



**THE COUNCIL OF THE CITY OF
NEW YORK
FINANCE DIVISION
PRESTON NIBLACK, DIRECTOR
FISCAL IMPACT STATEMENT**

PROPOSED INTRO. NO: 201-A

COMMITTEE: Consumer Affairs

TITLE: A Local Law to amend the administrative code of the city of New York, in relation to rates for the towing of motor vehicles.

SPONSORS: Reyna, Comrie, Dromm, Koslowitz, Rose, Vann and Williams.

SUMMARY OF LEGISLATION: The primary objective of Proposed Introduction 201-A is to implement increases to the fees currently charged for the towing of motor vehicles by private, licensed tow operators:

- Fees for the removal of vehicles and the first three days of storage - **\$100 to \$125**.
 - Storage fees after the first three days - **\$10** per day up to but not more than **\$15**.
- Such fees could only be assessed by licensed operators and charged to the vehicle owner before the vehicle is returned to them.

Fines for violating these provisions would increase from:

- **\$250 to \$500** for the first violation and
- **\$500 to \$1,000** for a second violation within twelve months of the first.
- **\$1,000** for additional violations occurring within twenty-four months of the first violation.

Except as otherwise specified, the following fees and fines would increase from:

- **\$50** up to but not exceeding **\$100** for charges for the towing of a vehicle booted by a licensed operator in a private parking lot with no additional charge assessed for the towing of such a vehicle.
- **\$15** up to but not exceeding **\$25** per twenty-four hour period or every fraction thereof for the first three days of storage and
- **\$17 to \$27** for the fourth day and each day of storage thereafter.

Rates for arterial tow permittees would increase from:

- **\$70 to \$125**

Any towing company that removes an accident vehicle to its storage facility or an auxiliary facility approved by the transportation commissioner would not be able to charge for the towing of a vehicle registered at a weight of less than ten thousand pounds nor charge for the towing of the vehicle a fee exceeding:

- **\$125** or more than **\$25** per day for the first three days of storage and
- **\$27** for the fourth day and each day thereafter for such a vehicle.

Any towing company that similarly removes an accident vehicle registered at a weight of greater than ten thousand pounds shall not charge for the towing of such a vehicle a fee exceeding:

- **\$140** or more than **\$25** per day for the first three days of storage and
- **\$27** for the fourth day and each day thereafter for such a vehicle.

Any operator towing a vehicle that is suspected of having been stolen or abandoned or a vehicle with certain alarm devices subject to removal by statute which was directed to be towed by the police department and is claimed before the end of the thirtieth day after it has been towed may charge the owner of the vehicle or anyone claiming it amounts not exceeding the following:

- **\$125** for towing a vehicle registered at a weight of ten thousand pounds or less (previously **\$70**).
- **\$140** for towing a vehicle registered at a weight of over ten thousand pounds (previously **\$125**) and
- **\$25** per day for the first three days of storage (previously **\$15**) and
- **\$27** for the fourth day and each day thereafter (previously **\$17**).

Upon the transfer of an unclaimed vehicle into the custody of the police department property clerk, the towing company may charge the police department amounts not exceeding the following:

- **\$60 plus tolls** to tow a vehicle suspected of having been stolen or abandoned or found to be blocking a private driveway and
- **\$5** per day for the first three days of storage and
- **\$8** per day for the fourth day and each day thereafter for such a vehicle provided that the towing company is not entitled to charge the police department for storage charges incurred after the tenth day of storage.

The towing company would also be entitled to charge the police department no more than **\$60** plus tolls to tow an evidence vehicle to a location designated by a police officer.

The penalties for anyone participating in a city towing program refusing to accept at least two major credit cards or who refuses to accept a credit card which is accepted by the administering agency would be increased from **\$1,000 to \$2,500**. Any participant who is found guilty of such a violation three times within the preceding twenty-four months would be removed from participation in the towing program by the commissioner of the administering agency but not to exceed one year. Anyone found to be in violation of the provisions of this legislation would be subject to additional civil penalties as well.

Beginning on November 15, 2011, and annually on that date thereafter, the Department of Consumer Affairs would submit to the Council, a report concerning violations issued to tow truck licensees. This report would contain data from the preceding twelve months including but not limited to (a) the total number of violation issued to each licensee divided by the sections of the code that were violated; (b) the total number of violations issued to each licensee; (c) the number of license suspensions by licensee; (d) the number of license revocations by licensee; and (e) the total number of meetings of the tow advisory board.

EFFECTIVE DATE: “This local law shall take effect one hundred twenty days after it shall have been enacted into law; provided that the commissioner and the commissioner of the department of transportation may take any actions necessary prior to such effective date for the implementation of this local law including, but not limited to, promulgating rules.”

FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED: N/A

FISCAL IMPACT STATEMENT:

	Effective FY12	FY Succeeding Effective FY13	Full Fiscal Impact FY13
Revenues (+)	\$*	\$*	\$*
Expenditures (-)	\$*	\$*	\$*
Net	\$*	\$*	\$*

IMPACT ON REVENUES: *The City Council believes that there would be little or no revenue generated by the implementation of this legislation because the increased fees would be collected by private towers participating in one or other city towing program rather than going to the City's General Fund. Accordingly, the revenue impact from the increased fines detailed within this legislation would, at most, be minimal.

IMPACT ON EXPENDITURES: *It should be noted that there is a provision for the police department property clerk to pay tow operators fees for unclaimed vehicles. The Council believes these fees would represent a minimal expense impact as this legislation would be implemented using existing resources.

SOURCE OF FUNDS TO COVER ESTIMATED COSTS: N/A

SOURCE OF INFORMATION: City Council Finance Division

ESTIMATE PREPARED BY: Lionel Francois, Legislative Finance Analyst, City Council Finance Division

HISTORY: This legislation was introduced and referred to the Committee on Consumer Affairs on April 29th, 2010. A first hearing on the bill was subsequently held by the Committee on Public Safety on May 11th, 2010 after which it was laid-over. An amended bill, Proposed Introduction No. 201-A, is currently scheduled to be voted out of committee on June 28th, 2011. The full Council is expected to vote on the legislation on June 28th, 2011.