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| FROM | NAME & TITLE | Robert Cename, Budget Director <i>RCC</i> | CITY of BALTIMORE MEMO |  |
| | AGENCY NAME & ADDRESS | Bureau of the Budget and Management Research Room 432, City Hall | | |
| | SUBJECT | City Council Bill 21-0125 Trespass Towing - Revisions | | |

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400

October 29, 2021

Position: Defer to DOT

The Department of Finance is herein reporting on City Council Bill 21-0125 – Trespass Towing - Revisions, the purpose of which is to revise the City’s Trespass Towing law, including establishing maximum charges for towing services, requiring towing services accept credit cards, prohibiting patrol towing, setting limitations on incomplete tows, and requiring certain information be included on receipts and daily logs from towing services.

Background

Currently, the Board of Licenses for Towing Services of Baltimore City oversees trespass towing services, which reviews license applications and establishes licensing fees and penalties. While the Towing Board does not define an approved rate structure for trespass towing done by private towing, it does establish rates for City towing.

The proposed legislation seeks to establish a maximum charge for all trespass towing services, including storage, and incomplete tows that result in the release of a vehicle. The Board of Estimates (BOE) must approve any maximum charge set by the Towing Board before any maximum charge may take effect. The table below illustrates the current structure compared to the proposed structure.

| Tow Type | Authority | Current Fees | Proposed Fees |
|--------------------------------|--|--|---|
| Trespass, Private Towing | Board of Licenses for Towing Services | No approved rate structure | Maximum \$250.00 towing service fee or a maximum release fee that does not exceed 25% of the towing fee |
| Trespass, City Towing | Board of Licenses for Towing Services | \$130 or \$140 per tow fee, \$50 initial fee, \$15 daily fee, plus additional fees | Maximum \$250.00 towing service fee or a maximum release fee that does not exceed 25% of the towing fee |

The legislation also amends the information that must be contained on any documents required under Article 15 §22-10 to include detailed information for the towing service, detailed vehicle identification, reason for the tow, location the tow originated and ended, breakdown of the charges, any other fees paid by the vehicle owner, and anything else deemed pertinent by the Towing Board. Additionally, the legislation establishes the requirement that a licensed towing service must accept at least two major credit cards as a form of payment and aims to curb patrol towing.

Fiscal Impact

The Department of Finance expects that there will be a fiscal impact from this legislation, with the establishment of a maximum towing service fee and a maximum release fee. Currently, the trespass towing fees for City towing range from \$130 to \$140 per tow, with a \$50 initial fee and \$15 per day storage with additional fees. Private towers rates are set independently. Under the proposed legislation, the maximum towing service fee would be capped at \$250 for both City and private towing. This legislation may greatly impact private towers by minimizing their ability to set individual rates for both towing and release fees. Currently, private towers can also establish their own rates, by weight class, but this legislation sets one maximum rate for all vehicle types and weight classes.

Additionally, Finance previously completed a fee analysis in January 2021, the results of which recommend an increase in the City's towing and administration fees that would put the City more in line with nearby jurisdictions. The proposed fee structure was a \$150 towing fee, \$105 administration fee, and \$30 per day storage fee. This legislation proposes a maximum rate that falls below the recommended fees that this fee analysis recommended.

Conclusion

The Department of Finance supports the intent of the legislation but defers to the Department of Transportation on the impact for City towing operations and private towers.

For the reasons stated above, the Department of Finance defers to the Department of Transportation City Council Bill 21-0125.

cc: Henry Raymond
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