

ТО	The Honorable President and Members of the Baltimore City Council
FROM	Veronica P. McBeth, Interim Director, Department of Transportation
CC	Mayor's Office of Government Relations
DATE	February 13, 2025
SUBJECT	25-0001 • Department of Consumer Protection and Business Licensing

**Position: Favorable** 

#### **BILL SYNOPSIS**

Council Bill 25-0001 would establish the Department of Consumer Protection and Business Licensing, an agency dedicated to the permitting and regulation of various consumer-facing industries in the City. Most relevant to Transportation are the components which touch on street vendor permitting and the Board of Licensing for Towing Services. The bill would transfer nearly all street vendor permitting duties from Transportation to the new agency. Transportation's authority to designate street vending zones is preserved, though the bill requires both agencies to work in partnership before changes are made.

Additionally, the legislation would abolish the Board of Licensing for Towing Service. This Board is responsible for regulating trespass towing practices in the City. Trespass towing, also known as private or nonconsensual towing, refers to the removal of vehicles from private property by a contracted provider of towing services. Under the proposed legislation, the Board's functions would be taken on by the new agency, bringing the City in alignment with its neighboring Baltimore County, which regulates trespass towing through its own Department of Permits, Approvals and Inspections.

# **SUMMARY OF POSITION**

The Department's perspective on the proposed legislation has evolved since its first introduction as 23-0347 in the previous term. Based on extensive research and discussion, Transportation respectfully requests a <u>favorable</u> report on Council Bill 25-0001 based on the information presented below.

#### **Trespass Towing**

As it stands, the Department of Transportation plays a disproportionate role in the licensing of

trespass towers. However, no dedicated staff are currently assigned to the Board of Licensing for Towing Services. The Board and its staff do not have the time or resources to proactively implement and research best practices while actively engaging stakeholders and members of the trespass towing business community. Furthermore, trespass towing has at times been a controversial industry marred by claims of abusive and deceitful practices by certain businesses.

Department of Transportation staff who support the Board have limited bandwidth for tasks outside their core duties. This lack of dedicated resources prevents the Board from effectively addressing negative perceptions through thorough and consistent review and enforcement of standards and best practices. That said, the Department will stand ready to collaborate with the proposed licensing agency to ensure that there is no lapse in the licensing or oversight of the City's trespass towing industry. Numerous challenges will need to be tackled in a joint effort by both agencies, but the addition of dedicated resources will undoubtedly further efforts to curb unsavory practices, improve accountability, increase transparency, and ensure trespass towers are well positioned to operate fairly and sustainably in the City.

## Street Vendors

Secondly, in regard to the licensing of street vendors, Transportation has taken on many thoughtful, challenging discussions on the future of this important function.

Council Bill 14-0305 abolished the Board of Licenses for Street Vendors in 2014, transferring its duties to the Right-of-Way Division. (At the time, Right-of-Way existed within the Department of General Services; Right-of-Way and its staff were transferred to the Department of Transportation on July 1st, 2015.) The Right-of-Way Division's Special Events Office has managed street vendor permitting for the nearly ten years since. During this time, the Office has worked to create a more streamlined and efficient process for vendors by providing one single point of contact and enhanced interagency collaboration between itself, the Health Department, and the State.

The Right-of-Way Division takes great pride in its strong relationships with Baltimore's street vendors. Over the years, Right-of-Way has fostered partnerships with street vendors and helped many grow and succeed in their business careers. These vendors, many of whom speak English as a second language, actively collaborate with Division staff to identify new business opportunities and enhance the City's special event offerings. In addition, staff work closely with these businesses to address and prevent issues before they arise; the staff and street vendor community, brought closer through extensive and recurring collaboration, hold each other to a high standard.

The Department plans to collaborate with the proposed agency to prevent any negative impacts to the event coordination and vendor selection process that could arise in the process of transferring street vendor licensing. Mobile and stationary vendors depend on timely access to special event schedules. The Department will work closely with the proposed agency to ensure this transition away from the Special Events Office does not hinder its ability to plan events effectively. major events including AFRAM, ArtScape, Charm City Life, and the Mayor's Back-to-School rely on the Special Events Office for vendor support and logistics. Efforts will be made to ensure vendor coordination proceeds smoothly.

### FISCAL IMPACT

The Department foresees a no impact to its finances as a result of the proposed legislation. Any transfer of existing staff associated functions being handed over to the new agency would be problematic; the staff tasked with trespass towing and street vendor licensing have separate functions that would be unattended in teams with already limited bandwidth. The Department has worked with the Department of Finance to identify a vacant position that can be transferred if required to facilitate the creation of the proposed agency.

The Right-of-Way Division staff member supporting street vendor licensing is classified as an Office Support Specialist II (33626). However, permanently transferring this or a similar vacant position to the proposed agency would limit Right-of-Way Division's ability to improve its staff capacity and processing times. In regard to trespass towing, the staff member most involved in the day-to-day support of the Board of Licensing for Towing Services works under the Towing Division as a Claims Investigator (50683). Transportation does not expect to transfer any Towing Division positions to the new agency.