



# Ensuring Fair Transparent and Standardized Towing Fee Studies Across Texas

## Purpose

HB 5499 by Rep Marc LaHood coauthored by Rep Terry Wilson and Rep Liz Campos strengthens towing fee study standards by requiring all political subdivisions to use the State of Texas' existing methodology. It also mandates the use of certified independent analysts trained in transportation or public utility economics.

## Why It Matters

Cities across Texas vary widely in how they conduct towing fee studies. While the Texas Department of Licensing and Regulation performs a statewide study every two years using a tested and fair methodology some cities such as San Antonio conduct internal studies that lack industry knowledge transparency or consistency. The result is outdated rates unfair conditions for small businesses and policies that fail to reflect the actual cost of service.

Major counties such as Harris Dallas Travis and Tarrant have adjusted their policies over time. Bexar County however remains unchanged despite having similar population size and demand. This inconsistency creates a patchwork of enforcement that undermines equity and safety.

### Key Provisions in HB 5499

#### Standardize Methodology

Aligns all local towing fee studies with the state's proven model which includes all cost components and uses a consistent 9 to 10 percent profit margin benchmark

#### Require Independent Analysts

Removes internal or politically influenced staff from the process. Only certified third party experts would conduct towing studies ensuring objectivity

#### Protect Small Business Operators

Most towing companies in Texas are small local businesses. Artificially low rates make it difficult for them to operate competitively or safely. A standard model allows for sustainability and fair enforcement

#### Ensure Cities Use the Results

Prevents cities from conducting a study that identifies a 250 dollar fair rate then ignoring the result and keeping the 177 dollar cap. HB 5499 requires adoption of the calculated rate unless a city provides written justification tied to public safety or documented economic hardship

#### Suggested language

*"The allowable fee for nonconsent tows must equal the rate determined by the towing fee study conducted pursuant to Section 2308.203. A governing body may not adopt a rate lower than the calculated rate without written justification based on documented public safety or economic hardship considerations."*





## Addressing Common Concerns



### Home Rule Authority

**HB 5499** does not dictate a rate. It ensures consistency in how the rate is determined. Local governments still set the rate but must do so transparently using verified data



### Impact on Low Income Residents

Nonconsent towing only applies when parking laws are violated. This bill does not burden residents and protects property rights while ensuring fair enforcement



### Cost of Third Party Studies

Independent studies reduce long term costs from litigation and delays. They are a sound investment in clarity and fairness



### Cities Already Do Studies

Many local studies use limited or outdated data. **HB 5499** applies a model that already works statewide and ensures it is used consistently

## Texas Impact



**HB 5499** creates long term value by ensuring that towing fees are based on accurate objective data and a fair statewide process. It helps small businesses stay competitive and ensures property owners can enforce their rights safely and legally. It levels the playing field in large and fast growing counties like Bexar and protects Texans across all communities.

This bill upholds transparency consistency and accountability while supporting a fair and balanced marketplace across the state.

## Vote YES on HB 5499