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Title: SECOND READING OF AN ORDINANCE ADDING CHAPTER 18 (TOW SERVICE FRANCHISES) TO ARTICLE VI (TAXES AND LICENSES) OF THE CARSON MUNICIPAL CODE TO ESTABLISH TOWING REGULATIONS GOVERNING THE PROVISION OF NON-CONSENSUAL TOWING SERVICE (CITY COUNCIL)

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Attachments: 1. Ordinance Number 23-2301

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| 1/17/2023 | 1 | City Council | | |

Report to Mayor and City Council

Tuesday, January 17, 2023
Ordinance Second Reading

SUBJECT:

SECOND READING OF AN ORDINANCE ADDING CHAPTER 18 (TOW SERVICE FRANCHISES) TO ARTICLE VI (TAXES AND LICENSES) OF THE CARSON MUNICIPAL CODE TO ESTABLISH TOWING REGULATIONS GOVERNING THE PROVISION OF NON-CONSENSUAL TOWING SERVICE (CITY COUNCIL)

I. SUMMARY

Staff requests City Council approval to introduce an ordinance adding Chapter 18 (Tow Service Franchises) to Article VI (Taxes and Licenses) of the Carson Municipal Code to establish towing regulations to govern the provision of non-consensual City towing service, consistent with applicable laws and to protect the public health, safety, and welfare. These regulations would ensure that the best possible tow truck operators are selected to participate in the City’s rotational tow program in conducting efficient, prompt, safe and comprehensive towing services.

II. RECOMMENDATION

CONDUCT a Second Reading by title only and with further reading waived, ADOPT Ordinance No. 23-2301, “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF

CARSON, CALIFORNIA, ADDING CHAPTER 18 (TOW SERVICE FRANCHISES) TO ARTICLE VI (TAXES AND LICENSES) OF THE CARSON MUNICIPAL CODE”.

III. ALTERNATIVES

TAKE any other action the City Council deems appropriate that is consistent with the requirements of the law.

IV. BACKGROUND

The City currently does not have an ordinance in place establishing an appropriate process for granting franchises to persons or firms furnishing tow services using City’s public streets, conditioning such franchises in a manner which best protects public health, safety, and welfare, and assuring cost recovery, as authorized by Section 1000 of the City’s Charter. The proposed ordinance would do so.

The City is authorized to adopt an ordinance under Section 1000 of the City Charter, to establish an appropriate general or specific process for granting franchises to any person or firm furnishing tow services using City’s public streets and conditioning such franchises in a manner which best protects public health, safety, and welfare, and assure cost recovery.

The proposed ordinance, to be known as the “The Franchise Tow Service Program” (FTSP), provides that the FTSP is subject to and shall in all respects comply with Section 1000 and 1002 of the City Charter but shall not be subject to the requirement to adopt a resolution of intent and hold public hearing prescribed in Section 1001 of the City Charter. Such exclusions are permitted under Section 1001. The FTSP is established to allow for Non-Consensual Towing Services on a rotational basis, as may be applicable, in accordance with the proposed ordinance.

Under the proposed ordinance, no person shall perform vehicle towing services for a non-consensual tow for the City of Carson unless such person has obtained a non-exclusive tow service franchise from the City to perform Non-Consensual Towing Services, as memorialized in a written tow franchise agreement (“Franchise Agreement”) approved by City Council and executed by the Mayor. The Franchise Agreement will contain or reference all program regulations, terms, and conditions, including but not limited to, those which shall govern storage of vehicles once vehicles are towed, franchise fees, the term of the Franchise, termination and suspension rights and obligations, and Franchisee’s insurance and indemnity obligations.

Participants in the rotational tow program shall pay City franchise fees in accordance with each Franchise Agreement and/or as from time to time set forth in a resolution adopted by the City Council. Such franchise fees shall be in addition to other applicable taxes, fees, or charges, if any, payable by tow operators conducting business in the City.

Only Tow Truck Operators who have been granted a non-exclusive franchise shall be eligible to participate in the rotational tow program. Operators wishing to obtain a non-exclusive tow service franchise shall submit a complete application to the City for review

and approval. The proposed ordinance establishes and details the application process and requirements and provides that no more than three (3) franchises shall be granted and be active at one time in order to ensure that there are a sufficient number of Tow Truck Operators to fulfill the demand.

The proposed ordinance also specifies the grounds for suspension or removal of a tow franchisee from the rotational tow program by the City Manager and provides that a franchisee that has been denied participation in the tow program or suspended or removed from the tow program shall have a right to appeal the decision, with the appeal to be heard by the City Council.

The current franchise tow agreements are expiring on February 28, 2023. This ordinance will establish towing regulations to govern the provision of non-consensual City towing services, consistent with the City's Charter and other applicable laws, thereby establishing a process for subsequent award of new tow franchise agreements. These regulations would ensure that the best possible tow truck operators are selected to participate in the City's rotational tow program in conducting efficient, prompt, safe and comprehensive towing service.

Staff would now like to request City Council approval to introduce the subject ordinance.

V. FISCAL IMPACT

There will be no fiscal impact to the City.

VI. EXHIBITS

1. Ordinance No. 23-2301

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