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COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC HEARING

BEFORE THE COMMITTEE ON LICENSES AND INSPECTIONS

- - -

Room 696, City Hall
Philadelphia, Pennsylvania
Wednesday, October 8, 2003
10:30 a.m.

- - -

BILL NO. 030557 - An Ordinance amending Title 9 of
The Philadelphia Code by amending Section 9-605
(Towing)

- - -

PRESENT:

COUNCILMAN RICHARD T. MARIANO,
Chair

COUNCILWOMAN BLONDELL REYNOLDS
BROWN
COUNCILMAN FRANK RIZZO
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN DARRELL L. CLARKE
COUNCILWOMAN JOAN L. KRAJEWSKI

- - -

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BILL 030557

PAGE

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Otis Haigler, L & I-----

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Lance Haver, Director, Mayor's Office on

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Consumer Affairs-----

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Joseph Pultrone, Citizen-----

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1 BILL NO. 030557 - 10/8/03

2 COUNCILMAN MARIANO: The Committee on L
3 & I is called to order. This is the Public Hearing
4 for the Committee on Licenses and Inspections.

5 Mr. Allen, do you want to read the first
6 bill.

7 THE CLERK: Bill No. 030557, an Ordinance
8 amending Title 9 of the Philadelphia Code by
9 amending Section 9-605 to establish specific limits
10 to the amounts that may be charged for towing
11 illegally parked vehicles from parking lots, private
12 property, and driveways, and to make certain
13 technical changes, all under certain terms and
14 conditions.

15 COUNCILMAN MARIANO: I neglected to say,
16 I have Councilman Rizzo, Councilman Nutter,
17 Councilwoman Blackwell, Councilman Clarke, and
18 Councilwoman Brown. I saved the best for last.

19 Testimony. Otis Haigler, Licenses &
20 Inspections.

21 MR. OTIS HAIGLER: Good day, Councilman
22 Mariano and members of the committee. I am Otis
23 Haigler, Junior, Legislative and Regulatory Affairs
24 Manager for the Department of Licenses &
25 Inspections.

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2 Today I am here to provide testimony on
3 Bill No. 030557, which, if enacted, will amend
4 Section 9-605 of the Philadelphia Code to establish
5 limits on the fees and charges that may be assessed
6 by towing operators for the towing of illegally
7 parked vehicles.

8 The department offers no objections to
9 the passage of Bill No. 030557 in the interest of
10 consumer protection and believes that this bill will
11 provide uniformity for all persons and businesses --

12 COUNCILMAN MARIANO: Excuse me. If
13 everybody wants to talk, could you go outside. This
14 is just as important as everything else. Thank you.

15 Go ahead, Mr. Haigler.

16 MR. HAIGLER: The department offers no
17 objections to the passage of Bill No. 030557 in the
18 interest of consumer protection and believes that
19 this bill will provide uniformity for all persons
20 and businesses that engage in the activity of towing
21 illegally parked vehicles.

22 The intent of Bill 030557 is to set
23 limits on the fees towing operators may charge for
24 the towing of illegally parked vehicles. This will
25 address an area of public concern that is not

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2 covered under the current provisions of Section
3 9-605.

4 The current provisions of Section 9-605
5 apply only to the fees charged to tow damaged or
6 disabled vehicles. It does not apply to the towing
7 of illegally parked vehicles.

8 Through the enactment of this amendment
9 to Section 9-605, a loophole that currently exists
10 with enforcement will be closed and the department
11 will have the legal authority to take appropriate
12 action against persons found to be in violation of
13 this section of the Philadelphia Code as amended.

14 Thank you for the opportunity to provide
15 the department's testimony on Bill 030557. I will
16 be happy to answer any questions at this time.

17 COUNCILMAN MARIANO: Thank you, Mr.
18 Haigler.

19 Any questions from Mr. Haigler from the
20 committee?

21 Councilman Clarke.

22 COUNCILMAN CLARKE: Thank you, Mr.
23 Chairman.

24 Mr. Haigler, currently is there a set fee
25 for a situation where the owner of the vehicle comes

1 BILL NO. 030557 - 10/8/03

2 on the scene as the vehicle is about to be towed?

3 Let's give you a for instance.

4 I happened to be at a location, and an
5 individual had parked their car at a CVS on
6 Fairmount Avenue. And after the 10 o'clock closing
7 of the CVS, the tow trucked showed up like three
8 minutes later, pulled the guy's car up, started the
9 process of pulling the guy's car up.

10 The guy ran out of the restaurant and
11 stopped and said, "It is my vehicle. You know, I am
12 here," the whole nine yards.

13 And the individual said, "Well, if you
14 give me \$90, I will drop your vehicle and you can go
15 on your way." And the guy ran down the street to
16 the ATM machine, came back with the \$90, and the guy
17 released his vehicle and he drove off of the lot.

18 Is there a specific fee for interrupted
19 towing or is it just arbitrarily determined on the
20 site?

21 MR. HAIGLER: No, there is no set fee.
22 That's the purpose of this bill, to deal with fees
23 for illegally parked vehicles.

24 There are fees that are currently
25 established for disabled vehicles, vehicles that are

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2 involved in accidents that are removed from the
3 highway. But there are no set fees at this present
4 time.

5 And that's what this bill will do, set
6 fees for cars such as you described, that are parked
7 either illegally or parked in an area that is posted
8 to indicate that no parking is allowed. This will
9 allow those fees to be set for those types of
10 vehicles that are towed.

11 COUNCILMAN MARIANO: Councilwoman
12 Krajewski is here, too. She is on the committee,
13 for the record. Sorry.

14 COUNCILMAN CLARKE: So in that particular
15 case that I have from the city, it is basically left
16 up to the individual who is requesting the
17 compensation and the individual who has to provide
18 the compensation.

19 MR. HAIGLER: At the present time, that's
20 the way it is, sir.

21 COUNCILMAN CLARKE: So at this point,
22 with the passage of this bill, the fee will be
23 whatever is listed under the Code.

24 MR. HAIGLER: That's correct.

25 COUNCILMAN MARIANO: And, Councilman, I

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2 would think if the tow truck operator wants to
3 negotiate for a lesser of a fee because it is on the
4 hook but it is not out, that's pretty much up to
5 him. Because then he doesn't have to store it.

6 Like say if he he wanted 90 bucks for
7 that, I don't think we really have anything to do
8 with that. Right?

9 MR. HAIGLER: No, we don't.

10 COUNCILMAN CLARKE: All right.

11 MR. HAIGLER: We can set maximum fees,
12 and anything less is up to them.

13 COUNCILMAN MARIANO: Any other question
14 from the committee? Any other Councilpeople?

15 Seeing none. Mr. Haver.

16 MR. LANCE HAVER: My name is Lance Haver.
17 I am the newly appointed Director of the Mayor's
18 Office of Consumer Affairs. And I will be brief,
19 because this bill is needed.

20 I am here to support the proposed
21 amendments to Bill No. 030557. While the Office of
22 Consumer Affairs is not old enough to have developed
23 any statistically significant data, we are well
24 aware of the problems consumers face. Illegal
25 towing and the outrageous prices consumers are

1 BILL NO. 030557 - 10/8/03

2 forced to pay to ransom their cars from the towing
3 pirates are a major problem.

4 The amendments to the bill are needed.

5 And on behalf of consumers, I want to thank
6 Councilman Mariano and Councilman Clarke for
7 recommending these changes.

8 I would be happy to answer any questions,
9 but I think it is very straight-forward.

10 COUNCILMAN MARIANO: Councilman Rizzo.

11 COUNCILMAN RIZZO: There is an issue that
12 I would like to let you be aware of, something that
13 really troubles me that I have seen recently.

14 I have seen tow trucks laying in wait for
15 a person to break the law. I witnessed personally a
16 situation where a tow truck was waiting in the back
17 of a parking lot for a person to park in a
18 restricted area next to a fast-food restaurant, a
19 take-out restaurant.

20 As soon as the person went into the
21 restaurant, the tow truck raced to the back of the
22 vehicle to block it in. The person came out of the
23 restaurant -- and I witnessed this personally --
24 came out of the restaurant and was told that the car
25 was being towed away. It was not even hooked up yet

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2 to the tow truck.

3 And the tow truck said that he was
4 charged, you know, one of the famous name people
5 because it was on private property, that he was
6 taking the vehicle away. And that poor person was
7 standing there begging this tow truck operator to
8 not do that.

9 And I just hope that something, maybe in
10 your new capacity, to communicate to these people.
11 I mean, this is kind of like becoming a business.
12 The tow truck sits in the back of the parking lot.

13 Obviously the person is doing wrong; they
14 are parking on private property across the street
15 from the take-out place. They come out of the
16 take-out place, their car is gone.

17 They take that vehicle. Then the tow
18 truck comes back, waits for another poor person, or
19 stupid person. So, it is a cycle. All night.

20 I went into the restaurant and I asked
21 the person that worked in the restaurant. And they
22 told me that tow truck takes one after another, one
23 after another. So something really needs to be
24 done.

25 I know people shouldn't park on private

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2 property, even for two minutes, to go in and pick up
3 something. But if they get back to the car, the car
4 doesn't even have a ticket on it, it is a vehicle
5 that was just parked in an area that's posted
6 serviced by XYZ Towing -- I hope there is not an XYZ
7 Towing -- and it has just become a cash register.

8 That obviously needs to be addressed
9 here.

10 COUNCILMAN MARIANO: That's sort of a
11 variation on speed trap, isn't it, Councilman?

12 COUNCILMAN RIZZO: It is a tow trap.

13 COUNCILMAN MARIANO: You have to stop
14 eating at Popeye's, that's what it is.

15 COUNCILMAN RIZZO: It was a pizza place.

16 MR. HAVER: Councilman, I understand what
17 you are saying. I think that's similar to what
18 Councilman Clarke was saying.

19 I will tell you that we have reports of
20 people who are paid money to sit in parking lots and
21 call the tow truck companies to come and pick up a
22 car when they see someone, for instance, in a
23 supermarket lot, someone goes into the supermarket,
24 actually shops and, then runs across the street
25 either to a state store or drugstore and pick

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2 something else up.

3 As soon as the street folks see the
4 person crossing the street, they are on the phone to
5 the tow truck company. And then the tow truck
6 driver comes, gives them some money, and then they
7 pick the car up.

8 We have had those reports. We have not
9 been able to substantiate them. We are a little too
10 new to do that. But certainly what you are talking
11 about would be some form of an appeal. We are not
12 there yet.

13 We hope to have the data for you so, when
14 we say this is happening, we can prove this is
15 happening. But right now I can say with a surety we
16 need this amendment.

17 COUNCILMAN RIZZO: One of the problematic
18 areas is SEPTA. SEPTA hires a towing company to
19 enforce the lot. The lot was a lot right off of
20 City Line Avenue, where there is two fast-food
21 restaurants. People park in the SEPTA lot.

22 And that particular tow truck operator
23 scoops those cars up one after another, and even
24 when the person comes back. And that is really -- I
25 think that's evil, to do that.

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2 COUNCILMAN MARIANO: Thank you,
3 Councilman.

4 Any other questions for Mr. Haver?

5 Seeing none. Any other witnesses?

6 MR. HAVER: Thank you very much.

7 COUNCILMAN MARIANO: Thank you, Mr.
8 Haver.

9 MR. JOSEPH PULTRONE: I would like to
10 thank the ladies and gentlemen of City Council for
11 having me here today to speak. I am lobbying on
12 behalf of the towing industry.

13 My name is Joseph Pultrone. And I would
14 like to tell you a few things about the other side
15 of the coin.

16 And I absolutely agree with some of the
17 other witnesses; however, with both sides of the
18 coin being -- telling the whole story on this issue.

19 I may as well start with something that
20 this other gentleman addressed and a personal issue
21 involved with another township where the towing
22 prices have been capped.

23 My automobile was parked in a service
24 repair facility in Havertown, where towing prices
25 have been capped. And they are not able to get a

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2 towing operator to tow illegally parked vehicles off
3 of this.

4 My vehicle was there for repairs. The
5 gentleman that owns the place is a friend of mine.
6 He charges me very reasonable prices. There happens
7 to be a bar across the street from this gentleman's
8 establishment. Someone came out of the bar and hit
9 my vehicle and took off.

10 I don't want to sue my friend, but I have
11 damage to my vehicle. And I am between a rock and a
12 hard place. That's my own personal issue with this.

13 There is also other issues involved, that
14 I am also in the towing business. My job in the
15 towing business is not to tow vehicles; I was a
16 salesman.

17 I didn't have to go out and solicit
18 business. I had people contact me requiring our
19 services. People such as dialysis patients, who
20 were blocked in their driveway not able to go out
21 and receive treatment; U.S. attorneys who couldn't
22 go to court to prosecute criminals on South Sixth
23 Street, Councilman. School teachers.

24 I also had the pleasure of servicing a
25 Rite Aid pharmacy on 9th and Catharine, right off of

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2 the Italian market. Everyone thinks it is free
3 parking for the Italian market.

4 There is an elderly couple that lives
5 near by that can't walk very well, they do need to
6 drive to pick up their medication. Subsequently I
7 was contacted by this couple to put a sign up in
8 their parking lot.

9 And they thanked me for servicing the
10 Rite Aid, because they couldn't get there to pick up
11 their medication and had gone a day or two without
12 it. Employees could not get in there.

13 In addition, there is another Rite Aid
14 off of South Street. There is liability issues
15 concerned with people coming back from drinking on
16 South Street, smashing into cars, broken bottles, et
17 cetera, and et cetera.

18 The whole nature of this bill, I agree
19 maybe there should be some capping on some prices.
20 But, on the other hand, no one is capping the
21 insurance industry on what they can charge an
22 illegal -- charge a towing company for charging
23 illegally parked cars.

24 And ultimately it can put a necessary
25 business out of business, which we hope that won't

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2 happen because the city would, basically, shut down.
3 School teachers wouldn't be able to get to work.

4 And there are exceptions. And there are
5 good towing operators out there that don't do these
6 pirate-type acts, as this other gentleman had
7 stated.

8 So on behalf of the towing industry, I am
9 against any amendment at this point unless it also
10 addresses the other issues of insurance rates that
11 we're charged by insurance companies.

12 And I would like to thank Council for
13 having me.

14 COUNCILMAN MARIANO: Thank you, Mr.
15 Pultrone. Councilman Rizzo has a question.

16 We have nothing to do with insurance
17 rates. In fact, Councilman Clarke and I are
18 co-Chairmen of the Mayor's Task Force on Automotive
19 Insurance, which resulted in a decrease of 25
20 percent in some cases.

21 But that doesn't help you with your
22 commercial thing. So let Councilman Rizzo ask you
23 the question.

24 COUNCILMAN RIZZO: Mr. Pultrone, good
25 morning. You heard what I said earlier?

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2 MR. PULTRONE: Yes, absolutely.

3 COUNCILMAN RIZZO: What do you think of a
4 tow truck operator that does what I described?

5 MR. PULTRONE: Well, it is unfortunate,
6 but laws are going to pertain to everyone.

7 And the gentleman that -- what do I
8 personally think of the tow truck operator? There
9 should be time limits posted on lots like that.

10 Maybe -- this kind of Council bill really
11 needs to be well thought out. And maybe they should
12 put time limits that anyone can park there.

13 Someone just running into a fast-food
14 establishment is different than someone running into
15 a bar and then smashing a vehicle in which that
16 private property owner could possibly be held liable
17 for.

18 COUNCILMAN RIZZO: Mr. Pultrone, the car
19 is not yet hooked up to the tow truck. The person
20 comes back to their vehicle, realizes that they
21 parked illegally.

22 Don't you think --

23 MR. PULTRONE: I understood exactly. And
24 I am going to answer that, because I did take notes
25 when you asked the other question.

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2 I think the driver of the tow truck maybe
3 should be arrested for grand theft auto. There
4 should be criminal charges, not civil legislation.

5 COUNCILMAN RIZZO: Thank you. That's all
6 I needed to hear.

7 MR. PULTRONE: Thank you, Councilman.

8 COUNCILMAN MARIANO: Thank you
9 Councilman. Thank you, Mr. Pultrone.

10 Unfortunately, if I could just say this,
11 we have a situation here in this city where this has
12 probably gotten out of control.

13 And we could sit here all day, and
14 Councilman Rizzo can come up with scenarios because
15 he is the scenario master, he comes up with great
16 scenarios. And they are serious scenarios.

17 But if you owned a parking lot somewhere,
18 right, Councilman, and people are parking in it, you
19 have certain rights because you own that parking
20 lot.

21 What we are trying to do with this bill
22 is, we are not worried about the parking lots; we
23 are worried about the people that get towed by those
24 unscrupulous tow truck drivers or tow truck driver
25 owners. And most of them aren't unscrupulous, just

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2 a few that make it bad.

3 But I am going to do an amendment to this

4 that makes it a little clearer in a second here.

5 Then the law is clearer.

6 This is a bill that L & I wanted. We met

7 with L & I for a while. One of the deputy

8 commissioners came up with a lot of these ideas, and

9 that's why we are going to run with it.

10 At this time I would like to describe the

11 amendment to Bill 030557 that has been circulated.

12 The amendment adds the definition of Towing

13 Companies and Towing to Section 9-605 and allows for

14 \$150 maximum fee for towing from a private lot and

15 \$25 per day, up to \$175.

16 Other fees, such as winching fees, are

17 prohibited. The most any consumer will be expected

18 to pay in the future is \$325.

19 This is a far cry from today, where

20 consumers have told the department they have been

21 charged over \$200 for a tow, storage fees, and

22 hundreds of dollars in other fees.

23 I am also hopeful that, with these

24 changes, the department will enforce these

25 provisions in the strongest possible manner.

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We will now go into the public meeting.
(Public Hearing adjourned.)

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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC MEETING

of the

COMMITTEE ON LICENSES AND INSPECTIONS

- - -

Wednesday, October 8, 2003

- - -

Public Meeting conducted by the Committee on
Licenses and Inspections, held in Room 696, City
Hall, Philadelphia, Pennsylvania, on the above date,
to consider action on the following:

BILL NO. 030557

- - -

PRESENT:

COUNCILMAN RICHARD T. MARIANO,
Chair.

COUNCILWOMAN BLONDELL REYNOLDS
BROWN
COUNCILMAN FRANK RIZZO
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN DARRELL L. CLARKE
COUNCILWOMAN JOAN L. KRAJEWSKI

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1 PUBLIC MEETING

2 COUNCILMAN MARIANO: The Chair recognizes
3 Councilman Clarke for a motion to the amendment to
4 Bill No. 030557. I just closed the Public Hearing;
5 now we are in a Public Meeting.

6 COUNCILMAN CLARKE: Thank you, Mr. Chair.
7 I would like to ask for a motion for the
8 amendment on Bill No. 030557.

9 (Duly seconded.)

10 COUNCILMAN MARIANO: The amendment has
11 been made and seconded.

12 All those in favor of the amendment.

13 Opposed?

14 Not seeing any, the amendment passes.

15 I want to make a motion to bring Bill
16 030557 as amended out of committee and suspend the
17 Rules so it can be read at the next Council session.

18 (Duly seconded.)

19 COUNCILMAN MARIANO: It has been made an
20 seconded.

21 All those in favor?

22 Those opposed?

23 Seeing none, it passes as amended.

24 And that is the end of the public
25 meeting. Thank you. Thank you very much.

PUBLIC MEETING
(Public Meeting adjourned at 10:50 a.m.)
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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Wednesday, October 8, 2003, were
reported fully and accurately by me, and that this
is a correct transcript of same.

RE: COMMITTEE ON LICENSES & INSPECTIONS

DEBRA A. WHITEHEAD