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**REPORT OF THE  
CHIEF LEGISLATIVE ANALYST**

DATE: June 15, 2010

TO: Honorable Members of the Los Angeles City Council

FROM: Gerry F. Miller *G. Miller* Council File No.: 10-0002-S46  
Chief Legislative Analyst Assignment No.: 10-05-0492

SUBJECT: Resolution to SUPPORT SB 1024 (Oropeza) which would provide for increased fines and impoundment procedures for illegally operated and/or unlicensed tow trucks

CLA RECOMMENDATION: Adopt the attached Resolution to include in the City's 2009-2010 State Legislative Program SUPPORT for SB 1024 (Oropeza) which would provide for increased fines and impoundment procedures for illegally operated and/or unlicensed tow trucks.

SUMMARY

The attached Resolution (Smith – Zine) states that recent years have seen the widespread proliferation of “bandit tow truck operators,” a faction of operators within the towing industry that exploit the lack of industry regulations, employ unethical and sometimes illegal business practices and exhibit unprofessional behavior. The Resolution further states that SB 1024 (Oropeza) would provide that an illegally operated and/or unlicensed tow truck would be subject to impoundment for up to 30 days and provides procedures for storage, a poststorage hearing, payment of storage fees and release of an illegally operated and/or unlicensed tow truck. The Resolution therefore recommends that the City SUPPORT SB 1024 (Oropeza) which would provide for increased fines and impoundment procedures for illegally operated and/or unlicensed tow trucks.

BACKGROUND

Recent years have seen the widespread proliferation of “bandit tow truck operators,” a faction of operators within the towing industry that exploit the lack of industry regulations, employ unethical and sometimes illegal business practices and exhibit unprofessional behavior.

The Official Police Garage Association of Los Angeles (OPGLA) is made up of 18 contracted tow services. Among other things, the OPGLA works collectively to ensure that towing processes are standardized and that the various member towing companies are complying with the Los Angeles Police Commission's towing rules and regulations.

The OPGLA reports that bandit tow truck operators have engaged in a variety of predatory towing practices that include monitoring private lots to tow away vehicles that are not violating state or local parking regulations, providing “kickbacks” to property owners or security guards and charging fees that are above what the municipality has approved.

In addition, law enforcement estimates that there are likely hundreds of illegally operating tow trucks in the State, and approximately 200 in the City. The Los Angeles Police Department (LAPD) reports, in 2009, there were 49 instances where citations were issued for a variety of illegal towing operations. LAPD further reports that one of these offenders was cited 15 times over the years, and told LAPD that he considered the \$200 citations a "cost of doing business."

SB 1024 would provide that an illegally operated and/or unlicensed tow truck would be subject to impoundment for up to 30 days. SB 1024 establishes procedures for storage, a poststorage hearing, payment of storage fees and release of an illegally operated and/or unlicensed tow truck. In addition, SB 1024 would also provide that a towing truck company who violates licensing requirements is guilty of a misdemeanor punishable by a \$5,000 fine.

The OPGLA sponsors and supports SB 1024. The OPGLA reports that this legislation would improve law enforcement's ability to regulate bandit towing companies that are unsafe, violate consumer and local laws and divert business from legitimate towing companies. The OPGLA also reports that the passage of SB 1024 would allow the City to recover lost revenue attributable to the illegal operations of bandit tow trucks including City vehicle release fees, parking occupancy tax fees and franchise/gross revenue fees.

BILL STATUS

02/11/10	Introduced.
02/25/10	Referred to Com. on RLS.
04/05/10	Amended. Re-referred to Com. on RLS, Com. on T. & H. and Com. on PUB. S..
04/08/10	Set for hearing April 13. Hearing canceled at the Author's request.

DEPARTMENTS NOTIFIED

Los Angeles Police Department (LAPD)



Annie Danino  
Analyst

MAY 11 2010

10-0002-546

FORMATION TECH. & GOVT. AFFAIRS

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, recent years have seen the widespread proliferation of "bandit tow truck operators," a faction of operators within the towing industry that exploit the lack of industry regulations, employ unethical and sometimes illegal business practices and exhibit unprofessional behavior; and

WHEREAS, bandit tow truck operators have engaged in a variety of predatory towing practices that include monitoring private lots to tow away vehicles that are not violating state or local parking regulations, providing "kickbacks" to property owners or security guards and charging fees that are above what the municipality has approved; and

WHEREAS, SB 1024 (Oropeza) would provide that an illegally operated and/or unlicensed tow truck would be subject to impoundment for up to 30 days. SB 1024 also provides procedures for storage, a poststorage hearing, payment of storage fees and release of an illegally operated and/or unlicensed tow truck; and

WHEREAS, SB 1024 would also provide that a towing truck company who violates licensing requirements is guilty of a misdemeanor punishable by a \$5,000 fine; and

WHEREAS, the Los Angeles Official Police Garage Association (OPGLA) sponsors and supports SB 1024. OPGLA reports that this legislation would improve law enforcement's ability to regulate bandit towing companies that are unsafe, violate consumer and local laws and divert business from legitimate towing companies; and

WHEREAS, the passage of SB 1024 would allow the City to recover lost revenue attributable to the illegal operations of bandit tow trucks including City vehicle release fees, parking occupancy tax fees and franchise/gross revenue fees.

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2009-2010 State Legislative Program SUPPORT for SB 1024, which would provide for increased fines and impoundment procedures for illegally operated and/or unlicensed tow trucks.

MAY 11 2010

PRESENTED BY

GREIG SMITH  
Councilmember, 12<sup>th</sup> District

SECONDED BY

AD

ORIGINAL

EG