

Thursday, September 29, 2005

TOUGHER TOWING RULES PROPOSED TO PROTECT DRIVERS

Tow Companies Would Be Required to Report List of Authorized Lots, Post Contact Information; Unauthorized Tows and Overcharging Top List of Towing Complaints

New Yorkers with cars towed from private lots will have greater protection under a rule proposed by the New York City Department of Consumer Affairs (DCA). Under the proposal, tow companies would be subject to penalties if they fail to provide a list of properties from which they are authorized to tow. In addition, the proposal would require tow companies to ensure basic information is posted on signs in lots - including company name, phone number, DCA license number, location to retrieve towed cars, DCA's complaint number, and maximum rates. Repeat violators would face fines as well as license suspension or revocation. Currently, rules only require property owners to post such signage. The DCA will hold a public hearing on Friday, September 30. After a review of public comment, the DCA's final proposal will be published in the City Record.

"Coming out of a store to find your car towed and then not know how to get it back tops the frustration list for many drivers," said Jonathan Mintz, DCA Acting Commissioner. "Too often consumers find themselves forking over double or triple the legal tow rate, with an added illegal demand of payments by 'cash only.' Knowing which lots companies can tow from, and holding them accountable for posting basic information, such as the company name, where to retrieve a towed car, and maximum rates that can be charged, are strong consumer protections. We look forward to reviewing public comment and preparing a final proposal."

Tow complaints consistently rank in the list of top complaints received at DCA and many relate to overcharging and illegal tows. Often consumers complain about 'staging' - a common tactic to take a consumers' car around the corner while they are inside shopping, only to have exorbitant amounts in cash demanded to retrieve their cars. By law, tow companies and drivers must be licensed by the DCA, must accept two other forms of payments besides cash, including credit cards, and cannot charge more than \$100 plus tax for a private tow. In Fiscal Year 2005 (July 1, 2004 – June 30, 2005), the DCA received 235 valid complaints about towing, and 70 since July 1, 2005.

The DCA has aggressively fought on behalf of consumers to resolve complaints and take appropriate enforcement action when necessary. Last year, nearly \$60,000 in restitution was returned to consumers complaining about illegal tows, and in addition, a DCA administrative law judge recently revoked the license of a Brooklyn tow company, Port of NYC, Inc. Port was fined more than \$116,000 for various violations -- including but not limited to: removing cars from private property without authorization, failure to take proper care of cars in its custody, and refusal to accept major credit cards from consumers as payment -- and ordered to pay nearly \$7,600 in restitution to 41 consumers.

A full list of towing tips and legal rates is available online in DCA's Consumer Towing Guide. To file a complaint, or for a copy of the DCA Consumer Towing Guide, call 311 (or 212-NEW-YORK) or visit the DCA's website at www.NYC.gov/consumers.