

NEWSBREAK

December 2024 Publication of the Minnesota Professional Towing Association



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In Memoriam Gerald J. “Jerry” Hovanes

September 7, 1950 – November 24, 2024

Born on September 7, 1950, to Andrew Sr. and Mary (Sufka) Hovanes in St. Cloud, Minnesota, Jerry was raised in Sauk Rapids, where he attended Sacred Heart Catholic Grade School before continuing his education at Sauk Rapids High School, from which he graduated in 1968.

Jerry's early years were shaped by his work at his family's service station, where he learned the trades of pumping gas, servicing cars, and towing-skills passed down from his father, Andrew Sr. He later attended St. Cloud State University for one year but soon realized his path lay elsewhere, prompting his enlistment in the United States Army.

On March 17, 1970, Jerry began his military service, first undergoing basic training at Fort Bragg, North Carolina, followed by further training at Fort Dix, New Jersey. He served with distinction in Vietnam from September 1, 1970, to October 29, 1971, where he earned the role of heavy-duty truck driver. Upon returning home, Jerry returned to his family's business, Andy's Standard Service, later known as Andy's Towing. He and his brothers expanded the business from just three tow trucks to the largest fleet of heavy-duty tow trucks in the five-state region, a legacy they sold in April 2006.

Jerry married Joyce Ziebol April 26, 1974, at Sacred Heart Church in Sauk Rapids. Together, they built a life full of love and laughter, raising two children-Kristin and John-and creating a home rich with memories.

When not working, Jerry enjoyed a variety of hobbies and passions. He was an avid softball player, golfer, and deer hunter. Every year, he looked forward to his anniversary trips to Las Vegas with Joyce, as well as countless road trips to support his children and, later, his grandchildren at sporting events, parades, concerts, and many other activities. Jerry's commitment to his community and country extended beyond his family and business.

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**If you would like to make a
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efforts, please send your donations to:**

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A proud member of the VFW Post 6992, he served as Commander from 2000 to 2004 and achieved the esteemed honor of All-State Commander from 2001 to 2004. His dedication to the VFW continued through various roles, including Judge Advocate-Chief Inspector in 2006 and District Commander in 2010. He was a lifelong member of the VFW, The Moose, The Eagles, and Sacred Heart Catholic Church.

Jerry's legacy lives on in the hearts of his beloved family. He is survived by his wife of 50 years, Joyce; his children, Kristin and John Hannon, and John and Michelle Hovanes; and his grandchildren, Andrew and Annabelle Hannon, Alicia and Ryan Hovanes. He is also survived by his siblings, Steve (Karen) Hovanes, Susan Voit, and Joannie (Rod) Determan.

Jerry was preceded in death by his parents, Andrew Sr. and Mary Hovanes, and his brother, Andy Hovanes Jr.

Mass of Christian Burial was held at 11:00 a.m. Monday, December 2, 2024 at Sacred Heart Catholic Church in Sauk Rapids with a burial at Minnesota State Veterans Cemetery near Little Falls on Tuesday, December 3, 2024.

Message From MPTA President, Ron Gardas Jr.

As we approach the end of another year, it is important to reflect on the challenges and achievements that have shaped the towing industry in Minnesota. This year, our dedicated tow truck operators have faced numerous obstacles, none more pressing than the alarming increase in incidents where tow trucks are struck by passing vehicles. These accidents not only jeopardize the safety of our operators but also highlight the urgent need for heightened awareness and stricter enforcement of roadside safety measures.

Tow truck operators play a crucial role in ensuring the safety and efficiency of our state's roadways. They work tirelessly, often in hazardous conditions, to assist stranded motorists and clear roadways to prevent further accidents. However, the rising number of tow truck collisions is a stark reminder of the dangers we face daily. Remember, when you see a tow truck on the side of the road, slow down and move over. This simple action can save lives.

As we gather with family and friends to celebrate Christmas and New Year's, let us take a moment to honor the hard work and dedication of our tow truck operators. Their commitment to serving the community, even during the holiday season, is a testament to their unwavering dedication. This festive period is a time for joy and togetherness, but it is also a time to prioritize safety and responsibility. If you find yourself in need of roadside assistance during the holidays, please be patient and mindful of the safety of those coming to your aid.

I extend my heartfelt gratitude to all the tow truck operators in Minnesota for their invaluable service. Your courage and perseverance do not go unnoticed. I wish everyone a safe and joyous Christmas and a prosperous New Year. Together, let us work towards a safer environment for all our roadside heroes.

Warm regards,
Ron Gardas Jr



TOW INDUSTRY WEEK

Petition for Change?

By Randall C. Resch

A petition on Change.org sought to make tow trucks “first responders.” The petition’s author suggested by making tow truck operators first responders, operator fatality numbers would decrease.

According to Wikipedia, “A first responder is a person with specialized training; first to arrive and provide assistance or incident resolution at an emergency scene.” There’s zero mention specific to tow trucks and tow operators being first responders. For towers thinking they’re first responders, what specialized training have you attained to deserve an official distinction?

Merits for Change

In considering merits for change, the petition’s author wrote, “Our work on the side of the road is fraught with danger. We believe that if we were universally recognized as first responders across all states, it’s a title that rightly acknowledges our role in responding to emergencies. It would engrave into people's minds more firmly to slow down and move over when they see us working.”

Attaining “title” as first responder has no bearing on a motorist’s ability to crash into parked tow trucks. SDMO isn’t new with SDMO laws more than 20-years-old. To the contrary, fatality events date back to the 1920’s. Where’s it shown that the motoring public “recognizes” first responders as they work in dangerous on-highway environments? To motorist’s late for work, they likely never saw vehicles parked on the shoulder. For tower’s working the traffic side, they’re likely another pedestrian strike waiting to happen.

The Need for Affirmation

The motoring public doesn’t care about what shoulder side activities are going on? They’re wrapped up in phone calls, texting, or headed to activities that include another trip to the bar. How does adding a title guarantee motorists will change their dangerous practices?

The petition’s narrative stated, “We are often overlooked when it comes to being acknowledged for our role in emergency situations.” Why is it important to receive acknowledgment? Does having a “title” merely serve to boost a sense of importance?

The industry has not demonstrated a standardized or professionalized level of proficiency that would justify its designation as emergency responders. Although towers consider themselves “first responders,” most states typically don’t allow tow trucks to respond in true emergency vehicle manner.

Light-duty tow trucks are generally the last service entity called, unless “Quick Clear” is identified for unusual scenarios. Rarely is there an imperative need for tow trucks to hurry on-scene. And when “Expedite” is inserted into an emergency response, aggressive driving behaviors (by tow operators) oftentimes initiate dangerous responses. There’s no need for speeding tow trucks to arrive quickly.

Seven Key Factors Contributing to Fatalities in the Towing Industry

The towing industry's fatality history highlights repeated incidents, often tied to several recurring factors. Below are the main reasons why tow operators continue to face deadly risks:

Lack of Federal Training Standards: Apart from Freeway Service Patrol (FSP) or Motorist Assistance programs, the federal government does not require tow operators to undergo formal training for on-highway response.

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Untrained Personnel on Duty: Companies frequently dispatch operators who lack proper training and experience for highway environments.

Risky Behavior in the Field: Operators often position themselves in dangerous areas, increasing their exposure to harm.

Perception of First Responder Status: Many operators see themselves as first responders, which can lead to a sense of entitlement that may encourage risky actions.

Insufficient Safety Provisions in Laws: While tow operators face significant dangers, current laws do not provide “safety exclusions” to protect them in hazardous situations. Existing regulations, such as requirements for extension lights, wheel lift restraints, and safety chains, inadvertently place operators in the path of distracted or intoxicated drivers.

Outdated Vehicle Code Laws: Current vehicle codes fail to fully acknowledge the unique dangers tow operators encounter, leaving them vulnerable on the job.

Limited Advocacy for Legislative Change: Few state associations actively lobby for amendments to laws that are crucial for improving on-highway safety for tow operators.

These factors collectively underscore the urgent need for systemic changes to enhance safety in the towing industry.

Emergency Lighting to Red and Blues

The author wrote, “Tow trucks are considered emergency vehicles and they deserve to have the red and blue lights to help see them better on the interstate.”

Deserve? Why? While red and blue lights may initiate some motorist response, 70-percent of the motoring public aren’t aware of the extent and importance of SDMO. Not all states authorize red and blues for tow trucks. That battle likely will continue for years.

Internet videos often depict tow trucks driving recklessly, with air horns blaring and sirens wailing. Imagine a scenario where tow trucks are authorized to respond with red and blue lights, but without clear rules or restrictions, further contributing to motorist confusion.

Will red and blue lights add to a tower’s false sense of security? Do color changes guarantee motorists react with appropriate slow down move over responses? Or do red and blues add to the operator’s sense of importance that leads further to dangerous driving behaviors?

Not There Yet

The industry has no regulatory standards or high-speed driver training for emergency response. While tow companies strive to be professional, the industry itself lacks standards, guidelines, rules and regulations. Because we lack formalization or accreditation, being “first responder” isn’t earned. Instead of working together to develop standardization and professionalism, associations fight the wrong battles trying to out-do each other versus working together.

Blaming the internet, we’ve watched the industry degrade its presence through acts of (price) gouging, vehicle theft, illegal business practices, drugs in the work environment, lack of rules, etc. So called content creators, social media influencers, and internet sensations post videos displaying open acts of defiance and dangerous practices to generate “likes” and “followers.”

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I'm not influenced by industry personalities who showcase intentional acts of over-loading, ignoring safety gear, or other unsafe tow and recovery practices. The whole of the industry needs change.

Although the petition (at face value) seems well-intended, the title of "first responder" likely won't be handed to the industry until changes are made from within. While this narrative may seem a harsh reality, a professional industry doesn't thumb its nose to what's appropriate and safe.

Operations Editor Randall C. Resch is a retired, veteran, California police officer, former tow business owner and industry advocate. As consultant and trainer, he authored and teaches tow truck operator safety courses approved by the California Highway Patrol. For 52-years, he has been involved in the towing and recovery industry. In 28-years, he has contributed more than 750-safety focused articles for American Towman Magazine, TowIndustryWeek.com and is a frequent seminar presenter and beauty pageant judge at tow shows. In 2014, he was inducted to the International Towing and Recovery Industry Hall of Fame, was the 3rd recipient of the industry's "Dave Jones Leadership Award," and is a member of American Towman's Safety Committee. Email Randy at rreschran@gmail.com.

Tow Boss Poll

Do you support "blue lights" legislation allowing rear facing blue lights on tow trucks?

Yes
74.6%

No
25.4%

Corporate Transparency Act Preliminarily Blocked by Texas Court (BOI Reporting)

As an email sent out on December 9th, a Texas court preliminarily blocked The Corporate Transparency Act/Beneficial Ownership Information Reporting. The Corporate Transparency Act (CTA) and its implementing regulations, which require U.S. business entities (mostly small businesses) to report ownership and leadership information to the Treasury Department, were preliminarily blocked nationwide by a Texas federal court last week.

The injunction comes just weeks before the January 1, 2025 deadline for compliance with reporting requirements.

The injunction temporarily bars the Treasury Department from enforcing the reporting requirements at this time, but this does not necessarily mean the CTA is gone. Litigation and appeals are likely to continue, which will cause uncertainty around next steps.

There is a lot to parse here and it is difficult to provide clear advice given the timing and unique nature of a preliminary injunction (compared with a final ruling or permanent injunction).

Please see the attached link to the article: <https://natlawreview.com/article/texas-court-blocks-cta-nationwide-4-weeks-key-reporting-deadline>

The U.S. government has 60 days to appeal the injunction, and we expect that FinCEN will issue a statement or guidance regarding the injunction in the near future, similar to the statement it issued following the Alabama case. It remains to be seen how FinCEN will respond to this decision and how this development may interplay with any forthcoming Eleventh Circuit decision on the Alabama case, which raises similar legal issues. For now, and with the injunction in force, reporting companies are not required to report beneficial ownership information to FinCEN, but should continue to work through their analyses and forms to be prepared to comply with the CTA by the filing deadline in case the nationwide injunction is stayed, lifted, or otherwise made ineffective.



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MPTA Member Joe Kampa uses MPCA grants to clean up its fleet of diesel trucks



Two flatbed diesel trucks purchased with Volkswagen settlement grants dispersed by the MPCA sit outside Andy's Towing in St. Cloud.

Nobody likes being on the end of a tow hook, but now people in St. Cloud can at least breathe easier in that situation.

When Joe Kampa bought Andy's Towing in St. Cloud about 10 years ago, the business came with about three dozen trucks of all sizes, from lighter-duty duallies that tow broken-down cars all the way up to massive 75-ton rigs capable of righting semis that have rolled over into ditches.

Investment in the business had dropped off before he bought it, though, so the fleet of trucks was showing its age. Not a single one of them came anywhere close to meeting emissions standards for new heavy-duty diesel trucks.

“We really struggled with making the leap to newer, cleaner trucks,” Kampa says. He initially resorted to replacing some of the trucks with other pre-emission trucks just to keep the fleet on the road but knew he had to modernize the fleet at some point.

So Kampa leaned into a couple of grants from the MPCA — funded by the money that Minnesota received in the Volkswagen diesel emissions cheating settlement — to replace a total of seven of the business's trucks with cleaner, more modern diesel engines.

“Those grants gave us the opportunity to take a chance on buying these new trucks,” Kampa says.

Just as they did for many other heavy-duty truck operators across the state who needed help replacing their older diesel trucks and buses with cleaner working rigs.

Why new diesels pollute less

The benefits of switching to newer heavy-duty on-road trucks, at least in terms of emissions reduction, are clear. Any new heavy-duty truck built since 2010 must meet strict federal emissions standards for nitrogen oxides and particulate matter.

Diesel engine manufacturers have responded with an array of emission control devices, including exhaust gas recirculation systems, diesel particulate filters, and systems that use diesel exhaust fluid — found in those blue bottles often on prominent display at truck stops nowadays — to convert nitrogen oxides into simple nitrogen and water vapor.

The emissions equipment works too. As Lexie Lyng, the MPCA's electric vehicle program administrator, noted, nitrogen oxide emissions for a typical diesel-powered box truck have dropped drastically from 15 grams per mile in 1998 to 3.9 grams per mile in 2007 to 0.9 grams per mile in 2020.

“At its heart, the Volkswagen fund really is a nitrogen oxide reduction program,” Lyng says.

Both nitrogen oxides (a category that includes the pollutant nitrogen dioxide) and particulate matter can harm human health, particularly the lungs and respiratory system. In addition, nitrogen oxides, which are created by burning fuels at high heat, can create other hazards like ground-level ozone when they react with chemicals in the air. The U.S. Environmental Protection Agency classifies nitrogen dioxide and particulate matter — as well as ground-level ozone — as criteria air pollutants for which it sets standards to protect human health and the environment.

Breaking down the cost barrier

The cost of a new heavy-duty truck, however, can be prohibitive for a lot of business owners. A new International MV roll-back truck, for instance, can cost \$150,000 or more, depending on how it's outfitted.

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As a result, Kampa says, some business owners opt to buy secondhand trucks that may pollute more than a new truck or try to keep their existing fleet on the road for as long as possible.

“Not everybody’s in a position to buy a new truck,” he says.



Four of the clean diesel trucks that Andy's Towing used Volkswagen settlement funds to replace older trucks in its fleet.

Andy’s Towing, on the other hand, is. The business runs a sizeable fleet that’s constantly on the move, often traveling to the Twin Cities metro area. The frequent dispatching of tow trucks from the company’s shop on St. Cloud’s industrial east side resembles the pollen-gathering flights from a beehive amid a field of flowers in full bloom.

With an app on his phone, Kampa can quickly look up the service records of every truck in his fleet and keep a close watch on each truck’s age and mileage.

“My goal is a turnover rate of every five years for the light-duty trucks, 10 years for the heavy-duty trucks,” he says.

Emissions reductions from on-road diesel truck grants

To help meet that goal, he applied to two grants from the Volkswagen settlement focused on clean heavy-duty on-road vehicles. The first, in 2019, distributed nearly \$3.7 million to 29 truck operators across the state to replace 116 diesel trucks. Of that total, Andy’s Towing received \$71,895 to replace two older trucks.

The second, in 2023, distributed nearly \$2 million to 12 truck operators to replace 39 diesel trucks. Of that total, Andy’s Towing received more than \$290,000 to replace five trucks.

“It’s a great program and helped us out quite a bit,” Kampa said.

Clean diesels provide bang for the buck

When German carmaker Volkswagen agreed to pay up to \$14.7 billion to settle allegations of cheating on diesel emissions tests, the portion of that money that Minnesota received — \$47 million — came with the stipulation that it could only be used in two ways: to install electric vehicle charging stations and to replace older diesel vehicles with newer, cleaner models.

The stipulation didn’t say what the newer, cleaner models had to be powered by, and the MPCA grants distributing those Volkswagen settlement funds — including the current round of grants — have made it possible for truck and bus operators to purchase electric, diesel-electric hybrid, propane, and natural gas vehicles.

The most “bang for the buck,” however, comes in the form of clean diesel trucks, according to Evan Pak, a mobile source emissions reduction specialist with the MPCA.

“While electric vehicles do emit fewer tailpipe emissions than even new diesels, electrics are far more expensive, so we can only fund so many of them,” Pak says. “With the same amount of funds, we can fund so many more clean diesel purchases.”

And as Kampa explains, because the heavy-duty truck industry has been dominated for so long by diesels capable of generating massive amounts of power, owners and operators are slow to switch to the heavy-duty electric trucks now hitting the market.

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“I’d be curious about electrics, and I think a tow truck could be a good option for electrics with their short, in-town trips and plenty of downtime for charging,” Kampa says. “But the demand for hydraulic power is still the biggest problem to overcome. The batteries just can’t keep up with it.”

Lyng says that natural gas and propane-powered trucks could be a good option for any truck owner or operator not yet ready to switch to electric trucks.

“They’re still a really good deal, and people who run those trucks usually have their own infrastructure to fuel them,” she says.

Even without many takers for electric trucks and other diesel alternatives, the MPCA’s heavy-duty truck grants have led to significant reductions in pollutants. Combined, the two grants led to a reduction of 422 tons of nitrogen oxides, 20 tons of particulate matter, and 16,402 tons of greenhouse gases, or about the same impact to the environment as removing more than 27,000 cars from the road for a year.

More work to be done

As with the prior two grant rounds, this third and final round of MPCA heavy-duty on-road truck grants from the Volkswagen settlement is open to businesses, nonprofits, individuals, and public entities that operate Class 4 to Class 8 trucks and buses primarily in Minnesota. The replacement vehicles must be 2023 or newer and must be used for a similar purpose as the vehicles they’re replacing. The grant also requires the truck operator to destroy the engine and chassis of the vehicle being replaced.

Grants can cover up to 75 percent of a new all-electric vehicle and up to 25 percent of diesel, hybrid, natural gas, or propane vehicles. Truck owners and operators can apply for grants to replace multiple vehicles.

Kampa, who is still working on phasing out some of the pre-2010 vehicles in the fleet, says he’s certainly interested in applying for the latest grants, and he’s also told other truck owners they should apply too.

“We’ve made a lot of progress thanks to the heavy-duty truck grants,” he says. “We’ll keep doing what’s best for our community and our customers.”

Pak says he’s not certain whether the MPCA will offer similar grants in the future. The MPCA is currently in its final phase of distributing the Volkswagen settlement funds.

In addition, there are now far fewer pre-2010 diesel trucks to replace, thanks in part to these grants.



“We’ve made a lot of progress thanks to the heavy-duty truck grants. It’s a great program and helped us out quite a bit.”

— Joe Kampa, owner, Andy's Towing

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MPTA Hosts One- Day Heavy Duty Training Class

For those who missed the MPTA's Heavy Duty Tow School on October 15th two words sum up the condensed one-day event, experience, and knowledge. In a full one-day class, students of the MPTA Heavy Duty tow school learned valuable basics of Heavy-Duty Towing by some of the best local instructor's, Ron Gardas Jr, and Jay Thompson.

The MPTA Board Directors felt this year's Heavy- Duty Tow School should be an abbreviated one-day class as the MPTA is planning a two-day Heavy-Duty class for next summer. The morning session began with an extensive classroom presentation taught by Ron Gardas Jr. of Twin Cities Transport & Recovery and Jay Thompson of Lake City Towing. Students were also treated to a "Q&A" with a CVI from the State Patrol. After lunch, a four hour "hands on" afternoon session covering Towability, basic hook-ups, Air Systems, and Drive shafts.

The class ended with a 30- minute question and answer "hands on" approach finding every student involved and eager to learn more with students sharing what they learned and took from the class.

Even though the day seemed short, all who participated in the one-day Heavy-Duty Training Class will tell you, for time, money, knowledge, and the teaching of professionalism in our industry, was well worth the experience.

Thank you to MPTA Board of Directors for volunteering your time and Western National Insurance for their sponsorship of our training classes in 2024!





MN AG's - pricing transparency guidance (Junk Fees) Takes effect January 1, 2025



As reported at the end of the 2024 Legislative session, the “Junk fee” bill for all businesses in Minnesota is effective January 1, 2025. MSSA members in the Auto repair, C-store and towing industries, this does apply to all of you. Example, when installing new tires, MSSA members will have to quote a price with all fees in the price (See example in the attached documents). Price for the tires, fees, and labor. Basically transparent. Our towing members, same thing. Price of the tow bill, fuel surcharge and any other fees (credit card, etc.) Only rates exempt from the “Junk fee bill) are all state and Federal taxes and fees.

Please review the attached guidelines from the Minnesota Attorney General’s office and reach out to me if any questions or concerns. - Lance



Effective January 1, 2025, Minnesota’s Deceptive Trade Practices Act (Minn. Stat. 325D.44, *et seq.*) will contain new provisions that make it illegal for someone to advertise, display, or offer a price for goods or services that does not include all mandatory fees or surcharges. The law is not a pricing regulation and does not dictate how much someone can charge for goods or services. Instead, the law requires that the price advertised, displayed, or offered include all mandatory fees and surcharges.

To help businesses comply with this new law, and to offer consumers guidance about what they can expect, the Attorney General’s Office is releasing this set of Frequently Asked Questions. The law, 2024 Minn. Laws chapter 111, will be located at Minnesota Statutes section 325D.44, subdivision 1a-b.
paid for a good or service.

[What is the purpose of this law?](#)

This law intends to help businesses compete fairly on price and allow consumers to make accurate price comparisons by requiring disclosure of the total price for goods or services, inclusive of all mandatory fees or surcharges. The law seeks to prohibit drip pricing—which involves advertising a price that is less than the actual price that has to be paid for a good or service—as well as other tactics used to hide or obscure the true, total price that must be paid for a good or service.




The law requires honest and transparent pricing. It prohibits someone from advertising, displaying, or offering “a price for goods or services that does not include all mandatory fees or surcharges.” In other words, it requires that if persons advertise, display, or offer a price, this must be the total price for a good or service, that includes all mandatory fees and surcharges.

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Mandatory fees and surcharges that must be included in the total price advertised, displayed, or offered include any fee or surcharge that: (1) must be paid in order to purchase the good or service; (2) is not reasonably avoidable by the consumer; and (3) a reasonable person would expect to be included in the purchase of the goods or services being advertised. Taxes imposed by a government entity on the sale, use, purchase, receipt, or delivery of the goods or services are not “mandatory fees” under the new law, and thus, do not need to be included in the total price.

Below is an example of two compliant advertised prices and one non-compliant advertised price under this new pricing transparency law:

 Compliant	 Compliant	 Not Compliant
Advertised Price: \$20.00	Advertised Price: \$20.00 *Price includes \$2.00 service fee and \$3.00	Advertised Price: \$15.00 Surcharge: \$ 3.00 Service Fee: \$ 2.00

What can be excluded from the advertised price under this law?

Taxes imposed by a government entity on the transaction, such as sales tax, can be excluded from the total price advertised, displayed or offered. In addition, the total price does not need to include reasonable shipping costs that are actually incurred by the consumer.

Additionally, if a fee or surcharge is reasonably avoidable by consumers, it is not “mandatory” and thus, can be excluded from the total price advertised, displayed, or offered. Examples of fees or surcharges that may not be mandatory—so long as they are reasonably avoidable by consumers—include but are not limited to: (1) late fees for equipment rentals, (2) charges for smoking in a hotel room, or (3) credit card surcharges (see below question “Can a business still charge a credit card surcharge”).

The law also provides for some industry-specific exceptions, which are discussed in more detail below.

Can businesses comply with this law by disclosing mandatory fees or surcharges separately from the advertised price, before a consumer finalizes a transaction?

No. The price advertised, offered, or displayed to consumers must be the full price that the consumer is required to pay, inclusive of all mandatory fees or surcharges.

Who needs to follow this law?

The law broadly applies to any person who, in the course of their business, vocation, or occupation, advertises, displays, or offers a price for goods or services in Minnesota. Accordingly, the law generally applies to individuals or businesses that advertise, display, or offer a price for goods or services in Minnesota or to Minnesota consumers.

While the law generally applies to almost all industries, it does not apply to:

- “fees authorized by law related to the purchase or lease of a motor vehicle that are charged by a motor vehicle dealer”
- businesses or business affiliates “regulated by the Minnesota Public Utilities Commission”; or
- “any fees, surcharges, or other costs associated with settlement services, as defined in the Real Estate Settlement Procedures Act, United States Code, title 12, section 2602(3)” excluding real estate broker commissions and fees.

Are industries or businesses that are already governed by state law for pricing disclosures exempt?

Generally, no. While the law provides several exemptions for certain industries and fees, for all other businesses, regardless of whether those businesses are also regulated by state law for certain pricing disclosures, this law will apply. Also, this new law does not act to supersede any other statutes, rules, or regulations that businesses may be subject to.

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Does the law limit how much someone can charge for a good or service or the types of fees that someone can charge?

No. A business is generally free to charge however much it wants and can then provide a breakdown of the various fees that are included in its advertised, displayed, or offered total price. But the total price advertised, displayed, or offered must include the full amount, including all mandatory fees or surcharges, that a consumer must pay for that good or service.

Can businesses still advertise discounts or sales?

Yes. Nothing in this new law prevents a business from offering goods or services at a discounted price from the advertised, displayed, or offered price. But other Minnesota laws prohibit advertising that is false or misleading, so businesses that advertise discounts must do so in compliance with those laws.

When does this new law become effective?

For most industries, this law will become effective January 1, 2025. But for businesses whose prices are regulated by the Metropolitan Airports Commission, this law is not effective until June 1, 2025.

Is this new law retroactive? What about contracts which were signed before January 1, 2025 but are not complete until after January 1, 2025?

This law is not retroactive. To the extent a contract was signed before January 1, 2025, this law does not apply regardless of when the contractual obligations are completed.

Can a business still charge a credit card surcharge? Does that surcharge need to be included in the advertised price?

This law does not govern what fees or surcharges a business can charge. It governs how those fees or surcharges are disclosed to consumers. If the credit card surcharge is an optional charge, meaning a consumer could reasonably avoid the surcharge by paying with cash, then this credit card surcharge is not a “mandatory fee” under the law and the surcharge would not need to be included in the total price that is advertised, displayed, or offered. Businesses should be aware, however, of other consumer protection provisions that still apply to such surcharges. So to the extent a business decides to impose such surcharges or fees, its communication of such surcharges or fees must comply with other state consumer protection laws.

Can restaurants continue to charge a health and wellness fee as long as it is clearly and conspicuously disclosed ahead of time?

The law governs how mandatory fees, such as a restaurant’s “health and wellness” fee, are disclosed to consumers. To the extent the “health and wellness” fee is a mandatory fee as defined under the new law, any such fee would need to be included in the total price the restaurant advertises, displays, or offers to consumers. This law does not prohibit a restaurant from charging such a fee nor does this law prohibit a restaurant from also itemizing the fee, in addition to showing the total price.

Can restaurants continue to charge an automatic and mandatory gratuity (e.g., a 15% automatic gratuity is added for parties of 8 or more)?

Food and beverage establishments, including hotels, can continue to charge automatic and mandatory gratuities. These gratuities do not need to be included in the advertised total price, but instead, this law requires that such automatic and mandatory fees be disclosed clearly and conspicuously. However, if the charge at issue is not a gratuity as that term is defined under applicable Minnesota laws and rules, and is instead a mandatory fee, then that fee must be included in the total price advertised, displayed, or offered to consumers by the restaurant.

How does this law affect tips or gratuities left voluntarily by customers?

This law does not affect tips or gratuities because they are not mandatory.

What about mandatory fees charged by restaurants?

If a restaurant charges a mandatory fee, other than an automatic and mandatory gratuity as gratuity is defined elsewhere in Minnesota law, it must be included in the total price advertised, displayed, or offered to consumers by the restaurant.

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Below is an example of two compliant menus and one non-compliant menu under this new pricing transparency law:

✓ Compliant

Sandwich \$10.50
Salad \$7.88
Soup \$7.10

All parties of 8 or more people will incur a 20%

✓ Compliant

Sandwich \$10.50
Salad \$7.88
Soup \$7.10

All parties of 8 or more people will incur a 20% automatic gratuity.

**All prices include a 5% health and wellness fee, which helps pay for health insurance for our employees.*

✗ Not Compliant

Sandwich \$10.00
Salad \$7.50
Soup \$6.75

All parties of 8 or more people will incur a 20% automatic gratuity.

**All orders will incur a 5% health and wellness fee, which helps pay for health insurance.*

What about delivery platforms? How do they comply with this new law?

Third-party delivery platforms must clearly and conspicuously display any flat fee or percentage charged for delivery at the time that the customer selects a vendor or item for purchase, and again prior to checkout.

How does this new law apply to auctions?

Persons selling goods or services in an auction must disclose “in a clear and conspicuous manner any mandatory fees associated with the transaction and that the total cost of the goods or services may vary.”

What if a business cannot determine the total price at the outset, because the price depends on consumer selections and preferences, or the total price relates to distance or time?

If the total price of a service is determined by consumer selections and preferences, or if the total price relates to distance or time, the seller must disclose “in a clear and conspicuous manner (1) the factors that determine the total price, (2) any mandatory fees associated with the transaction, and (3) that the total cost of the services may vary.”

What if an individual or business does not comply with the new law?

First and foremost, the Attorney General’s Office is focused on working with businesses and individuals to get voluntary compliance with this law. Our Office will continue to educate businesses and consumers about this law to promote and ensure voluntary compliance. However, if a business or person refuses to comply with the law, the Attorney General can further investigate their business practices. If the Attorney General substantiates that a person or business is not complying with the law, it can file a civil law enforcement action in district court and seek to recover the remedies of injunctive relief, restitution, disgorgement, civil penalties of up to \$25,000 per violation, costs and disbursements, including costs of investigation and any reasonable attorneys’ fees.

We Cannot Give Legal Advice to Individuals

We are not authorized to give specific legal advice to individuals or to act on behalf of individuals in private legal matters. If you feel you need legal advice and want an attorney to advise you, the Minnesota State Bar Association’s Attorney Referral Service is available on the Internet at www.mnfindalawyer.com. A flyer called “Hiring an Attorney” is also available on the Attorney General’s website, which provides tips on locating and retaining an attorney.

Member Directory

Aitkin	Dennis' Towing 320-684-2825	Columbus	Blaine Brothers Truck Aline 763-786-8863	Ironton	AutoSmith Service Group 1-218-545-5715
Albert Lea	T&W Towing 507-473-2999	Crystal	Schmit Towing 763-253-1568	Lafayette	Five Star Towing 507-843-2677
Anoka	North Star Towing 763-427-4160		Twin Cities Transport & Recovery 651-642-1446	Kasson	T & K Towing Service 507-250-4573
Apple Valley	Dick's Valley Service 952-432-2848	Currie	Radke Wheel Service 507-763-3129	Lakeville	Marek's Towing & Repair 952-469-3182
Arlington	After Burner Auto Body & Towing 507-964-2809	Cushing	Always Available Towing & Repair 218-575-3096	Little Falls	Collins Brother Towing Of Little Falls 320-257-5525
Austin	Otomo's Auto Towing 507-450-0051	Dayton	MN Towing and Repair 612-326-6687	Loretto	Burdas Towing 320-257-5525
Big Lake	Bob's Towing & Recovery 763-262-8697		Twin Cities Transport & Recovery 651-642-1446	Luverne	G&S Auto LLC 507-283-8146
Blackduck	Bogart's Towing 218-835-4548	Detroit Lakes	DL Towing 218-847-6362	Mankato	Affordable Towing 507-388-8697
Blaine	Citywide Service Corp 763-786-9020	Duluth	Dukes Towing 218-722-8885	Marshall	Pulver Towing 507-828-5720
	Frovik's Towing 763-786-9220	Eagan	Mark's Towing 651-454-1533	Melrose	Shaggy's Towing 320-256-7855
	Hooked Up Towing & Recovery 612-913-0702		Magnum Towing 651-423-7201	Minneapolis	Blaine Brothers 763-780-5130 612-333-8900
	Twin Cities Transport & Recovery, Inc. 651-642-1446	East Bethel	Schmit Towing 763-253-1568		Bobby & Steve's Auto World South Minneapolis 612-861-6133
Blooming Prairie	Darrick's Preferred Auto 507-583-9994	Eden Prairie	Matt's Towing 952-949-2900		Metro Wreckers Services 612-330-0013
Bloomington	Chief's Towing, Inc. 952-888-2201	Eden Valley	Jack's Towing 320-453-6560		Miller Towing 612-827-5591
Brainerd	Collins Brothers Towing Of St. Cloud, 218-822-5525	Elk River	Bob's Towing of Elk River 763-441-3666	Minnetonka	Kustom Karriers 952-938-4680
Brooklyn Center	Sandoval Services 612-845-0623		Collins Brothers Towing 763-241-9177	Monticello	Burdas Towing 320-257-5525
Brooklyn Park	Cardinal Towing Service 763-535-1334	Faribault	Lynch Wrecker Services 612-578-5168	Moorhead	Aggressive Towing & Recovery 218-287-2344
	Citywide Service 763-424-4900	Fergus Falls	Glenn's Service LLC 507-334-4202		Ed's Towing Service 218-233-7740
	Feist Towing 763-544-5512	Forest Lake	Beyer Towing 218-205-6137	Motley	Collins Brothers Towing Of Motley 320-257-5525
Burnsville	Captain Towing 952-856-2901	Fridley	Dan's Towing 651-464-5551	Mountain Iron	Iron Range Towing and Automotive 218-780-1726
Cannon Falls	Siewert's Towing 507-263-4791	Grand Meadow	Schmit Towing 763-253-1568	New Brighton	Freeway Towing 651-633-5525
Clearwater	Blaine Brothers 320-558-9966	Howard Lake	Gregerson Towing & Recovery 507-272-4088		Statewide Towing 651-633-4262
	Collins Brothers Towing & Repair 320-257-5525	Inver Grove Heights	K&H Towing & Recovery 612-735-4534		
			South East Towing 651-451-9721		

Member Directory

Newport	Absolute Towing & Recovery 651-337-2149	Elite Towing of Minnesota, Inc. 952-808-0808 PLC Recovery 651-247-9783	Roberts	Jerry's Towing 715-749-4450 Star Equipment 715-749-4450	
Oakdale	Twin Cities Transport & Recovery, Inc. 651-642-1446	Stillwater	Stillwater Towing 651-439-5744	Superior	Lake City Towing 218-722-7781
Owatonna	Dean's Westside Service 507-455-1950	St. Charles	Whitewater Wrecker Service 507-718-9669	<u>ASSOCIATE</u>	
Paynesville	Collins Brothers Towing & Repair 320-257-5525	Strandquist	Nordic Towing 1-833-667-3421	<u>Auto & Equipment Sales</u>	
Plymouth	Frankies Towing Co 763-595-0321	Virginia	Armory Shell Towing & Service 218-741-6050	Twin Cities Wrecker Sales Rod Pellow 651-488-4210	
	Twin Cities Transport & Recovery 763-544-3202	Waseca	Bocks Service Inc. 507-835-5407	Worldwide Equipment Sales Jeff Irr 815-725-4400	
Red Wing	Midway Auto 651-388-8296		Tesch Service Center 507-835-4610	Zip's Truck Equipment Paul Rottinghaus 1-800-222-6047	
	Siewerts Garage 651-388-9163	White Bear Lake		<u>Banking/Financial</u>	
Rochester	CSC Towing 507-289-8344		Twin Cities Transport & Recovery, Inc. 651-642-1446	Merchants Bank Jordan Frederick 507-457-1194	
	Gregerson Towing & Recovery 507-272-4088	Willmar		<u>Credit Card Processing</u>	
	Rochester Towing, LLC 507-288-7317		City Line Towing 320-231-3869	Delta Payments Kent Flannery 877-718-4490	
	Pulver Towing 507-282-3851	Winona	Ed's Service Center & Sales 320-235-5945	<u>Fabrication & Manufacturing</u>	
Rogers	Burdas Towing 763-428-9911		Borkowski Towing & Salvage 507-452-9073	B&B Industries Lance & Layla Burda 763-333-4743	
Sauk Centre	Centre Towing Inc. 320-352-1500	<u>NORTH DAKOTA</u>			
Savage	Allen's Service Inc. 952-894-1000	Bismarck	Berg's 24 Hour Towing 701-663-6491	<u>Health Insurance</u>	
Scanlon	Blaine Brothers 218-879-6681	Grand Forks	Nordic Towing 1-833-667-3421	Health & Life Financial Services Kevin Urlaub 763-287-0055	
Shafer	PLC Recovery 651-257-3975	<u>SOUTH DAKOTA</u>			
Shakopee	Shakopee Towing 952-445-0030	Big Stone	The Shop, Inc. 605-862-8215	<u>Insurance</u>	
Spring Lake Park	Citywide Service 763-432-4550	Watertown	Performance Towing 218-722-7781	Corporate Four Insurance Jessica Hrabe 952-896-9510	
St. Anthony	Twin Cities Transport & Recovery, Inc. 651-642-1446	<u>WISCONSIN</u>			
St. Cloud	Andy's Towing 320-251-5691	Ashland	Tomlinson's Inc. 715-684-3359	Insuring Minnesota Rick McIntosh 952-469-0425	
	Collins Brothers Towing Of St. Cloud, Inc. 320-257-5525	Baldwin	Day & Nite Towing, LLC 715-684-3359	Midwest Insurance Service John Hall 651-439-5939	
St. Francis	PTL Tire & Auto 763-434-7766	Balsam Lake	Lake Services Unlimited 715-857-5753	<u>Insurance Subrogation</u>	
St. Paul	Twin Cities Transport & Recovery, Inc. 651-642-1446	Hixton	Jensen Towing and Repair 715-963-3431	Corrective Action Recovery Solutions, LLC (C.A.R.S) Greg Schafer 507-530-5032	
		LaCrosse	Goldbeck Towing Service 608-781-4869	<u>Management Consulting</u>	
				Professional Transport Management Company Steve & Sue Schmit 612-366-0525	
				<u>Uniforms</u>	
				Cintas Kevin Gaskins 763-391-5266	

UPCOMING EVENTS

MPTA Board Meeting

January 28, 2025
Dinner: 6:00 pm
Meeting: 6:30 pm

MPTA Office
Little Canada, MN



WELCOME

NEW MEMBERS

Corporate Four Insurance
Edina, MN
Jessica Hrabe

Whitewater Wrecker Service LLC
St. Charles, MN
Ryan Distad

Meetings may be cancelled due to weather please check <https://www.facebook.com/groups/mnprotow> for all event updates.

Holiday Season

Office Hours



Closed Tuesday, December 24th, 2024
Closed Wednesday, December 25th, 2024

Closed Tuesday, December 31st, 2024
Closed Wednesday, January 1st, 2025