

Memorandum



CITY OF DALLAS

DATE September 25, 2009

TO Members of the Transportation and Environment Committee:
Linda L. Koop (Chair), Sheffie Kadane (Vice Chair), Jerry Allen, Carolyn R. Davis, Tennell Atkins, Angela Hunt, Pauline Medrano, Delia Jasso and Ron Natinsky, Vonciel Jones Hill

SUBJECT Motor Vehicle Tow Rate Increase Briefing

Attached is the "Motor Vehicle Tow Rate Increase" briefing that will be presented to you on September 29, 2009.

Please contact me if you need additional information.

A handwritten signature in black ink that reads "Jiff Jordan".

Jiff A. Jordan, P.E.
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Thomas P. Perkins, Jr., City Attorney
Deborah Watkins, City Secretary
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Forest Turner, Assistant City Manager
David Cook, Chief Financial Officer
Jeanne Chipperfield, Director, Budget and Management Services
Edward Scott, Director, Controller's Office
Helena Stevens-Thompson, Assistant to the City Manager – Council Office
Rick Galceran, P.E., Director, Public Works and Transportation
Theresa O'Donnell, Director, Development Services

Motor Vehicle Tow Rate Increase

(Chapter 48A of the Dallas City Code)

Briefing to the Transportation and Environment Committee

Prepared by
Transportation Regulation Program
Public Works and Transportation
September 29, 2009





Regulated Wrecker Services

- PWT Transportation Regulation is responsible for regulating two types of wrecker services:
 - “Vehicle Tow Service” that relates to the removal of vehicles from private property without the consent of the owner (City Code – Chapter 48A)
 - “Emergency Wreckers” that relates to the removal of wrecked, disabled and illegally parked vehicles from public streets and property (City Code - Chapter 15D)
- This briefing and recommendations only affect Chapter 48A of the City Code – Vehicle Tow Services



Purpose of Briefing

- Brief the Committee on a proposed rate increase related to motor vehicle tows regulated under Chapter 48A of the City Code
- Request Committee endorsement of the proposed rate increase



Rate Increase

- City Code identifies a methodology for the tow industry to request a rate study
- The procedure requires the industry request come from companies representing at least 50% of the vehicles towed in Dallas from the previous permit year
- Three permitted motor vehicle tow companies requested a rate increase in January of 2009



Rate Increase

(continued)

- City staff conducted a review of the tow sheets and found that the three companies represented approximately 46% of the towed vehicles from the previous permit year
- City staff notified the companies that they had not met the minimum requirements as established in the Code and issued a refund of all but \$250 of the \$5,000 required to initiate a rate study



Rate Increase

(continued)

- Council approved a rate increase for Emergency Wreckers on February 11, 2009 – historically the rates for emergency wreckers and motor vehicle tows have been the same
- Since the last rate change for motor vehicle tows services was in 2001 and emergency wrecker rates were recently updated, staff was asked to brief the Committee on a possible rate increase
- Although City Code provides a procedure for the motor vehicle tow industry to request a rate study, the City can initiate a rate increase



Rate Increase

(continued)

- Staff conducted a rate study:
 - Change in U.S. Department of Labor Consumer Price Index (CPI) since last rate change in 2001 was 27% -- this amounts to a change from \$95 to \$121 for a light duty (passenger vehicle) tow
 - Surveyed major Texas cities to determine current towing rates



Rate Increase

(continued)

- Major Texas cities – summary of light duty rates:

■ Austin	\$150.00
■ San Antonio*	\$180.00
■ Houston*	\$212.25
■ Arlington*	\$202.50
■ Ft. Worth**	\$202.50

Average of Other Cities \$189.45

- Dallas \$95.00

* Indicates private property tow fees are not regulated by the city, however state law allows for one and a half times the tow fee allowed for police tows.

**Ft. Worth sets the private property tow rate at 150% of the police tow rate



Rate Increase

(continued)

- Recommendation is to adjust rates up 27% which places Dallas well below the average rate for private property tows among major Texas cities:
 - Light Duty (vehicle less than 10,000 pounds)
 - Rate increase from \$95 to \$121
 - Medium Duty (vehicle between 10,000 and 26,000 pounds)
 - Rate increase from \$150 to \$191
 - Heavy Duty (vehicle more than 26,000 pounds)
 - Rate increase from \$350 to \$445



Next Steps

- If endorsed by the Transportation and Environment Committee, staff will develop an ordinance revision with the City Attorney's Office and schedule it for full City Council consideration in November 2009
- City staff will work with industry representatives and the City Attorney's Office on a review of the motor vehicle tow regulations to strengthen the City's ability to effectively protect the public's interests