PS COMMITTEE #1, 2, 3 October 14, 2019

#### **MEMORANDUM**

October 9, 2019

TO:	Public Safety Committee
FROM:	Susan J. Farag, Legislative Analyst
SUBJECT:	Executive Regulation No. 19-19, Maximum Rates for Motor Vehicle Towing from Private Property Executive Regulation No. 20-19, Repeal of Executive Regulation 29-96, Maximum Rates for Motor Vehicle Immobilization on Private Property Executive Regulation No. 21-19, Motor Vehicle Towing from Private Property

PURPOSE: To review, discuss, and vote.

Today the Committee will consider the Executive's proposed amendments to the executive regulations for Chapter 30C of the Montgomery County Code, which regulate the towing of vehicles from private property (trespass towing).

The Executive's transmittal memoranda for all three regulations state that the regulations were advertised in the May 2019 issue of the Montgomery County Register. No comments were received. The Council is tentatively scheduled to take action on these regulations on October 29, 2019.

#### **EXECUTIVE REGULATION NO. 19-19 (TRESPASS TOWING)**

Executive Regulation No. 19-19, Maximum Rates for Motor Vehicle Towing from Private Property: This regulation governs both trespass towing and the immobilization of vehicles (without the owner's consent) on private property. The regulation requires that the County Executive must review rates every two years. Towing rates were last raised in 2011. At that time, the Executive implemented an overall rate increase of approximately seven percent. This resulted in an increase in the average cost of a trespass tow from \$142 to \$152. In 2015, Bill 17-15 made various changes to the County's trespass towing law; however, no fee changes were considered at that time.

The Office of Consumer Protection reviewed towing rates again in 2018. A comparison chart of other local jurisdiction fees is included on ©15-16. While most surrounding jurisdictions have higher fees than Montgomery County does, OCP advises that direct rate comparisons are limited due to differences in pricing structures. Many jurisdictions do not break out different elements of the towing process in order to impose different fees. For example, many do not charge for towing by the mile. When cost elements are added together for a typical trespass towing in Montgomery County, the total charge is \$156. This includes a \$100 hook-up fee, \$36 for mileage, and \$20 for storage during the first 24 hours.

Based on the fee structure, data from other jurisdictions, a survey of police towing charges as well as consumer-requested towing charges, OCP is recommending that the County increase rates and combine some charges that are currently priced separately. OCP recommends that rates for towing vehicles 8,000 pounds and under be increased to \$150, a fee which includes hook-up, towing to the storage facility, and the cost of the first 24 hours of storage. Rates for larger vehicles also increase. For vehicles weighing 8,001 to 20,000 pounds, the new flat rate is \$250 per tow. For vehicles over 20,000 pounds, the new flat rate is \$500. While this rate is less than the average tow under the current fee structure, the reduction will likely be offset by the fact a towing company gets the entire flat rate on every tow. Mileage charges would no longer be a factor.

#### **EXECUTIVE REGULATION NO. 20-19 (REPEAL OF IMMOBILIZATION RATES)**

This proposed change repeals Regulation 29-96, which sets a maximum rate that a person may charge to release an immobilized (booted) vehicle on private property. In 2015, the Council passed Bill No. 17-15, *Motor Vehicle Towing and Immobilization on Private Property – Amendments*, which, in part, prohibited vehicle immobilization. This change repeals the \$50 maximum rate to release an immobilized vehicle.

#### **EXECUTIVE REGULATION NO. 21-19 (MOTOR VEHICLE TOWING FROM PRIVATE PROPERTY)**

This proposed change comports with current County law, that requires trespass towing businesses to accept payment by the two most widely-used credit cards. The regulation reaffirms that MasterCard and Visa continue to be the two most widely-used credit cards.

#### **DISCUSSION ISSUES**

1) Does OCP foresee any reduction in the number of complaints it receives, due to the newly streamlined fee structure?

2) Even though no comments were received when these proposed regulations were published, has OCP heard any complaints from towing companies or consumers about rate changes?

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Eter A.J.

Marc Elrich **County Executive** 



OFFICE OF THE COUNTY EXECUTIVE ROCKVILLE, MARYLAND 20850

Method 2

#### **MEMORANDUM**

September 4, 2019

TO: Nancy Navarro, President Montgomery County Council

Marc Elrich, County Executive FROM:

Executive Regulation 19-19, Maximum Rates for Motor Vehicle Towing from SUBJECT: Private Property

The purpose of this memorandum is to transmit for your approval proposed Executive Regulation 19-19, Maximum Rates for Motor Vehicle Towing from Private Property. Section 30C-3 of the Montgomery County Code directs us to re-evaluate pricing every two years and set "fair and reasonable" maximum rates for the acts involved in non-consensual trespass towing. The rates at issue were last changed by Executive Regulation 15-11 effective November 15, 2011.

The proposed regulation was advertised in the May Register and no comments were received. If you have any questions you contact Tracy Rezvani at 240-777-3774.

Attachments

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#### Fiscal Impact Statement Executive Regulation 19-19 Maximum Rates For Motor Vehicle Towing From Private Property

#### 1. Executive Regulation Summary

This regulation revises the maximum rates that a trespass towing business may charge when towing a motor vehicle from private property without the consent of the owner.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

None.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

Not Applicable.

4. An actuarial analysis through the entire amortization period for each regulation that would affect retiree pension or group insurance costs.

Not Applicable.

5. Later actions that may affect future revenue and expenditures if the regulation authorizes future spending.

Not Applicable.

6. An estimate of the staff time needed to implement the regulation. None.

None:

7. An explanation of how the addition of new staff responsibilities would affect other duties.

Not Applicable.

8. An estimate of costs when an additional appropriation is needed.

Not Applicable.

9. A description of any variable that could affect revenue and cost estimates.

Not Applicable.

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not Applicable.

11. If a regulation is likely to have no fiscal impact, why that is the case.

This regulation establishes the maximum rate that private businesses may charge for nonconsensual towing. It is revenue neutral to the County.

#### 12. Other fiscal impacts or comments. None.

None

#### 13. The following contributed to and concurred with this analysis

Eric S. Friedman, Director, Office of Consumer ProtectionTracy D. Rezvani, Administrator, Office of Consumer ProtectionK. Samuel Buo, Administrator, Office of Consumer ProtectionMarsha Carter, Management and Budget Specialist, Office of Consumer ProtectionCrystal B. Sallee, Office of Management and Budget

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Richard S. Madaleno, Director Office of Management and Budget

5-30-19 Date





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Subject Motor Vehicle Towing and Immobilization on Private Property. Number 19-19

Effective Date

Originating Department Office of Consumer Protection

#### MAXIMUM RATES FOR MOTOR VEHICLE TOWING FROM PRIVATE PROPERTY

Montgomery County Regulation on:

#### **OFFICE OF CONSUMER PROTECTION**

Issued By: County Executive Regulation No. 19-19 COMCOR 30C.02.01 Authority: Code Section: 30C-3 Council Review: Method 2 under Code Section 2A-15 Register Vol. 36 Issue 5

> Comment Deadline: May 31, 2019 Effective Date: Supersedes: Executive Regulation 15-11

- SUMMARY: This regulation revises the maximum rates that a trespass towing company may charge when towing a motor vehicle from private property without the consent of the owner.
- ADDRESS: Copies of the regulation may be obtained from the Office of Consumer Protection, 100 Maryland Avenue, Suite 330, Rockville, MD 20850

STAFF CONTACT: Tracy Rezvani, Administrator, (240) 777-3774

BACKGROUND INFORMATION: Chapter 30C of the Montgomery County Code regulates the towing of vehicles from private property. Section 30C-3 requires that the County Executive establish by regulation the maximum rates that a towing company or business may charge when towing a motor vehicle from private property without the consent of the owner. This regulation revises those rates and otherwise makes ministerial changes to make the regulation compliant with the law.

<u>SECTION 1. DEFINITIONS</u>. The terms used in the regulation have the same meaning as in Chapter 30C, Montgomery County Code. Each piece of a tractor trailer combination is considered to be a vehicle when a towing [service] <u>company</u> tows both pieces <u>as a unit</u>.

SECTION 2. LIMITATIONS ON SCOPE. This regulation does not apply to the following:

(a) Towing initiated by the vehicle owner;

(b) Towing approved or requested by a police officer, firefighter, or rescue



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squad member in the course of duty or under the state law on abandoned vehicles; or

(c) Towing a motor vehicle while repossessing it.

<u>SECTION 3. MAXIMUM TOWING RATES</u>. When towing a motor vehicle from private property without the consent of the owner, a towing [service] <u>company</u> must not charge more than the following rates:

- (a) for vehicles with a gross vehicle weight rating of 8,000 pounds or less:
- for attaching the vehicle to be towed to the tow truck, towing the vehicle to a storage site and the first 24 hours of storage; including any other service needed to safely remove the vehicle (such as unlocking, disconnecting and reconnecting the driveshaft, securing the steering wheel, dollying, flatbedding, or use of go-jacks) -\$[100.00] 150.00.
- (2) [for towing the vehicle to a storage site \$4.00 per mile for the distance the vehicle is actually and reasonably towed to the nearest storage site available to the towing service in Montgomery County. Fractions of one-half mile or less must not be charged. Fractions greater than one-half mile may be charged as one mile. The mileage charges must not exceed twelve miles.] The receipt that must be furnished to the vehicle owner in accordance with Montgomery County Code Section 30C-[8] 9 (e) must list the tow truck's odometer readings when the vehicle is attached and when it reaches the storage site.
- (3) for storing the vehicle until it is redeemed \$[20.00] 30.00 for [the first] each 24hour time period, or portion thereof, the vehicle remains in the custody of the towing [service] company, [and \$25.00 for each additional 24-hour time period, or portion thereof] after the first 24- hour time period.

For the purposes of this subsection, a towing [service] <u>company</u> does not have custody of the vehicle until the vehicle actually reaches the storage site [or the property owner or owner's agent notifies the police department of the towing of the vehicle and provides the information required by Montgomery County Code Section 30C-5(a), whichever is later]. The receipt that must be furnished to the vehicle owner in accordance with Montgomery County Code Section 30C-[8] <u>9</u>(e) must state the date and time when the vehicle reached the storage site, when the police were notified, and when the vehicle was redeemed by its owner.

(4) for releasing a vehicle in an incomplete tow - if a vehicle owner returns to an



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unauthorized vehicle at any time after the vehicle is attached to the tow truck and lifted at least six inches off the ground but before it is towed from private property - \$50.00 or one-half the rate the towing service has filed under Montgomery County Code Section 30C-3(c) for attaching and towing the vehicle to the nearest storage area, whichever is lower. If the vehicle has not been lifted at least six inches off the ground, the service must release the vehicle without charging the owner any fee.]

- (b) for vehicles 8,001 to 20,000 pounds gross vehicle weight rating:
  - for attaching the vehicle to be towed to the tow truck, towing the vehicle to a storage site and the first 24 hours of storage, including any other service needed to safely remove the vehicle - \$[160.00] 250.00;
  - (2) [for towing the vehicle to a storage site \$5.00 per mile for the distance the vehicle is actually and reasonably towed to the nearest storage site available to the towing service in Montgomery County. Fractions of one-half mile or less must not be charged. Fractions greater than one-half mile may be charged as one mile. The mileage charged must not exceed twelve miles.] The receipt that must be furnished to the vehicle owner in accordance with Montgomery County Code Section 30C-[8] 9 (e) must list the tow truck's odometer readings when the vehicle is attached and when it reaches the storage site.
  - (3) for storing the vehicle until it is redeemed \$[25.00] 45.00 for [the first] each 24hour time period, or portion thereof, the vehicle remains in the custody of the towing [service] company [, and \$40.00 for each additional 24-hour time period, or portion there of] after the first 24- hour time period.

For the purposes of this subsection, a towing [service] <u>company</u> does not have custody of the vehicle until the vehicle actually reaches the storage site [or the property owner or owner's agent notifies the police department of the towing of the vehicle and provides the information required by Montgomery County Code Section 30C-5(a), whichever is later.] The receipt that must be furnished <u>to</u> the vehicle owner in accordance with Montgomery County Code Section 30C-[8]  $\underline{9}$  (e) must state the date and time when the vehicle reached the storage site, when the police were notified, and when the vehicle was redeemed by its owner.

[(4) for releasing a vehicle in an incomplete tow – if a vehicle owner returns to an unauthorized vehicle at any time after the vehicle is attached to the tow truck and lifted at least six inches off the ground but before it is towed from private property



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- \$80.00 or one-half the rate the towing service has filed under Montgomery County Code Section 30C-3(c) for attaching and towing the vehicle to the nearest storage area, whichever is lower. If the vehicle has not been lifted at least six inches off the ground, the service must release the vehicle without charging the owner any fee.]

- (c) for vehicles over 20,000 pounds gross vehicle weight rating:
  - for attaching the vehicle to be towed to the tow truck, towing the vehicle to a storage site and the first 24 hours of storage, including any other service needed to safely remove the vehicle - \$[320.00] <u>500.00;</u>
  - (2) [for towing the vehicle to a storage site \$10.00 per mile for the distance the vehicle is actually and reasonably towed to the nearest storage site available to the towing service in Montgomery County. Fractions of one-half mile or less must not be charged. Fractions greater than one-half mile may be charged as one mile. The mileage charged must not exceed twelve miles.] The receipt that must be furnished to the vehicle owner in accordance with Montgomery County Code Section 30C-[8] 9 (e) must list the tow truck's odometer readings when the vehicle is attached and when it reaches the storage site.
  - (3) for storing the vehicle until it is redeemed \$[40.00] <u>85.00</u> for [the first] <u>each</u> 24hour time period, or portion thereof, the vehicle remains in the custody of the towing [service, and \$80.00 for each additional 24-hour time period, or portion there of] <u>company after the first 24- hour time period</u>.

For the purposes of this subsection, a towing [service] <u>company</u> does not have custody of the vehicle until the vehicle actually reaches the storage site [or the property owner or owner's agent notifies the police department of the towing of the vehicle and provides the information required by Montgomery County Code Section 30C-5(a), whichever is later]. The receipt that must be furnished <u>to</u> the vehicle owner in accordance with Montgomery County Code Section 30C-[8] 9 (e) must state the date and time when the vehicle reached the storage site, when the police were notified, and when the vehicle was redeemed by its owner.

I(4) for releasing a vehicle in an incomplete tow – if a vehicle owner returns to an unauthorized vehicle at any time after the vehicle is attached to the tow truck and lifted at least six inches off the ground but before it is towed from private property - \$160.00 or one-half the rate the towing service has filed under Montgomery County Code Section 30C-3(c) for attaching and towing the vehicle to the nearest



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storage area, whichever is lower. If the vehicle has not been lifted at least six inches off the ground, the service must release the vehicle without charging the owner any fee.]

<u>d)</u> A towing [service] <u>company</u> must not charge for any act not listed in this section unless that act was expressly requested by the vehicle owner.

<u>SECTION 4.</u> <u>SEVERABILITY</u>. The provisions of this regulation are severable. If a court holds that a provision is invalid or inapplicable, the remainder of the regulation remains in effect.

<u>SECTION 5. EFFECTIVE DATE</u>. This regulation takes effect immediately after adoption by the County Council.

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Approved:

Marc Elrich, County Executive

Date: <u>9/4/19</u>

Approved as to Form and Legality Office of the County Attorney

Bv: 4 Date: 4/



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Maximum Rates For Motor Vehicle Towing From Private Property	Number 19-19
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Montgomery County Regulation on: MAXIMUM RATES FOR MOTOR VEHICLE TOWING FROM PRIVATE PROPERTY **OFFICE OF CONSUMER PROTECTION** Issued By: County Executive Regulation No. 19-19 COMCOR 30C.02.01 Authority: Code Section: 30C-3 Council Review: Method 2 under Code Section 2A-15 Register Vol. 36 Issue 5 Comment Deadline: May 31, 2019 Effective Date: Supersedes: Executive Regulation 15-11 SUMMARY: This regulation revises the maximum rates that a trespass towing company may charge when towing a motor vehicle from private property without the consent of the owner. ADDRESS: Copies of the regulation may be obtained from the Office of Consumer Protection, 100 Maryland Avenue, Suite 330, Rockville, MD 20850 STAFF CONTACT: Tracy Rezvani, Administrator, (240) 777-3774 BACKGROUND INFORMATION: Chapter 30C of the Montgomery County Code regulates the

towing of vehicles from private property. Section 30C-3 requires that the County Executive establish by regulation the maximum rates that a towing company or business may charge when towing a motor vehicle from private property without the consent of the owner. This regulation revises those rates and otherwise makes ministerial changes to make the regulation compliant with the law.

SECTION 1. DEFINITIONS. The terms used in the regulation have the same meaning as in Chapter 30C, Montgomery County Code. Each piece of a tractor trailer combination is considered to be a vehicle when a towing company tows both pieces as a unit.

SECTION 2. LIMITATIONS ON SCOPE. This regulation does not apply to the following:



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- (a) Towing initiated by the vehicle owner;
- (b) Towing approved or requested by a police officer, firefighter, or rescue squad member in the course of duty or under the state law on abandoned vehicles; or
- (c) Towing a motor vehicle while repossessing it.

SECTION 3. MAXIMUM TOWING RATES. When towing a motor vehicle from private property without the consent of the owner, a towing company must not charge more than the following rates:

- (a) for vehicles with a gross vehicle weight rating of 8,000 pounds or less:
- for attaching the vehicle to be towed to the tow truck, towing the vehicle to a storage site and the first 24 hours of storage; including any other service needed to safely remove the vehicle (such as unlocking, disconnecting and reconnecting the driveshaft, securing the steering wheel, dollying, flatbedding, or use of go-jacks) -\$150.00.
- (2) The receipt that must be furnished to the vehicle owner in accordance with Montgomery County Code Section 30C-9 (e) must list the tow truck's odometer readings when the vehicle is attached and when it reaches the storage site.
- (3) for storing the vehicle until it is redeemed \$30.00 for each 24- hour time period, or portion thereof, the vehicle remains in the custody of the towing company, after the first 24- hour time period.

For the purposes of this subsection, a towing company does not have custody of the vehicle until the vehicle actually reaches the storage site. The receipt that must be furnished to the vehicle owner in accordance with Montgomery County Code Section 30C-9(e) must state the date and time when the vehicle reached the storage site, when the police were notified, and when the vehicle was redeemed by its owner.

(b) for vehicles 8,001 to 20,000 pounds gross vehicle weight rating:



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- for attaching the vehicle to be towed to the tow truck, towing the vehicle to a storage site and the first 24 hours of storage, including any other service needed to safely remove the vehicle - \$250.00;
- (2) The receipt that must be furnished to the vehicle owner in accordance with Montgomery County Code Section 30C-9 (e) must list the tow truck's odometer readings when the vehicle is attached and when it reaches the storage site.
- (3) for storing the vehicle until it is redeemed \$45.00 for each 24-hour time period, or portion thereof, the vehicle remains in the custody of the towing company after the first 24- hour time period.

For the purposes of this subsection, a towing company does not have custody of the vehicle until the vehicle actually reaches the storage site. The receipt that must be furnished to the vehicle owner in accordance with Montgomery County Code Section 30C-9(e) must state the date and time when the vehicle reached the storage site, when the police were notified, and when the vehicle was redeemed by its owner.

- (c) for vehicles over 20,000 pounds gross vehicle weight rating:
  - for attaching the vehicle to be towed to the tow truck, towing the vehicle to a storage site and the first 24 hours of storage, including any other service needed to safely remove the vehicle - \$500.00;
  - (2) The receipt that must be furnished to the vehicle owner in accordance with Montgomery County Code Section 30C-9(e) must list the tow truck's odometer readings when the vehicle is attached and when it reaches the storage site.
  - (3) for storing the vehicle until it is redeced \$85.00 for each 24-hour time period, or portion thereof, the vehicle remains in the custody of the towing company after the first 24- hour time period.



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For the purposes of this subsection, a towing company does not have custody of the vehicle until the vehicle actually reaches the storage site. The receipt that must be furnished to the vehicle owner in accordance with Montgomery County Code Section 30C-9(e) must state the date and time when the vehicle reached the storage site, when the police were notified, and when the vehicle was redeemed by its owner.

d) A towing company must not charge for any act not listed in this section unless that act was expressly requested by the vehicle owner.

SECTION 4. SEVERABILITY. The provisions of this regulation are severable. If a court holds that a provision is invalid or inapplicable, the remainder of the regulation remains in effect.

SECTION 5. EFFECTIVE DATE. This regulation takes effect immediately after adoption by the County Council.

Approved:

Date: 9/4/19

Marc Elrich, County Executive

Approved as to Form and Legality Office of the County Attorney

Bv: 7 Date:



#### OFFICE OF CONSUMER PROTECTION

Isiah Leggett County Executive

Eric S. Friedman Director

#### MEMORANDUM

November 9, 2018

TO: Eric Friedman, Director

**FROM:** Doug Numbers, Investigator

SUBJECT: 2018 Trespass Tow Rate Review & Recommendation

Chapter 30C, <u>Motor Vehicle Towing and Immobilization on Private Property</u>, of the Montgomery County Code provides that the County Executive must establish, by regulation under method (2), the maximum rates that a trespass towing service may charge. In addition, Section 30C-2 provides that the County Executive must review the rates at least every two (2) years. These rates apply to towing services in which the vehicle is towed <u>without</u> the consent of the vehicle owner.

The statute was updated in November 2015 and now provides that the County Executive must set "fair and reasonable" maximum rates for each of the following acts:

- Towing which includes attaching the vehicle to the tow truck, towing the vehicle to a storage site, and the first 24 hours of storage
- Storing the vehicle until it is redeemed
- Any other service needed to safely remove a vehicle
   (By statute the fee for releasing a vehicle when the owner returns and the vehicle is attached to the tow truck, but before it is towed from the property, may not exceed \$25.)

The change allows for the County Executive to set a "flat rate" for the hookup, tow to the storage lot and first day of storage. This change was made to address complaints that OCP receives about mileage charges and, the fact that Montgomery County was the only local jurisdiction that allows a mileage charge. The maximum mileage a vehicle could be towed was increased to 15 miles to bring the county law in line with state law.

Trespass towing rates were last raised in 2011. Pursuant to Executive Regulation 15-11, the County Executive provided for an overall rate increase of approximately 7%.



effective November 15, 2011. This rate increase resulted in an increase in the average cost of a trespass tow from \$142 to \$152.

Trespass towing rates are divided into three (3) categories: vehicles with a gross weight of 8,000 pounds or less, vehicles with a gross weight of 8,001 to 20,000 pounds, and vehicles over 20,000 pounds.

Under current Executive Regulation 15-11 the maximum trespass towing rates for a vehicle picked up within 24 hours:

Vehicle Weight	8,000 Lbs. GVWR & Under	8001–20,000 Lbs. GVWR	Over 20,000 Lbs. GVWR
Hook-Up	\$100.00	\$160.00	\$320.00
Incomplete Tow	\$25.00	\$25.00	\$25.00
Mileage	\$4.00 per mile (max 15 miles)	\$5.00 per mile (max 15 miles)	\$10.00/mile (max15 miles)
Storage	\$20 for 1 <sup>st</sup> 24 hrs.	\$25 for 1 <sup>st</sup> 24 hrs.	\$40.00 for 1 <sup>st</sup> 24 hrs.
Storage	\$25.00 for each 24 hrs. thereafter	\$40 for each 24 hrs. thereafter	\$80.00 for each 24 hrs. thereafter
Total Maximum One Day Rate	\$180.00	\$260.00	\$510.00

The vast majority of vehicles that are towed without the owner's consent are passenger vehicles that weigh less than 8,000 pounds (this includes mini-vans and sport utility vehicles). In addition, according to our complaint records, 98% of the vehicles towed without the owner's consent are retrieved by the owner within the first 24 hours.

In August 2018, the Office of Consumer Protection (OCP) conducted a rate review in which a comprehensive chart was compiled to compare trespass towing fees in ten (10) local jurisdictions: Arlington County, City of Alexandria, Anne Arundel County, Baltimore City, Baltimore County, District of Columbia, Fairfax County, City of Falls Church, Howard County, and Prince George's County. In addition, this chart also compiled information regarding trespass towing fees in eight (9) out of state jurisdictions: Long Beach, California; Broward County, Florida; Palm Beach County, Florida; Portland, Oregon; Miami Dade County, Florida; Massachusetts; New York; Georgia; and Virginia.

Direct rate comparisons with other jurisdictions are limited due to differences in pricing structures. For example, several jurisdictions provide flat rate pricing and do not provide itemized prices for each service component. In addition, some jurisdictions compute storage times differently. Therefore, certain assumptions as to the mileage and length of storage must be used to create typical towing scenarios, based upon behavior in Montgomery County, in order to effectively compare rates.

Under a typical scenario, in which a vehicle weighing up to 8000 lbs is towed without the owner's consent, is brought to a storage site 9 miles away, and is retrieved by the consumer within 24 hours, the total cost of the average tow under the current trespass towing rates in Montgomery County is higher than rate that would be charged for a similar tow in Fairfax County, Virginia; Arlington County, Virginia; City of Alexandria, Virginia; City of Falls Church, Virginia; and Howard County, Maryland (The Virgina tows would be \$10 higher if the vehicle is retrieved between 7pm and 8am). The total average cost in the County is <u>lower</u> than what is charged in Prince George's County and the City of Frederick, Maryland. This is illustrated by the chart below:

Jurisdiction	Hook up	Mileage	Storage	Other Fees	Total
Montgomery	\$100	\$36 (9 miles @ \$4 per mile)	\$20	\$25 Drop Fee	\$156
Fairfax	\$135	\$0	24 hour grace period; \$50 if less than 22 ft long (\$5 for each additional foot/day)	Night/Weekend Fee: \$25.00 (nights b/w 7pm- 8am and on Saturday, Sunday, or holidays); Max allowable night/weekend fee add-on: \$50/tow	\$135 (\$160 if picked up between 7pm & 8am)
Artington County	\$135	\$0	\$50.00 per day after initial 24- hr grace period, first day is not	After Hours Max Retrieval Fee: \$25 (7pm-8am, Sat, Sun or Holiday)*	\$135 (\$160 if picked up between 7pm & 8am)

Alexandria	\$135	\$0	charged until vehicle has been on lot over 72 hours \$50.00 per day after initial 24- hr grace period (for any vehicle 22 ft in langth or	After Hours Max Retrieval Fee: \$25 (7pm-8am, Sat, Sun or Holiday)	\$135 (\$160 if picked up between 7pm & 8am)
	A 1 2 3		length or less - an additional \$5 per every foot over 22ft)		
Falls Church	\$135	\$0	\$40.00 per day after initial 24- hour grace period	After Hours Max Retrieval Fee - \$25.00 (7pm - 8am, Sat, Sun or holiday)	\$135 (\$160 if picked up between 7pm & 8am)
Howard	\$125	\$0	\$12.50	\$15 additional if used dolly or flatbed	\$137.50 (\$152.50 if dolly or flatbed used)
Princes George's	\$175	\$0	\$50.00 per day after 1st calendar day of storage		\$175
City of Frederick	\$200	\$0	\$50.00 per day after initial 24- hour period		\$200

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Other considerations were also evaluated regarding this rate review. Trespass towing is only one of several other types of towing services usually offered by towing firms. These towing firms also generally provide the following towing services in Montgomery County:

- Consumer requested tows
- Police requested tows
- Motor Club tows

In conducting its review, OCP also compiled and compared the rates the towing firms charge for consumer requested tow of a vehicle to a repair shop. Rates for this type of tow are not regulated and are set by the towing firms in response to the local market competition. Accordingly, these towing rates provide valuable insight and would appear to reflect the towing firm's business expenses, fixed costs, and market competition influences. In addition, to the extent that towing firms assert that trespass towing rates should be increased, the fact that towing firms set their own rates for other types of tows at a rate lower than the rates set by Montgomery County for trespass tows would appear to undercut their claims that the current trespass tow rates are not sufficient for them to cover their costs and make a sufficient profit.

OCP conducted a survey of 30 local tow companies asking how much they would charge a consumer requesting the tow of his or her broken down vehicle. The chart below shows the prices OCP was quoted by the local tow companies:

ow Company	Hook up	Mileage
1	\$100	\$0
2	\$85	\$4
3	\$85	\$4
4	\$75	\$5
5	\$75	\$5
6	\$85	\$5
7	\$85	\$5
8	\$120	\$0
9	\$65	\$3
10	\$100	\$5
11	\$75	\$5
12	\$100	\$0
13	\$85	\$5
14	\$75	\$4
15	\$90	\$4
16	\$65	\$4
17	\$85	\$5
18	\$75	\$5
19	\$60	\$3
20	\$85	<del>\$3</del> \$4



21	\$130	\$0
22	\$75	\$4
23	\$120	\$5
24	\$75	\$4
25	\$85	\$4
26	\$85	\$5
27	\$85	\$5
28	\$75	\$4
29	\$100	\$4
30	\$125	\$0

A majority of these rates are lower than the current rates set by Montgomery County for trespass tows. It should be noted that 90% of the tow companies contacted also perform trespass towing in Montgomery County. The average cost of a consumer requested tow in the county based on this survey is: \$87 and \$4 per mile. Less than the current county trespass tow rates. Tow company's argument that the County trespass tow rates need to be increased because their cost to do business is higher in Montgomery County is not supported by their consumer requested tow rates. It should also be noted that tow company's td not have to perform trespass towing and many companies operating in the county do not offer the service

OCP also looked at the current Montgomery County Police Tow rates that are set annually by Executive Regulation based on the Consumer Price Index (CPI). The FY 2019 rate was increased by 1.3% based on the CPI to \$150 for a complete tow of a vehicle, weighing less than 10,000lbs GVWR, to the police storage lot. OCP also reviewed the CPI from 2013 to October 2018 (annual Inflation rate for that time period – 8.4%) and calculated what the current average trespass tow rate would be if 30C called for the same method as MCPD. If the rates were adjusted for inflation over the past 5 years the average tow would be **\$166**, somewhat higher than the flat rate we are proposing.

Setting "fair and reasonable" rates is a difficult balancing act for a service in which the party paying the rate did <u>not</u> consent to the service and did <u>not</u> have any opportunity to select the firm that is providing the service. Vehicle owners consistently complain about trespass tows and the high rates under the current schedule. In addition to these rate setting duties, OCP is responsible for receiving and investigating complaints from consumers against towing firms regarding trespass towing services.

Complaints from consumers against trespass towing firms are numerous and generally concern several issues:

- Improper signage
- Improper charges
- Unauthorized tows
- Damage and theft claims
- Unsafe conditions and rude behavior

Notably, the <u>maximum</u> rates set by Montgomery County become the <u>minimum</u> rates. According to our records, no towing firms charge less than the maximum rates set by Montgomery County for trespass tows. The transaction is further complicated by the fact that the property owners, who contract with the towing firm, do not appear to care how much vehicle owners are charged by a towing firm because the property owners are not the party paying these fees.

Based upon this review, OCP is recommending that the County Executive make the following change to the rate schedule:

Vehicle	8,000 Lbs.	8001–20,000 Lbs.	Over 20,000 Lbs.
Weight	GVWR & Under	GVWR	GVWR
Flat Rate (Hook up, tow to storage, and first 24 hours of storage)	\$150.00	\$250.00	\$500.00
Storage	\$30.00 for each	\$45.00 for each 24 hrs.	\$85.00 for each 24 hrs.
	24 hrs. thereafter	thereafter	thereafter

The proposed changes to the county's rates would result in a flat rate of \$150 for every trespass tow of a vehicle weighing 8000lbs or less. Plus storage if the vehicle is not picked up within 24 hours. This is less than the current average in the County but it would be offset by the fact that a tow company would receive this amount on every trespass tow of a vehicle in that weight class. Thus, the total cost of the tow under the proposed trespass towing rates would be higher that what would be charged in Fairfax, Virginia; Arlington County, Virginia; City of Alexandria, Virginia; Falls Church, Virginia; and Howard County, Maryland (The Virginia tows would be the \$10 higher if the vehicle retrieved between 7pm and 8am and \$2.50 higher in Howard County if dollies are used). The total cost of the tow would still be <u>lower</u> than the charges in Prince George's County (hook up flat rate has not changed since 2009) and the City of Frederick, Maryland.

Please let me know if you have any questions or need any further information. Thank you.

DN:OCP Towing Rate Review Memo 2018-draft2

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OFFICE OF THE COUNTY EXECUTIVE ROCK VILLE, MARYLAND 20850

Marc Elrich **County Executive** 

#### **MEMORANDUM**

August 19, 2019

TO:	Nancy Navarro, President
	Montgomery County Council

FROM:

Marc Elrich, County Executive Man Ho

SUBJECT: Executive Regulation 20-19, Repeal of Executive Regulation 29-96, Maximum Rates for Motor Vehicle Immobilization on Private Property

The purpose of this memorandum is to transmit Executive Regulation 20-19, Maximum Rates for Motor Vehicle Immobilization on Private Property. Regulation 29-96 set a maximum rate that a person may charge to release an immobilized vehicle on private property. However, Chapter 30C-13 was amended in 2015 L.M.C., ch. 40 (Bill No.17-15) to prohibit immobilization rendering Executive regulation 29-96 moot. Accordingly, there is no longer a need to establish rates for an action that is prohibited.

The proposed regulation was advertised in the May Register and no comments were received. If you have any questions you can contact Tracy Rezvani at 240-777-3774.

Attachments

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#### Fiscal Impact Statement Executive Regulation 20-19, Maximum Rate for Vehicle Immobilization on Private Property

1. Executive Regulation Summary

Executive Regulation 20-19 repeals an obsolete provision (Executive Regulation 29-96) which sets a maximum rate that could be charged to release an immobilized motor vehicle on private property. Since County law now prohibits immobilizing vehicles, there is no need to charge rates for a prohibited action.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

The proposed regulation is not expected to impact revenues or expenditures.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

Not Applicable.

4. An actuarial analysis through the entire amortization period for each regulation that would affect retiree pension or group insurance costs.

Not Applicable.

5. Later actions that may affect future revenue and expenditures if the regulation authorizes future spending.

Not Applicable.

6. An estimate of the staff time needed to implement the regulation. None.

The proposed regulation is not expected to impact staff duties.

7. An explanation of how the addition of new staff responsibilities would affect other duties.

Not Applicable.

8. An estimate of costs when an additional appropriation is needed.

Not Applicable.

9. A description of any variable that could affect revenue and cost estimates.

Not Applicable.

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not Applicable.

11. If a regulation is likely to have no fiscal impact, why that is the case.

The proposed regulation is not expected to have a fiscal impact. Executive Regulation 20-19 repeals an obsolete provision.

#### 12. Other fiscal impacts or comments. None.

None.

#### 13. The following contributed to and concurred with this analysis

Eric S. Friedman, Director, Office of Consumer ProtectionTracy D. Rezvani, Administrator, Office of Consumer ProtectionK. Samuel Buo, Administrator, Office of Consumer ProtectionMarsha Carter, Management and Budget Specialist, Office of Consumer ProtectionCrystal B. Sallee, Office of Management and Budget

Richard Maduluw

Richard S. Madaleno, Director Office of Management and Budget

5/30/19 Data





Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject	Number
Maximum Rate for Motor Vehicle Immobilization on Private Property	20-19
Originating Department Office of Consumer Protection	Effective Date

#### Montgomery County Regulation on: MAXIMUM RATE FOR MOTOR VEHICLE IMMOBILIZATION ON PRIVATE PROPERTY

Issued by: County Executive Regulation No.: 20-19 COMCOR 30C.11.01 Authority: Code Section 30C-13 Council Review: Method 2 under Code Section 2A-15 Register Vol. 36, Issue 5 Comment Deadline: May 31, 2019 Effective Date: Supersedes Executive Regulation 29-96

**SUMMARY:** Regulation 29-96 set a maximum rate that a person may charge to release an immobilized vehicle on private property. However, immobilizing vehicles pursuant to Chapter 30C is no longer permitted. Executive Regulation 20-19 repeals Executive Regulation 29-96 *in toto* to be in compliance therewith.

ADDRESS: Written comments on this regulation should be sent to: Office of Consumer Protection 100 Maryland Avenue, Room 330 Rockville, MD 20850

STAFF: Tracy D. Rezvani, Administrator, (240) 777-3774

**BACKGROUND:** Chapter 30C-13 was amended in 2015 L.M.C., ch. 40 (Bill No.17-15) to prohibit immobilization rendering Executive regulation 29-96 moot. Accordingly, there is no longer a need to establish rates for an action that is prohibited

#### [Section 1. DEFINITIONS

1.1 The terms used in the regulation have the same meaning as in Chapter 30C, Montgomery County Code. Each piece of a tractor trailer combination is considered to be a vehicle.

### Section 2. MAXIMUM IMMOBILIZATION RATE RELEASE

2.1 A person must not charge more to release an immobilized vehicle than \$50.

#### Section 3. SEVERABILITY



Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Maximum Rate for Motor Vehicle Immobilization on Private Property	Number 20-19
Originating Department Office of Consumer Protection	Effective Date

3.1 The provisions of this regulation are severable and if any provision, clause, sentence, section, word, or part is held illegal, unconstitutional, or inapplicable to any person or circumstance, such illegality, invalidity, unconstitutionality, or inapplicability will not affect or impair any of the remaining provisions, clauses, sentences, sections, words, or parts of this regulation or its application to other persons or circumstances.]

Approved: Marc Elrich, County Executive

Date: 8/19/19

Approved as to Form and Legality Office of the County Attorney

By: <u>7</u> -	Fin	J.A	Bub	en	
Date:	8	5/19		$\Box$	



Marc Elrich County Executive



CC MM MAP MR 5.64

OFFICE OF THE COUNTY EXECUTIVE ROCKVILLE, MARYLAND 20850

Method 2

#### **MEMORANDUM**

September 4, 2019

- TO: Nancy Navarro, President Montgomery County Council
- FROM: Marc Elrich, County Executive Man

SUBJECT: Executive Regulation 21-19, Motor Vehicle Towing From Private Property

The purpose of this memorandum is to transmit for your approval proposed Executive Regulation 21-19, Motor Vehicle Towing From Private Property. Chapter 30C-9(b)(2) of the Montgomery County Code makes the acceptance of credit cards mandatory by towing businesses. Executive Regulation 21-19 makes changes to be in compliance therewith. It also updates the internal reference to the authorizing section of the Code and other ministerial changes.

The proposed regulation was advertised in the May Register and no comments were received. If you have any questions please contact Tracy Rezvani at 240-777-3774.

Attachments



#### Fiscal Impact Statement Executive Regulation 21-19 Motor Vehicle Towing From Private Property

#### 1. Executive Regulation Summary

County law requires trespass towing businesses to accept payment by the two most widely used credit cards as defined by Executive Regulation 48-90. MasterCard and Visa continue to be the two most widely used credit cards. Executive Regulation 21-19 reaffirms their designation and makes a few other changes to conform the wording of the regulation to the Montgomery County Code.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

The proposed regulation is not expected to impact revenues or expenditures.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

Not Applicable.

4. An actuarial analysis through the entire amortization period for each regulation that would affect retiree pension or group insurance costs.

Not Applicable

5. Later actions that may affect future revenue and expenditures if the regulation authorizes future spending.

Not Applicable.

6. An estimate of the staff time needed to implement the regulation.

The proposed regulation is not expected to impact staff duties.

7. An explanation of how the addition of new staff responsibilities would affect other duties.

Not Applicable.

8. An estimate of costs when an additional appropriation is needed.

Not Applicable.

9. A description of any variable that could affect revenue and cost estimates.

Not Applicable.

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not Applicable.

11. If a regulation is likely to have no fiscal impact, why that is the case.

This regulation reaffirms that Visa and MasterCard credit cards must be accepted by towing businesses.

#### 12. Other fiscal impacts or comments.

None

#### 13. The following contributed to and concurred with this analysis

Eric S. Friedman, Director, Office of Consumer Protection Tracy D. Rezvani, Administrator, Office of Consumer Protection K. Samuel Buo, Administrator, Office of Consumer Protection Marsha Carter, Management and Budget Specialist, Office of Consumer Protection Crystal B. Sallee, Office of Management and Budget

<u>Kimmel Mudulus</u> Richard S. Madaleno, Director

Richard S. Madaleno, Director Office of Management and Budget

<u>5/28/19</u> Date



Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject	Number
Regulation Relating to Motor Vehicle Towing from Private Property	21-19
Originating Department Office of Consumer Protection	Effective Date

Montgomery County Regulation on:

### MOTOR VEHICLE TOWING FROM PRIVATE PROPERTY

OFFICE OF CONSUMER PROTECTION

Issued by: County Executive Regulation No.: 21-19 COMCOR 30C.00.01 Authority: Code Section 30C-9(b)(2) Council Review: Method 2 under Code Section 2A-15 Register Vol. 36 • Issue 5

> Comment Deadline: May 31, 2019 Effective Date: Supersedes: Executive Regulation 48-90

**SUMMARY:** This regulation updates the authority defining MasterCard and Visa to be the two most widely used major credit cards that now must be accepted by those trespass towing services companies that opt to accept credit cards pursuant to Section 30C-9(b)(2) of the Montgomery County Code.

**ADDRESS**: Copies of the regulation may be obtained from the Office of Consumer Protection, 100 Maryland Avenue, Suite 330. Rockville, MD 20850

STAFF CONTACT: Tracy D. Rezvani, Administrator, (240) 777-3774.

**BACKGROUND INFORMATION:** Executive Regulation 48-90, referred to Section 30C-8(c)(2), for authorization permitting each trespass towing business to accept as full payment a credit card for the amount of all valid charges relating to the towing and storage of a vehicle. However, Section 30C-9(b)(2) now mandates that each trespass towing business accept the two most widely used major credit cards as defined by regulations of the Office of Consumer Protection. This regulation addresses that change and makes accepting credit cards mandatory, and otherwise makes a ministerial change in terms used.



Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Regulation Relating to Motor Vehicle Towing from Private Property	Number 21-19
Originating Department Office of Consumer Protection	Effective Date

**SECTION 1. DEFINITIONS.** The terms used in this regulation have the same meaning as in Chapter 30C, Montgomery County Code.

**SECTION 2. CREDIT CARDS.** The two most widely used major credit cards, which must be accepted by trespass towing businesses under Montgomery County Code Section 30C-9(b)(2) are MasterCard and Visa.

**SECTION 3. EFFECTIVE DATE.** This regulation takes effect 30 days after the date of adoption by the County Council.

Approved: Marc Ehrich, County Ex

Date:

Approved as to Form and Legality Office of the County Attorney

By: 7 del. Date: 7/17/19



### MONTGOMERY COUNTY EXECUTIVE REGULATION Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject

Regulation Relating to Motor Vehicle Towing from Private Property

#### **Originating Department**

Office of Consumer Protection

Number 21-19

**Effective Date** 

Montgomery County Regulation on:

### MOTOR VEHICLE TOWING FROM PRIVATE PROPERTY

### OFFICE OF CONSUMER PROTECTION

Issued by: County Executive Regulation No.: 21-19 COMCOR 30C.00.01 Authority: Code Section 30C-9(b)(2) Council Review: Method 2 under Code Section 2A-15 Register Vol. 36 • Issue 5

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ADDRESS: Copies of the regulation may be obtained from the Office of Consumer Protection, 100 Maryland Avenue, Suite 330. Rockville, MD 20850

STAFF CONTACT: Tracy D. Rezvani, Administrator, (240) 777-3774.

**BACKGROUND INFORMATION:** Executive Regulation 48-90, referred to Section 30C-8(c)(2), for authorization permitting each trespass towing business to accept as full payment a credit card for the amount of all valid charges relating to the towing and storage of a vehicle. However, Section 30C-9(b)(2) now mandates that each trespass towing business accept the two most widely used major credit cards as defined by regulations of the Office of Consumer Protection. This regulation addresses that change and makes accepting credit cards mandatory, and otherwise makes a ministerial change in terms used.



Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject	Number
Regulation Relating to Motor Vehicle Towing from Private Property	21-19
Originating Department Office of Consumer Protection	Effective Date

SECTION 1. DEFINITIONS. The terms used in this regulation have the same meaning as in Chapter 30C, Montgomery County Code.

**SECTION 2. CREDIT CARDS.** The two most widely used major credit cards, which must be accepted by trespass towing businesses under Montgomery County Code Section 30C-9(b)(2) are MasterCard and Visa.

**SECTION 3. EFFECTIVE DATE.** This regulation takes effect 30 days after the date of adoption by the County Council.

Approved:

Marc Elrich, County Executive

4/4/14 Date:

Approved as to Form and Legality Office of the County Attorney

By: Date: 7/17/19