

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON CONSUMER AFFAIRS

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June 28, 2011  
Start: 11:02am  
Recess: 11:11am

HELD AT: Emigrant Savings Bank  
49-51 Chambers Street

B E F O R E: DANIEL R. GARODNICK  
Chairperson

COUNCIL MEMBERS:  
Charles Barron  
Leroy G. Comrie, Jr.  
Julissa Ferreras  
G. Oliver Koppell  
Karen Koslowitz  
Michael C. Nelson

CHAIRPERSON GARODNICK: Good evening, everyone. Welcome to the Consumer Affairs Committee of the New York City Council. Today's date is Tuesday June 28<sup>th</sup>. My name is Dan Garodnick. I have the privilege of chairing this Committee. Thank you very much, Mr. Minority Leader. We're joined tonight by Council Member Mike Nelson, Council Member Charles Barron, Council Member Leroy Comrie, Council Member Oliver Koppell, Council Member Julissa Ferreras, Council Member Karen Koslowitz and the sponsor of the bill we're hearing today, Council Member Diana Reyna, as well as a number of other Council Members who are here for the Finance Committee for the Stated Meeting to follow. They will forgive me for not announcing each of their names in the interest of time. I just want to note this is a public meeting of the New York City Council, and of course, we welcome the public into this meeting, but we ask that you be respectful of our work tonight. If you are disruptive to the proceedings in any manner, you will be ejected from the chamber.

On tonight's agenda is a vote on

1  
2 Intro 201-A, which is a bill that would increase  
3 both the towing rates for non-consensual towing or  
4 towing that is neither authorized nor requested,  
5 as well as the penalties for towing violations.  
6 The towing industry has voiced its support for  
7 Intro 201-A. The industry points out that despite  
8 rising fuel and insurance costs, towing and  
9 vehicle storage rates have not increased since  
10 2001 and not since 2004 for arterial [phonetic]  
11 tow operators who were excluded in the 2001 rate  
12 increase. In May 2010, this Committee held a  
13 hearing on an earlier version of this bill. Intro  
14 201-A would require an increase in tow rates as  
15 follows: for private driveway and private property  
16 tows the rate would increase from \$100 to \$125 to  
17 tow stolen and abandoned vehicles weighing less  
18 than 10,000 pounds, the rate would increase from  
19 \$70 to \$125, while the rate would rise from \$125  
20 to \$140 for vehicles weighing more than 10,000  
21 pounds. Arterial tow operators would see an  
22 increase from \$70 to \$125 for the first mile and  
23 would continue to charge \$4 per mile thereafter  
24 and for towing from accidents, the fee would  
25 increase from \$80 to \$125 for vehicles weighing

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2 less than 10,000 pounds and from \$125 to \$140 for  
3 vehicles over 10,000 lbs. Vehicle storage rates  
4 would also increase from between \$15 and \$17 to  
5 between \$25 and \$27. In addition, many first and  
6 second violation fines would double, while others  
7 would increase by two and a half times their  
8 current levels. Lastly and very importantly added  
9 to each violation code would be a new category—  
10 three violations in two years would require  
11 mandatory suspension or revocation of the tow  
12 operator or tow business license. That's what the  
13 bill does and now I'm pleased to recognize Council  
14 Member Diana Reyna and give her an opportunity to  
15 comment on the bill that she authored, Intro 201-  
16 A. Council Member Reyna?

17 COUNCIL MEMBER REYNA: Thank you so  
18 much. I'd like to begin by thanking Chair  
19 Garodnick and the members of the Consumer Affairs  
20 Committee. Tonight this legislation represents  
21 what would be an increase in accountability in tow  
22 rate violations by requiring the Department of  
23 Consumer Affairs to provide the Council with an  
24 annual towing report that will break down the  
25 total number of violations and types of violations

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2 issued by the Department of Consumer Affairs, the  
3 number of violations received by each tow license,  
4 the number of license revocations and suspensions,  
5 the number of meetings held by the Tow Advisory  
6 Board. Because of a few bad apples, there is no  
7 need to punish and entire industry. There is a  
8 need to increase towing rates as well as  
9 accountability in violations. Fuel and the costs  
10 of doing business are major factors when providing  
11 towing and the recurrent rates do not allow for a  
12 business to stay open responsibly, which result in  
13 unreasonable violations. We seek to increase non-  
14 consensual towing rates, as had been mentioned by  
15 Chair Garodnick, that ranged between \$70 and \$100  
16 to \$125. My colleagues and I aim to set the  
17 record straight and help consumers as well as the  
18 hundreds of towing businesses across the five  
19 boroughs by balancing inflation as well as  
20 limiting abuse, supporting a workforce who are  
21 proving a service to New Yorkers who have not seen  
22 a pay increase in ten years. The last time there  
23 was a pay increase was in 2001 and Council Member  
24 Karen Koslowitz was the last chair to have  
25 supported a pay increase. We want to support the

1  
2 ability of businesses to operate in a manner that  
3 is safe to their employees and the public. I'd  
4 like to thank immensely the leadership of our  
5 speaker, Christine Quinn, the work of Ramon  
6 Martinez our deputy chief of staff, Chuck Mira  
7 [phonetic] the chief of staff, Robert Newman  
8 director of legislative unit, Rachel Cordero who  
9 had spent the last two years of her wonderful  
10 tenure here in the Council, making sure that all  
11 the details of this bill were promising and moving  
12 forward and of course, last but not least the  
13 wonderful staff of my team, my chief of staff  
14 Antonio Reynoso who has worked closely with the  
15 legislative department to make certain that the  
16 men and women in the industry of the towing  
17 service received a fair increase in their pay.  
18 Peter O'Connell [phonetic] and Joseph Robles, who  
19 is the president of ASTRO [phonetic] Association,  
20 are the two individuals that have fought for the  
21 last ten years to make this possible, and I wanted  
22 to just end with thanking them. Thank you, Mr.  
23 Chair and I end my comments.

24 CHAIRPERSON GARODNICK: Thank you  
25 very much, Council Member Reyna. Comments from

1  
2 the Committee? Seeing none, Chair recommends an  
3 aye vote and asks the counsel to call the roll.  
4 Sorry. Council Member Barron?

5 COUNCIL MEMBER BARRON: I would  
6 just like to say that I want to encourage a no  
7 vote for this bill. We have to move away from  
8 regressive taxation and I would like to see a  
9 breakdown of the profits—how much does this tow  
10 industry make and how much do the owners make that  
11 they can't give their workers raises? And why  
12 should we get it from the people? We needed to see  
13 a breakdown if they haven't given their workers  
14 raises in all these years and just telling us the  
15 cost in general of everything that's gone up. We  
16 need to know the economic breakdown. What kind of  
17 profits are they making? It's good that you're  
18 going to get some of the bad towers 'cause I know  
19 some towing companies that will stand in front of  
20 an ATM machine and watch you jump out your car to  
21 go to the ATM machine and then they'll hook up  
22 your car before you can get back to it and then  
23 that's \$100. I just think that this industry has  
24 abused the public a lot in terms of profit and we  
25 just don't know how much money they're really

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making, so at a time now, this is not the time to get it from the people. \$100 going up to \$125, \$17, \$15 a day in storage going up to \$25 and \$27. This is taking it out on people, who already have to deal with the transit, the tuition hike if your child is in CUNY, layoffs and all of that, and now we're going to come with this? This is overburden and I don't know why we had to rush this in tonight, either. We have a lot of other things that are far more important, so I want to recommend a no vote for this. This is a regressive taxation with an industry that we don't even know what their profits look like 'cause there's nothing in here that indicates that.

CHAIRPERSON GARODNICK: Thank you, Council Member Barron. Other comments? Seeing none, counsel, please call the roll.

CLERK: Kevin Pin, Committee Clerk, roll call in the Committee on Consumer Affairs, Intro 201-A. Council Member Garodnick?

CHAIRPERSON GARODNICK: Aye.

CLERK: Nelson?

COUNCIL MEMBER NELSON: Aye.

CLERK: Barron?



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2 COUNCIL MEMBER BARRON: No for me  
3 and Nelson; he made a mistake. No.

4 [laughter]

5 CLERK: Comrie?

6 COUNCIL MEMBER COMRIE: Aye.

7 CLERK: Koppell?

8 COUNCIL MEMBER KOPPELL: Aye.

9 CLERK: Ferreras?

10 COUNCIL MEMBER FERRERAS: Aye.

11 CLERK: Koslowitz?

12 COUNCIL MEMBER KOSLOWITZ: Aye.

13 CLERK: By a vote of six in the  
14 affirmative, one the in negative, no abstentions,  
15 the item has been adopted. Members, please sign  
16 the Committee Report.

17 CHAIRPERSON GARODNICK: Thank you  
18 very much and with congratulations to Council  
19 Member Reyna and thanks to the Committee members.  
20 We are now adjourned.

21 [gavel]

C E R T I F I C A T E

I, Kimberley Uhlig certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

Kimberley Uhlig

Date

July 7, 2011