

**Towing Task Force Meeting Agenda Items**  
**November 8<sup>th</sup>, 2023**  
**2:00pm – 4:00pm**

1. Roll Call
2. Approval of 09/13, 10/11 Meeting Minutes
3. Administrative Items
4. Alternatives to CPI for Annual Inflation Adjustments
5. Open Discussion
6. Public Comments

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**Attachments:**

1. 09/13, 10/11 Meeting Minutes

## Towing Task Force Meeting Agenda Items November 8, 2023

Meeting opened at 2:05pm

### Members Present:

- Connolly, John (rep for a towing association with experience in consensual towing)
- Howes, James (rep for insurance companies that insure towing operations)
- Peirce, Michael (rep for mobile homeowners)
- Rich, Charles (Brandon) (rep for consumers of tow services, private property owners)
- Riestler, Jefferey (appointed by Attorney General, experience enforcing Consumer Protection Act)
- Riley, Nathan (rep for Public Utilities Commission)

### Members Not Present:

- Hahn, John (appointed by Chief of Colorado State Patrol)
- Prunsky, Gregory (rep for local law enforcement agencies)
- Ruscha, JoyAnn (rep for people with disabilities)

### Also Present:

Abdirahman, Hadija - (Public Utilities Commission)

**Minutes not able to be approved, due to lack of quorum.**

### Administrative Items:

Riley informed the Towing Task Force (TTF) members that the assigned Attorney General (John Roberts), who typically attends these meetings, indicated he was not going to be present at this meeting. It was determined that the meeting would proceed without him, and any legal inquiries present during the meeting would be addressed at a later date, being discussed at the following meeting or prior to the following meeting.

In addition, TTF members should have received an email from the Department about a required OIT cybersecurity training.

There are also several vacant TTF positions currently in the recruitment phase.

Riley, Hadija Abdirahman, and John Roberts have been working on a rudimentary towing task force bylaw, which will be circulated and discussed at a later meeting.

### Agenda Discussion Item:

Members of the TTF discussed the metric that is currently being used (CPI) for the annual inflation adjustments for towing carrier rates.

- **Riley** - described the suggestions from the previous TTF report. Some of the suggestions TTF members had made was the Personal Consumption Expenditure (PCE), the Producer Price Index (PPI), and the CPI - Transportation (CPI-T) as potential alternatives to what the commission currently uses. The commission currently uses the

simple CPI for Denver-Aurora-Lakewood, available through the Colorado Department of Local Affairs (CDOLA).

- **Riley** - said TTF members could consider recommending the use of the PCE index from the Bureau of Economic Analysis and the PPI from the Bureau of Labor Statistics, as they do break out the data by different categories.
- **Peirce** - stated that the aspect that needs to be addressed is the balance between the cost towards the towing carrier and the ability of the people being towed to pay the fees.

**Riley** - the TTF's overall position on the fact that there is an annual inflation adjustment mechanism in place, as a general policy of the PUC, is something the TTF should decide if it supports. If so, is the current metric (CPI through CDOLA) the best metric to use or are there potential alternatives that may be better?

- **Riley** - said since the beginning of 2022, the TTF has not discussed whether the annual inflation adjustment mechanism is an appropriate way to update rates, but rather the conversation often trends more towards the appropriate mechanism the PUC should use to make that adjustment.
- **Connolly** - explained that an annual adjustment was needed, since the previous process (regular rulemakings) to periodically adjust rates was something that had always been a problem. That's why the new mechanism was put into place because the old process of getting periodic rate increases took too long of a period to adjust.
- **Rich** - Discusses the difference between consensual and nonconsensual towing, including how the rates associated with each type of tow may change over time.
- **Peirce** - responded by saying that it's an accurate reflection of the cost to towing carriers, with the recognition that the consensual rates are reflecting a subset of the cost born by nonconsensual towing carriers.

Members of the TTF discussed parking policies in different communities.

- **Peirce** - his residents would be open to some kind of solution that involved property owners paying for nonconsensual tows because they want the towing to occur, and he believes they would also understand that the community will have to pay for the towing services as part of their living costs. As a result, within a cooperative, it has a natural disciplining effect, so the actual parking rules that are enforced by towing carriers may vary, based on the amount of value people place on enforcing the parking rules, as they are aware that the enforcement of the parking rules will be costly to them.
- **Riley** - said that he understands where Peirce is coming from. In general, communities do value parking policies if they are not too "nitpicky". Riley does think that community members value the fact that there are parking policies in place and that they are enforced, so it is not just a kind of "wild west" free-for-all parking situation. It is a balancing act, and every community can be very different.
- **Rich** - explained that the property owners, at least in an apartment building where his expertise lies, do not generate any revenue from a tow. The only thing they get are

angry residents and there is not really any incentive for them to have tight parking policies, regarding towing, because they do not generate revenue from it.

- **Rich** - continued by saying they do not have any revenue sharing from the towing carriers on those contracts. A lot of the towing comes from things like fire lane violations, which the properties are required to keep open because it is a safety issue. Other instances include individuals parking in spaces where other people are paying for that spot and people with disabilities having a spot that they do not pay for but still have a right to use.
- **Riley** - asserted that a potential train of thought could be a new rate system, whereby you essentially have the costs be a little more spread around, such as having a monthly or annual vendor fee that the towing carriers' charges to perform their services at a particular private property. When towing occurs, the costs are then split between the property owner and the vehicle owner.
- TTF members have agreed that there are some issues, including how contracts are being managed and rules being broken, such as ordinances or regulations, since there are people that violate the laws.
- **Connolly** - asserted that another problem is the incentives that tow carriers give to their operators/drivers. That plays a large part in creating overzealous parking enforcement. There are some towing carriers that will give their drivers \$75 for every car they bring in.
- **Riley** - introduced a concept that would explore where they would potentially try to figure out some kind of strategy, whereby the property owners would be on the hook for some of the fees associated with these kinds of tows.
- **Riley** - also said that the towing industry would be much more open to the 15%/ \$60 provision if the property owners were on the hook for whatever remaining balance existed after the vehicle was released. The property owners would probably be more likely to make subsequent payments to the towing carrier, as opposed to the vehicle owners/operators. However, that is not how things are currently set up.
- **Rich** - asked if, as a renter who adheres to the parking policies in their community, would they be willing to help pay for those who are violating those policies?
- **Connolly** - said that is the problem within our society related to people being responsible for their own actions. You could look at auto theft. His towing carrier does considerable business with law enforcement and tows multiple stolen vehicles each day that police recover, and the judges let the perpetrators go if they have not stolen over four vehicles yet. There is no incentive to stop people from stealing vehicles.
- **Rich** - said for property owners, they do not know the amount of vehicles that need to be towed and how many violators there are, so you are just going to come up with the fee.

There were no public attendees.

Next meeting will be held December 13<sup>th</sup>, meeting adjourned 3:58 pm.