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## Alth or Merrour **CITY COUNCIL**

LEGISLATIVE POLICY DIVISION

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TO:

The Honorable Detroit City Council

FROM:

Marcel Hurt, Esq.

David Whitaker, Director

Legislative Policy Division Staff

DATE:

September 23, 2024

RE:

RESOLUTION TO SET THE ADMINISTRATIVE, TOWING, SERVICE, AND

STORAGE FEES IN ACCORDANCE WITH THE RECOMMENDATION OF THE

TOW RATE COMMISSION

Council Member Gabriela Santiago-Romero requested that the Legislative Policy Division (LPD) draft a resolution to set the administrative, towing, service, and storage fees in accordance with the recommendation of the Towing Rate Commission.

Please contact us if we can be of any further assistance.

BY COUNCIL MEMBER GABRIELA SANTIAGO-ROMERO

# RESOLUTION TO SET THE ADMINISTRATIVE, TOWING, SERVICE, AND STORAGE FEES IN ACCORDANCE WITH THE RECOMMENDATION OF THE TOW RATE COMMISSION

- **WHEREAS,** Section 26-2-91 provides for the establishment of a Towing Rate Commission, which must meet at least once every 2 years and submit a recommendation to City Council to set the administrative, towing, service, and storage fees for police-authorized towing; and
- WHEREAS, The Towing Rate Commission consists of the Auditor General, the Director of Buildings, Safety, Engineering, and Environmental Department or designate representative, the Chief of Police or designated representative, a representative of the public appointed by the Mayor, and a representative of the towing industry appointed by City Council; and
- WHEREAS, The Towing Rate Commission has met and has conducted benchmark studies of towing fee in Michigan and across the nation, analyzed trends and changes in consumer price indices, reviewed Detroit Police Department Towing and Impound Unit financials and operations, reviewed towing industry guidelines, and reviewed data, proposed fees, and other input from police towers; and
- WHEREAS, On September 16, 2024, the Auditor General presented the findings and recommendations of the Towing Commission to the Public Health & Safety Standing Committee of the Detroit City Council, which are as follows:

### MOTORIZED VEHICLES AND RECREATIONAL VEHICLES

| Tow Classification          | Current Fees | Current Weight Guidelines           | 2024 Proposed<br>Fees | Proposed weight guidelines |
|-----------------------------|--------------|-------------------------------------|-----------------------|----------------------------|
| Light Duty                  | \$125.00     | 10,000 lbs and less                 | \$225.00              | 10,000 lbs and less        |
| Light Duty Second Truck     | \$75.00      | 10,000 lbs and less                 | \$175.00              | 10,000 lbs and less        |
| Medium Duty                 | \$175.00     | 10,001 lbs to 60,000 lbs            | \$425.00              | 10,001 lbs to 26,000 lbs   |
| Medium Duty Second<br>Truck | None         | 10,001 lbs to 60,000 lbs            | \$350.00              | 10,001 lbs to 26,000 lbs   |
| Heavy-Duty                  | \$300.00     | 60,000 lbs and greater              | \$700.00              | 26,001 lbs and greater     |
| Heavy-Duty Second<br>Truck  | \$150.00     | 60,000 lbs and greater / 6 hour cap | \$500.00              | 26,001 lbs and greater     |

### BOATS, TRAILERS, AND CAMPERS

| Tow Classification | Current Fee | Current Weight Guideline | 2024 Proposed<br>Fee | Proposed Weight<br>Guideline |
|--------------------|-------------|--------------------------|----------------------|------------------------------|
| Heavy-Duty         | \$100.00    | None/Flat Fee            | \$700.00             | None/Flat Fee                |

| Tow Classification | Current Fee | Current Weight Guideline | 2024 Proposed<br>Fee | Proposed Weight<br>Guideline |
|--------------------|-------------|--------------------------|----------------------|------------------------------|
| Light Duty         | \$100.00    | None/Flat Fee            | \$200.00             | None/Flat Fee                |

#### **OUT-OF-TOWN RETRIEVALS**

| Classification    | Current Fee Per Mile | 2024 TRC Proposed Fee Per<br>Mile |
|-------------------|----------------------|-----------------------------------|
| Light/Medium Duty | \$4.00               | \$6.00                            |
| Heavy-Duty        | \$6.95               | \$8.89                            |

#### STORAGE FEES

| Category                            | Storage     | Current Daily Fee | 2024 Proposed Daily<br>Fee |
|-------------------------------------|-------------|-------------------|----------------------------|
| Motorized Vehicles and Recreational | Light Duty  | \$15.00           | \$30.00                    |
| Vehicles                            | Medium Duty | \$20.00           | \$40.00                    |
|                                     | Heavy-Duty  | \$25.00           | \$50.00                    |
| Boats, Trailers, and Campers        | Heavy-Duty  | \$25.00           | \$50.00                    |
| Motorcycles                         | Light Duty  | \$15.00           | \$30.00                    |

### ADMINISTRATIVE FEE

| Current Fee | Proposed Fee |
|-------------|--------------|
| \$75.00     | \$75.00      |

- WHEREAS The recommendations from the Towing Rate Commission regarding fees for police-authorized towing are subject to approval by the Detroit City Council; NOW THEREFORE BE IT
- **RESOLVED,** The Detroit City Council sets the administrative, towing, service, and storage fees for police-authorized towing at the levels recommended by the Towing Rate Commission; **THEREFORE, BE IT FINALLY**
- **RESOLVED,** These changes to the towing and fee schedule for police-authorized towing shall become effective at the start of the next fiscal year, July 1, 2025.

ATTACHMENT: 2024 TOWING RATE COMMISSION RECOMMENDED TOWING AND OTHER FEES SCHEDULE



## OFFICE OF THE AUDITOR GENERAL

## 2024 TOWING RATE COMMISSION Recommended Towing and Other Fees Schedule

## MOTORIZED VEHICLES AND RECRETIONAL VEHICLES

| Tow Classification <sup>(A)</sup> | Current<br>Fees | Current Weight Guidelines | 2024 TRC<br>Proposed<br>Fees | Proposed Weight<br>Guidelines |
|-----------------------------------|-----------------|---------------------------|------------------------------|-------------------------------|
| Light Duty                        |                 | 10,000 lbs and less       | \$ 225.00                    | 10,000 lbs and less           |
| Light Duty                        | 1               | 10 000 lbc and less       | \$ 175.00                    | 10 000 lbs and less           |



## OFFICE OF THE AUDITOR GENERAL

## 2024 TOWING RATE COMMISSION Recommended Towing and Other Fees Schedule

#### **OUT-OF-TOWN-RETRIEVALS**

| Classification    | Current Fee<br>Per Mile | 2024 TRC<br>Proposed Fee<br>Per Mile |
|-------------------|-------------------------|--------------------------------------|
| Light/Meduim Duty | \$4.00                  | \$6.00                               |
| Heavy-Duty        | \$6.95                  | \$8.89                               |

Notes: (A) Per the Police Authorized Towers contracts, the mileage for "Out-of-Town Retrievals" is to be calculated from the point at which the tow truck exits the City of Detroit city limits to retrieve the vehicle, to the point at which the tow truck and towed vehicle renters the City of Detroit city limits us-ing the most reasonably efficient route:

(B) The charges are "in addition" to the towing fees associated with the category and classification of the item being towed.

#### STORAGE FEES

| Category                        | Storage     | urrent<br>ily Fee | 2024 TRC<br>Proposed<br>Daily Fee |
|---------------------------------|-------------|-------------------|-----------------------------------|
| Motorized Vehicles              | Light Duty  | \$<br>15.00       | \$<br>30.00                       |
| and Recretional Vehicles        | Medium Duty | \$<br>20.00       | \$<br>40.00                       |
|                                 | Heavy-Duty  | \$<br>25.00       | \$<br>50.00                       |
| Boats, Trailers, and<br>Campers | Heavy-Duty  | \$<br>25.00       | \$<br>50.00                       |
| Motorcycles                     | Light Duty  | \$<br>15.00       | \$<br>30.00                       |

Notes: (A) According to the Detroit Police Department Manual, storage fees are waived if a complainant's vehicle is towed, transported, and held at the Department's approved evidence lot for the purpose of collecting and processing evidence, if the crimes are either homicide, criminal sexual conduct, robbery, or carjacking.

(B) The Detroit Police Department does not assess fees when a vehicle was stolen and recovered in the City of Detroit. Exceptions include situations where the vehicle is being picked up by a corporate or business entity, such as an insurance company, or where the individual has insurance that includes payment of towing and storage fees.



## OFFICE OF THE AUDITOR GENERAL

## 2024 TOWING RATE COMMISSION Recommended Towing and Other Fees Schedule

#### **ADMINISTRATIVE FEE**

| Current Fee | Proposed Fee |
|-------------|--------------|
| \$75.00     | \$75.00      |

Note: Under Section 46-2-114. Administrative fees:

- (a) An administrative fee shall be charged to, and paid by, the owner of each vehicle towed by a private tow company in a non-consensual tow, other than a Department authorized tower, from a location inside the City.
- (b) The Police Department shall establish the administrative fee for non-consensual tows in accordance with Section 9-507 of the Charter subject to approval by the City Council through adoption of a resolution.