

# Austin Police Department Highway Enforcement Command

## Tow Fee Study

# Towing Services

Towing is vital to maintaining the infrastructure of a city. Without towing services, Austin would have a hard time functioning. Private property impounds performed and contracted by businesses/individuals alleviate use of city resources by:

- Clearing vehicles parked illegally in fire zones and handicap parking spaces
- Removing abandoned or junked vehicles
- Clearing right of way to access private properties
- Securing parking lot from unauthorized use of resident/tenant/merchant spaces

# Request for Increase

Austin towing companies are requesting an increase for **non-consent private property tows (PPIs)**, performed in the City of Austin **from the current rate of \$150 to \$185.**

- Current Austin Rate \$150
- Current Local Metropolitan Average \$ 212.73
- Current Major Texas City Average \$199

# Consent vs Non-Consent Tows

Consent Tows: a tow of a motor vehicle initiated by the owner or operator of the vehicle or by a person who has possession, custody, or control of the vehicle. The tow does not include a tow of a motor vehicle initiated by a peace officer investigating a traffic accident or traffic incident that involves the vehicle.

Non-Consent Tows: a tow that is not a consent tow.

The tow fee study is for non consent – private property tows, herein known as PPIs.

# Light Duty Vehicle Tows

- \* Light duty vehicle tows are the most common type of tow requested.
- \* Light Duty Vehicle is your standard vehicle with a total GVW (Gross Vehicle Weight) of 10,000 lbs.
- \* This tow fee increase request will only encompass light duty vehicle tows.
- \* Examples: sedans, pickup trucks, SUVs, and vans

# Current Light Duty Impound Fees

- \* **Example of a vehicle impounded for 1 day. The following is a breakdown of the total cost:**
- \* \$150.00 – tow fee
- \* \$20.00 – impound fee
- \* \$20.00 storage fee
- \* \$3.30 – sales tax (taxed items are storage and impound fee)
- \* **Total fee: \$ 193.30**

# History of Tow Fee Increases

Year	Increase	Non-Consent Tow rate
19-Jun-2006	58%	\$150.00
18-Mar-2001	46%	\$95.00
18-Jul-1996	18%	\$65.00
26-Jan-1989		\$55.00

# City of Austin Ordinance 20060608-019

## 13-6-141 TOWING FEE STUDY :

A “towing fee” study is used to determine fair market value of non-consent tows originating in the City of Austin, including the consideration of financial information provided to the city by the towing company that requested the study.



# Consumer Price Index

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

# Consumer Price Index + Tow Rate

Consumer price index from January 2006 to December 2018 has increased 23.64% at an average rate of 1.85% per year as calculated by APD's Finance Office.

Using the CPI increase since 2006, the \$150 rate for non-consent tows would now equal \$185.46.

# Living Wage Rate

- \* In 2008, the City of Austin shows the Living Wage rate to be at a rate of \$10.90/hour
- \* In 2016, the City of Austin shows the Living Wage rate to be at a rate of \$15.00/hour
- \* This is an increase of 38% between 2008 and 2016. Using the Living Wage increase since 2008, the \$150 rate for non-consent tows would now equal \$207

# Neighboring Agencies

## Travis County

As of current date, Travis County private property tow fee is the state regulated rate of \$255.00.

## Williamson County

As of current date, Williamson County private property tow fee is the state regulated rate of \$255.00.

# City Comparisons

APD Wrecker Enforcement surveyed agencies from the 10 largest cities in Texas, as well as the surrounding Austin Metropolitan Area.

Austin is the 4<sup>th</sup> largest city in the survey.

# Austin Metropolitan Area

Of the 10 surrounding counties surveyed, it was discovered that all maintain the state regulated tow fee rate of \$255.00

The average non-consent tow rate for the Austin Metropolitan area is \$212.73.

# Austin Metropolitan Area

Average =  
\$212.73

Lowest =  
\$85

Highest =  
\$255

San Marcos	\$85
Cedar Park	\$125
Austin	\$150
Leander	\$195
Georgetown	\$255
Williamson County	\$255
Round Rock	\$255
Pflugerville	\$255
Kyle	\$255
Hays County	\$255
Travis County	\$255

LOWER  
Price  
HIGHER



# Large Texas Cities

Of the ten large cities surveyed, five of the cities maintain the state regulated tow rate of \$255.

Of the ten large cities surveyed, the city of El Paso maintains the lowest tow rate of \$100.

The average non-consent tow rate for Texas large cities is \$199.00



# Largest Texas Cities

Average =  
\$191.60

Lowest =  
\$121

Highest =  
\$255

El Paso	\$100
Dallas	\$121
Austin	\$150
Houston	\$167
San Antonio	\$177
Corpus Christi	\$255
Laredo	\$255
Plano	\$255
Arlington	\$255
Ft Worth	\$255

LOWER  
Price  
HIGHER



# Tow Fee Increase Considerations

- \* On June 6, 2019, the City of Austin Wrecker Ordinance was amended to adjust the non-consent tow fee, excluding the non-consent private property tows.
- \* Private property tows represent over 58 % of all non-consent tows (obtained during the 12 month period of 5/1/2019-4/30/2019).
- \* Consent tows are not part of this established fee schedule.

# Final Recommendation

- \* After extensive review and consideration of the tow fee study results and significant change in the Consumer Price Index, the Austin Police Department identified that an increase for non-consent, private property tows to \$185 is a reasonable request. By comparing the Austin rate to neighboring communities and other large cities in Texas, the current rate of \$150 is non-competitive, below average, and deserving of modification to meet up to date standards.