

BILL NO. BL2018-1404 (RHOTEN, O'CONNELL, & M. JOHNSON) – This ordinance would amend Sections 6.80.550 and 12.08.150 of the Metro Code of Laws to remove certain storage fees for recovered stolen vehicles.

As proposed by this ordinance, effective June 30, 2019, if a vehicle stored by a towing or wrecker service licensed under Chapter 6.80 of the Metro Code or by an impound lot designated or maintained by the Metropolitan Nashville Police Department (MNPd) or the Metropolitan Government is determined to be stolen, the owner could have storage fees for the vehicle waived. Individuals requesting the waiver would need to present both a police report or other official documentation from the MNPd confirming that the vehicle was stolen and an affidavit signed by the owner, authorized operator, or lien holder attesting that the storage fees are not eligible for coverage under any applicable insurance policy.

Under state law, towing firms are entitled to a lien upon all vehicles that lawfully come into their possession and are retained in their possession until “all reasonable charges” due are paid. (Tenn. Code Ann. § 66-19-103). The proposed ordinance would not prohibit the assessment of towing fees or fees for required notices by towing firms. But elimination of storage fees should presumably be predicated upon the determination that such a charge is not “reasonable” when a vehicle is stolen.

An amendment from the sponsor is anticipated that would limit the scope of the proposed ordinance, requiring a waiver of storage fees for vehicles required by law enforcement to remain in storage on Metro-owned lots for investigative purposes, unless insurance proceeds cover such costs.

Fiscal Note: Wrecker and towing service fees were last increased in January per Ordinance No. BL2017-984. This was in recognition of the increased costs of operations experienced by the companies providing these services. These new rate schedules still allowed companies to charge owners fees related to services provided regarding stolen vehicles.

Storage fees for tow-in lots under the jurisdiction of the MNPd are currently waived for owners of stolen vehicles. However, fees are currently charged for vehicles at private towing and impound lots. The ordinance under consideration would waive fees at both Metropolitan Government lots and private lots, beginning on June 30, 2019.

The waived fees would have no financial impact on Metro, as fees are currently waived at lots under the jurisdiction of the MNPd. This ordinance may impact the revenues of private towing and wrecker companies.