii) Section 41-6a-210;

42 (iii) Section 41-6a-527;

43 (iv) Section 41-6a-1405;

44 (v) Section 41-6a-1406;

45 (vi) Section 41-6a-1408;

46 (vii) Section 73-18-20.1; or

47 (viii) another provision of law.

48 (e) "Power unit" means a motor vehicle that is a commercial vehicle.

34 (a){(f)} "Recovery operation" means the same as that term is defined in Section 72-1-102.

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- 35 (b){(g)} "Recovery operator" means a tow truck motor carrier that performs a recovery operation.
- 37 (c){(h)} "Tow truck motor carrier" means the same as that term is defined in Section 72-9-102.
- 53 (2) A motor carrier shall pay the costs associated with a recovery operation from the motor vehicle insurance policy issued for the power unit.
- 38 (2){(3)} A commercial liability insurer that provides a rider described in Subsection (7)(a) that insures a vehicle or cargo recovered as part of a recovery operation shall pay the recovery operator directly for all reasonable and necessary services involved in the recovery operation.
- 59 (4)
- 41 (3){(a)} {An} A commercial liability insurer {of} that provides a rider described in Subsection (7)(a) that insures a vehicle recovered as part of a recovery operation shall, within 60 days after the day on which the insurer receives an invoice with documentation of the services performed for the recovery operation:
- 44 (a){(i)} pay the recovery operator the full amount invoiced by the recovery operator; or
- 64 (ii) pay the lesser of:
- 65 (A) 75% of the total of the invoiced amount; or
- 66 (B) \$40,000.
- 45 (b) An insurer may dispute the amount invoiced by a recovery operator as described in Subsection { (4) } (4)(a) within 60 days after the day on which the insurer receives an invoice from the recovery operator.
- 70 (5) Before commencing arbitration as described in Subsection (6), the insurer and the recovery operator shall attempt to resolve a dispute through mediation.
- 46 (4){(6)}
- (a) A dispute regarding the reasonableness or necessity of {the-} an unpaid amount shall be resolved by binding arbitration.
- 48 (b) Arbitration under this Subsection { (4) } (6) shall:
- 49 (i) be conducted in accordance with Title 78B, Chapter 11, Utah Uniform Arbitration Act;
- 51 (ii) be limited to a determination of the reasonableness and necessity of the disputed amount; and
- 53 (iii) be initiated by a written demand for arbitration served on the opposing party.
- 54 (c) If arbitration is initiated, the insurer shall post a bond or other security, in a form acceptable to the arbitrator, in an amount that is {the lesser of:} equal to the difference of the total invoiced amount and the amount paid by the insurer under Subsection (4)(a).

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- 56 { (i) { ~~75% of the total of the invoiced amount; or~~ }
57 { (ii) { ~~\$40,000.~~ }
58 (d) Upon receipt of proof of the bond or other security described in Subsection { ~~(4)(e)~~ } (6)(c), the
recovery operator shall immediately release the recovered vehicle and any associated cargo to the
insurer or the insurer's authorized agent.
- 61 (e) The arbitrator shall issue a written decision and award determining the amount, if any, payable from
the bond or other security.
- 63 (f) An arbitration award issued under this Subsection { ~~(4)~~ } (6) is:
- 64 (i) final and binding; and
- 65 (ii) subject to judicial review as provided in Title 78B, Chapter 11, Utah Uniform Arbitration Act.
- 67 (g) If the arbitrator determines that all or a portion of the disputed charges are not reasonable or not
necessary, the insurer is not liable for the amount the arbitrator determines not reasonable or not
necessary, and the arbitrator shall order the release of any remaining bond or other security to the
insurer.
- 71 (h) If the total amount posted by the insurer as described in Subsection { ~~(4)(e)~~ } (6)(c) exceeds the final
amount that an arbitrator determines to be reasonable and necessary as described in Subsection { ~~(4)~~
~~(e)~~ } (6)(e), the recovery operator shall return to the insurer the difference of the amount paid by the
insurer and the final amount decided by the arbitrator.
- 76 (i) Nothing in this Subsection { ~~(4)~~ } (6) authorizes a recovery operator to withhold release of a
recovered vehicle or cargo after compliance with Subsection { ~~(4)(a)~~ } (6)(c).
- 78 (5){ (7) }
- (a) In addition to any other coverage required by this title, a motor carrier operating in this state shall
obtain a motor vehicle liability insurance policy { ~~issued~~ } for a { ~~commercial motor vehicle being
operated in this state shall include~~ } power unit that includes a separate coverage rider providing
coverage for costs associated with a recovery operation.
- 107 (b) The rider requirement described in Subsection (7)(a) applies to commercial vehicles covered by:
- 109 (i) a liability-only insurance policy; or
- 110 (ii) a full coverage insurance policy, if the policy does not include at least \$40,000 of coverage for a
recovery operation.

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(b){(c)} The recovery coverage described in Subsection ~~{(5)(a) shall apply }~~ (7)(a) applies only to ~~{the recovery and removal of a commercial motor vehicle or cargo-}~~ a recovery operation that is ~~{impeding traffic flow or is hazardous to the roadway}~~ a non-consent police generated tow.

85 (c){(d)} The minimum coverage limit for recovery coverage required under this Subsection ~~{(5)}~~ (7) is \$40,000 per recovery operation.

87 (d){(e)} An insurer may offer , and a motor carrier may purchase, recovery coverage in excess of the minimum amount required under Subsection ~~{(5)(e)}~~ (7)(d).

118 (8) If a recovery operator charges more than the maximum rates established by the Department of Transportation by rule as described in Section 72-9-603 for recovery services:

121 (a) a requirement for an insurer to pay a bill described in this section is void; and

122 (b) a bond requirement that applies to the recovery operator is void.

123 Section 2. Section **72-1-102** is amended to read:

124 **72-1-102. Definitions.**

As used in this title:

92 (1) "Circulator alley" means a publicly owned passageway:

93 (a) with a right-of-way width of 20 feet or greater;

94 (b) located within a master planned community;

95 (c) established by the city having jurisdictional authority as part of the street network for traffic circulation that may also be used for:

97 (i) garbage collection;

98 (ii) access to residential garages; or

99 (iii) access rear entrances to a commercial establishment; and

100 (d) constructed with a bituminous or concrete pavement surface.

101 (2) "Commission" means the Transportation Commission created under Section 72-1-301.

102 (3) "Construction" means the construction, reconstruction, replacement, and improvement of the highways, including the acquisition of rights-of-way and material sites.

104 (4) "Department" means the Department of Transportation created in Section 72-1-201.

105 (5) "Executive director" means the executive director of the department appointed under Section 72-1-202.

107 (6) "Farm tractor" ~~[has the meaning set forth in]~~ means the same as that term is defined in Section 41-1a-102.

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- 109 (7) "Federal aid primary highway" means that portion of connected main highways located within
this state officially designated by the department and approved by the United States Secretary of
Transportation under [~~Title 23, Highways, U.S.C.~~] 23 U.S.C. Sec. 101 et seq..
- 113 (8) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 114 (9)
- (a) "Fixed guideway capital development" means a project to construct or reconstruct a public transit
fixed guideway facility that will add capacity to a fixed guideway public transit facility.
- 117 (b) "Fixed guideway capital development" includes:
- 118 (i) a project to strategically double track commuter rail lines; and
- 119 (ii) a project to develop and construct public transit facilities and related infrastructure pertaining to the
Point of the Mountain State Land Authority created in Section 11-59-201.
- 122 (10) "Greenfield" means the same as that term is defined in Section 17C-1-102.
- 123 (11) "Highway" means any public road, street, alley, lane, court, place, viaduct, tunnel, culvert, bridge,
or structure laid out or erected for public use, or dedicated or abandoned to the public, or made [
]public in an action for the partition of real property, including the entire area within the right-of-
way.
- 127 (12) "Highway authority" means the department or the legislative, executive, or governing body of a
county or municipality.
- 129 (13) "Housing and transit reinvestment zone" means the same as that term is defined in Section
63N-3-602.
- 131 (14) "Implement of husbandry" [~~has the meaning set forth in~~] means the same as that term is defined in
Section 41-1a-102.
- 133 (15) "Interstate system" means any highway officially designated by the department and included as
part of the national interstate and defense highways, as provided in the Federal Aid Highway Act of
1956 and any supplemental acts or amendments.
- 136 (16) "Large public transit district" means the same as that term is defined in Section 17B-2a-802.
- 138 (17) "Limited-access facility" means a highway especially designated for through traffic, and over,
from, or to which neither owners nor occupants of abutting lands nor other persons have any right or
easement, or have only a limited right or easement of access, light, air, or view.
- 142 (18) "Master planned community" means a land use development:
- 143 (a) designated by the city as a master planned community; and

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- 144 (b) comprised of a single development agreement for a development larger than 500 acres.
- 146 (19) "Motor vehicle" [~~has the same meaning set forth in~~] means the same as that term is defined in
Section 41-1a-102.
- 148 (20) "Municipality" [~~has the same meaning set forth in~~] means the same as that term is defined in
Section 10-1-104.
- 150 (21) "National highway systems highways" means that portion of connected main highways located
within this state officially designated by the department and approved by the United States Secretary
of Transportation under [~~Title 23, Highways, U.S.C~~] 23 U.S.C. Sec. 101 et seq.
- 154 (22)
- (a) "Port-of-entry" means a fixed or temporary facility constructed, operated, and maintained by the
department where drivers, vehicles, and vehicle loads are checked or inspected for compliance with
state and federal laws as specified in Section 72-9-501.
- 158 (b) "Port-of-entry" includes inspection and checking stations and weigh stations.
- 159 (23) "Port-of-entry agent" means a person employed at a port-of-entry to perform the duties specified in
Section 72-9-501.
- 161 (24) "Public transit" means the same as that term is defined in Section 17B-2a-802.
- 162 (25) "Public transit facility" means a fixed guideway, transit vehicle, transit station, depot, passenger
loading or unloading zone, parking lot, or other facility:
- 164 (a) leased by or operated by or on behalf of a public transit district; and
- 165 (b) related to the public transit services provided by the district, including:
- 166 (i) railway or other right-of-way;
- 167 (ii) railway line; and
- 168 (iii) a reasonable area immediately adjacent to a designated stop on a route traveled by a transit vehicle.
- 170 (26)
- (a) "Recovery operation" means the specialized process of extracting or stabilizing a disabled, damaged,
or overturned vehicle that:
- 172 (i) cannot move under the vehicle's own power;
- 173 (ii) cannot be accessed by a standard tow truck; or
- 174 (iii) requires procedures that involve hazard, instability, or environmental complexity.
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(b) "Recovery operation" includes the process of extracting or stabilizing a damaged vehicle in an unstable position that could be hazardous to another vehicle, an individual, or the environment, including a vehicle:

177 (i) that is overturned;

178 (ii) in a ditch or ravine;

179 (iii) ~~{unable to move}~~ immobilized in mud, sand, snow, or other challenging terrain; or

180 (iv) partially or fully submerged in water ~~{; or}~~ .

216 ~~[(26)] (27) {in another unstable position that could be hazardous to another vehicle, an individual, or the environment.}~~

183 ~~[(26)] (27)~~ "Right-of-way" means real property or an interest in real property, usually in a strip, acquired for or devoted to state transportation purposes.

185 ~~[(27)] (28)~~ "Sealed" does not preclude acceptance of electronically sealed and submitted bids or proposals in addition to bids or proposals manually sealed and submitted.

187 ~~[(28)] (29)~~ "Semitrailer" ~~[has the meaning set forth in]~~ means the same as that term is defined in Section 41-1a-102.

189 ~~[(29)] (30)~~ "SR" means state route and has the same meaning as state highway as defined in this section.

191 ~~[(30)] (31)~~ "State highway" means those highways designated as state highways in ~~[Title 72, Chapter 4, Designation of State Highways Act]~~ Chapter 4, Designation of State Highways Act.

194 ~~[(31)] (32)~~ "State transportation purposes" ~~[has the meaning set forth in]~~ means the same as that term is defined in Section 72-5-102.

196 ~~[(32)] (33)~~ "State transportation systems" means all streets, alleys, roads, highways, pathways, and thoroughfares of any kind, including connected structures, airports, aerial corridor infrastructure, spaceports, public transit facilities, and all other modes and forms of conveyance used by the public.

200 (34) "Towing operation" means the relocation or transport of a vehicle that is in an accessible position and condition that the vehicle can be loaded or retrieved using standard towing equipment without the need for a recovery operation.

203 ~~[(33)] (35)~~ "Trailer" ~~[has the meaning set forth in]~~ means the same as that term is defined in Section 41-1a-102.

205 ~~[(34)] (36)~~

(a) "Transportation corridor" means the path or proposed path of a transportation facility that exists or that may exist in the future.

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- 207 (b) "Transportation corridor" may include:
- 208 (i) the land occupied or that may be occupied by a transportation facility; and
- 209 (ii) any other land that may be needed for expanding, operating, or controlling access to the
transportation facility.
- 211 ~~[(35)]~~ (37) "Transportation facility" means:
- 212 (a) a highway; or
- 213 (b) a fixed guideway.
- 214 ~~[(36)]~~ (38) "Transportation reinvestment zone" means a transportation reinvestment zone created
~~[pursuant to]~~ in accordance with Section 11-13-227.
- 216 ~~[(37)]~~ (39) "Truck tractor" ~~[has the meaning set forth in]~~ means the same as that term is defined in
Section 41-1a-102.
- 218 ~~[(38)]~~ (40) "UDOT" means the Utah Department of Transportation.
- 219 ~~[(39)]~~ (41) "Vehicle" ~~[has the same meaning set forth in]~~ means the same as that term is defined in
Section 41-1a-102.
- 254 Section 3. Section **72-9-604** is amended to read:
- 255 **72-9-604. Towing procedures -- Local authorities.**
- 223 (1) As used in this section:
- 224 (a) "Abandoned" means a vehicle, vessel, or outboard motor for which a party described in Subsection
41-6a-1406(6)(a) with an interest in the vehicle, vessel, or outboard motor does not, within 30 days
after notice that the vehicle, vessel, or outboard motor was towed by a towing entity:
- 228 (i) pay the relevant fees; and
- 229 (ii) remove the vehicle, vessel, or outboard motor from the secure storage facility.
- 230 (b) "Towing entity" means:
- 231 (i) a political subdivision of this state;
- 232 (ii) a state agency;
- 233 (iii) an interlocal agency created under Title 11, Chapter 13, Interlocal Cooperation Act; or
- 235 (iv) a special service district created under Title 17D, Chapter 1, Special Service District Act.
- 237 (2)
- (a) Notwithstanding any other provision of law, a political subdivision of this state may neither enact
nor enforce any ordinance, regulation, or rule pertaining to a tow truck motor carrier, tow truck
operator, or tow truck that:

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- 240 (i) conflicts with:
- 241 (A) any provision of this part;
- 242 (B) Section 41-6a-1401;
- 243 (C) Section 41-6a-1407; or
- 244 (D) rules made by the department under this part; or
- 245 (ii) imposes a maximum rate that deviates from the maximum rates set in rules made by the
department pursuant to Subsection 72-9-603(16).
- 247 (b) A county or municipal legislative governing body may not charge a fee for the storage of an
impounded vehicle, vessel, or outboard motor if the county or municipality:
- 250 (i) is holding the vehicle, vessel, or outboard motor as evidence; and
- 251 (ii) will not release the vehicle, vessel, or outboard motor to the registered owner, lien holder, or
the owner's agent even if the registered owner, lien holder, or the owner's agent satisfies the
requirements to release the vehicle, vessel, or outboard motor under Section 41-6a-1406.
- 255 (3) A tow truck motor carrier that has a county or municipal business license for a place of business
located within that county or municipality may not be required to obtain another business license
in order to perform a tow truck service in another county or municipality if there is not a business
location in the other county or municipality.
- 259 (4) A county or municipal legislative or governing body may not require a tow truck motor carrier,
tow truck, or tow truck operator that has been issued a current, authorized towing certificate by the
department, as described in Section 72-9-602, to obtain an additional towing certificate.
- 263 (5) A county or municipal legislative body may require an annual tow truck safety inspection in
addition to the inspections required under Sections 53-8-205 and 72-9-602 if:
- 266 (a) no fee is charged for the inspection; and
- 267 (b) the inspection complies with federal motor carrier safety regulations.
- 268 (6)
- (a) A tow truck shall be subject to only one annual safety inspection under Subsection (5)(b).
- 270 (b) A county or municipality that requires the additional annual safety inspection shall accept the same
inspection performed by another county or municipality.
- 272 (7)
- (a)

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- (i) If a towing entity uses a towing dispatch vendor described in Section 53-1-106.2, the towing entity may charge a fee to cover costs associated with the use of a dispatch vendor as described in Section 53-1-106.2.
- 275 (ii) Except as provided in Subsection (8), a fee described in Subsection (7)(a)(i) may not exceed the
278 actual costs of the dispatch vendor contracted to provide the dispatch service.
- (b)
- (i) Except as provided in Subsection (7)(b)(ii), if a towing entity does not use a towing dispatch vendor described in Section 53-1-106.2, the towing entity may not charge a fee to cover costs associated with providing towing dispatch and rotation service.
- 282 (ii) A special service district created under Title 17D, Chapter 1, Special Service District Act, that charges a dispatch fee on or before January 1, 2023, may continue to charge a fee related to dispatch costs.
- 285 (iii) Except as provided in Subsection (8), a fee described in Subsection (7)(b)(ii) may not exceed an amount reasonably reflective to the actual costs of providing the towing dispatch and rotation service.
- 288 (c) A towing entity may not charge a fee described in Subsection (7)(a)(i) or (7)(b)(ii) unless the relevant governing body of the towing entity has approved the fee amount.
- 290 (d) In addition to fees set by the department in rules made in accordance with Subsection 72-9-603(16), a tow truck operator or a tow truck motor carrier may pass through a fee described in this Subsection (7) to owners, lien holders, or insurance providers of towed vehicles, vessels, or outboard motors.
- 294 (8)
- (a) In addition to the fees described in Subsection (7), a tow truck operator or tow truck motor carrier may charge an additional fee to absorb unrecovered costs of abandoned vehicles related to the fees described in Subsections (7)(a)(i) and (7)(b)(ii).
- 297 (b) Beginning May 3, 2023, and ending on June 30, 2025, a tow truck operator or tow truck motor carrier may charge a fee described in Subsection (8)(a) in an amount not to exceed an amount greater than 25% of the relevant fee described in Subsection (7)(a)(i) or (7)(b)(ii).
- 301 (c)
- (i) Beginning January 1, 2025, and annually thereafter, the towing entity shall, based on data provided by the State Tax Commission, determine the percentage of vehicles, vessels, or outboard motors that were abandoned during the previous year by:

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- 305 (A) determining the total number of vehicles, vessels, or outboard motors that were towed as part
of a towing entity's towing rotation during the previous calendar year that were also abandoned;
and
- 308 (B) dividing the number described in Subsection (8)(c)(i)(A) by the total number of vehicles,
vessels, or outboard motors that were towed as part of the towing entity's towing rotation during
the previous calendar year.
- 311 (ii) No later than March 31, 2025, and each year thereafter, the towing entity shall publish:
- 313 (A) the relevant fee amount described in Subsection (7)(a)(i) or (7)(b)(ii); and
- 314 (B) the percentage described in Subsection (8)(c)(i).
- 315 (iii) Beginning on July 1, 2025, and each year thereafter, a tow truck operator or a tow truck motor
carrier may charge a fee authorized in Subsection (8)(a) in an amount equal to the percentage
described in Subsection (8)(c)(i) multiplied by the relevant fee amount described in Subsection (7)
(a)(i) or (7)(b)(ii).
- 319 (d) A tow truck operator or tow truck motor carrier shall list on a separate line on the towing invoice
any fee described in this Subsection (8).
- 321 (9) A towing entity may not require a tow truck operator who has received an authorized towing
certificate from the department to submit additional criminal background check information for
inclusion of the tow truck motor carrier on a rotation.
- 324 (10) If a tow truck motor carrier is dispatched as part of a towing rotation, the tow truck operator that
responds may not respond to the location in a tow truck that is owned by a tow truck motor carrier
that is different than the tow truck motor carrier that was dispatched.
- 328 (11) If a towing entity receives a notice from the department as described in Subsection 72-9-602(6),
the towing entity shall remove the tow truck motor carrier from the towing entity's towing rotation,
contract, or request for proposal as provided in the notice from the department.
- 332 (12)
- (a) When creating and managing a towing dispatch rotation, a towing entity shall require each tow
truck motor carrier to disclose the tow truck motor carrier's {~~capability~~} qualifications to perform a
recovery operation.
- 335 (b) When a towing entity requests a dispatch for a towing operation or recovery operation, the towing
entity shall:
- 337 (i) determine whether the circumstance requires a towing operation or recovery operation; and

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339 (ii) ensure that the tow truck motor carrier that is dispatched has the appropriate {capability}
374 qualifications to perform the towing operation or recovery operation.

Section 4. **Effective date.**

Effective Date.

This bill takes effect on May 5, 2027.

2-20-26 1:03 PM