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DEPARTMENT OF  
GENERAL SERVICES

CITY OF SACRAMENTO  
CALIFORNIA

5730 24TH STREET  
BUILDING FOUR  
SACRAMENTO, CA  
95822-3699

OFFICE OF THE DIRECTOR

October 24, 1986

916-449-5548

DIVISIONS:

COMMUNICATIONS  
FACILITY MANAGEMENT  
FLEET MANAGEMENT  
RISK MANAGEMENT  
AND INSURANCE  
SUPPORT SERVICES

Law and Legislation Committee  
Sacramento, California

Honorable Members in Session:

Subject: Revision of City Towing Policy

**SUMMARY**

The attached report describes recommended changes in the City's towing policy which will establish a regulatory program. It is requested that the Law and Legislation Committee recommend that the City Council adopt:

1. The attached ordinance relating to City tow service regulation.
2. The attached resolution establishing the annual permit fees authorized by the ordinance.

**BACKGROUND**

a. General Policy: All Tows within City Limits

As a result of consumer concerns, the Law and Legislation Committee directed that staff review the City's towing policy to establish zoning standards, performance, response time, fees for service, and recovery standards which would benefit its constituents. It was intended that the results of this effort would be incorporated into a regulatory ordinance.

b. City Initiated Tows

Current implementation difficulties connected with the City-initiated tow program were considered as staff studied the City's overall towing policies. The City is now divided into three districts, served by a total of eighteen towing companies. District 1 is comprised of all of the area within city limits that is north of the American River. District 2's boundaries cover the City's limits south of the American River and north of Highway 50, while District 3 contains all of the area south of Highway 50. A service roster is maintained for each district and companies are called for city-initiated tows on a rotational basis. Typically, calls for service entail the removal of vehicles involved in accidents, illegally and/or hazardedously parked, abandoned, and/or other reasons pursuant to state

and local regulations. Separate rotational lists are maintained for motorcycle, heavy-equipment, and/or police evidence tows.

Each of the companies within a district is required to sign a tow services agreement which outlines their duties and responsibilities under the terms of the contract. Violations of the service agreements are the responsibility of the Police Department's Office of Administrative Services. Appropriate action can be taken to revoke a service contract should its terms not be followed.

## ANALYSIS

### a. Operators/City Task Force

In order to adequately address this project, a Towing Task Force was formed, comprised of staff from the Mayor/Council Office, the Assistant City Manager, the Citizen Assistance Officer, the Revenue Officer, and Police and General Services Departments. In addition, participation was sought from representatives of the eighteen towing operators currently on the City's rotational list. Members went over the City of Sacramento's existing service agreements and contrasted existing City enforcement procedures with those followed within the unincorporated areas of Sacramento County.

### b. General

A meeting was held with representatives from the California Highway Patrol, the County Planning Department, and the County's Assessor's Office for the purpose of reviewing the regulatory and enforcement procedures used by these agencies for tow services. The contrast between outside agencies and the City was quite startling. For the most part, the City of Sacramento is doing nothing to regulate towing services. There are currently no City regulations which establish site requirements for towing services or even ensure that the businesses' tow trucks meet applicable highway patrol standards. The various company representatives encouraged City staff to develop regulatory standards which were equivalent to those in force within the County. In addition, the various County and State representatives indicated that once the City's regulatory program was in place, they would attempt to coordinate reciprocal enforcement efforts.

### c. Legal Requirements

The City Attorney's Office review of this matter has indicated that a regulatory ordinance will be necessary in order to implement a more aggressive enforcement program. The features of this ordinance are discussed in more detail in the "Implementation" section of this report and the proposed ordinance is attached for review and approval.

## IMPLEMENTATION

### a. Geographical Realignment

The Task Force has proposed that the existing three geographical districts should be retained, with a revision to District 3. The revised District 3 would encompass all of the area within City limits that is south of Highway 50 and west of Highway 99. The new District 4 would be comprised of all of the area south of Highway 50 and east of Highway 99. This will not negatively impact the existing program as the current District 3 is already serviced by 10 vendors, who would be evenly distributed within the new geographical alignment (five would be in the reconstituted District 3 and five are located within the boundaries of the proposed District 4.).

### b. Policy Revisions - Zoning

As a part of revising the general policies governing tows within City limits, staff also made changes in the City's zoning ordinance in order to better define site qualifications for these types of businesses. These changes in the City's Comprehensive Zoning Ordinance were reviewed by the Planning Commission on October 23, 1986 and include the following revisions:

1. Definition of Towing Services - "Towing Service" has been added to the list of Zoning Ordinance definitions. A Towing Service is defined as "the business of towing motor vehicles for compensation in the City by means of a tow car. A towing service includes the dispatching of tow cars as well as the reception of tow car dispatches and is not a permitted home occupation." In addition, the terms "towing service vehicle storage yard" and "tow car" are defined as a part of the zoning ordinance.
2. Site Regulations Defined - Site regulations related to towing services are added to the comprehensive zoning ordinance. These include such requirements as providing a minimum 10 foot wide landscape setback along all street frontages; adequate lighting as determined by the Planning Director; outdoor storage area improvements such as having all outdoor storage areas screened by a minimum six foot high solid fence or masonry wall and surfacing with two inches of compacted asphaltic paving; installation of fire access lanes; minimum customer parking; proper building elevations; and proper instructional signage. The enactment of this ordinance does not affect pre-existing legal businesses which do not conform with its new requirements. However, proposed expansions of or additions to legal non-conforming uses will require Planning Commission approval, unless the site is brought up to the zoning ordinance standards. This approach is consistent with that taken in connection with all other changes to the Comprehensive Zoning Ordinance.

C. Policy Revisions - Towing Regulation

The new towing regulatory ordinance which is being proposed incorporates features similiar to the City's taxicab ordinance. The pertinent features of the towing ordinance include:

1. Defining "Towing Service", "tow car", and "towing service vehicle storage yard" for the purposes of applying the ordinance.
2. Defining and describing the requirements of the vehicle permit process.
3. Defining and describing the requirements of the employee permit (or driver permit) process.
4. Listing posting and insurance requirements along with the procedures which will be used to deny, revoke, or suspend a permit and the process for appealing the same.

A supplemental resolution which establishes the fees for these services is also attached. The basic charges which have been set include:

1. Employee (driver) permit - A service charge of \$20 annually will be collected, along with a one-time Police Department fingerprinting/Department of Justice processing charge.
2. Tow car vehicular permit - An annual fee of \$100 will be collected for the first vehicle, with the presentation of an inspection certificate which establishes that the vehicle has been inspected in compliance with the City's criteria. For each additional vehicle, a permit fee of \$10 will be imposed, if an inspection certificate is presented which establishes that the vehicle has been inspected in compliance with the City's criteria. If the City conducts the vehicle inspection, an annual fee of \$80 per vehicle will be charged.

d. Consumer Protection

Recent legislation has been passed on the state level which should enhance consumer protection in connection with all towing services. However, the new law specifically affects only those tows from private property. Specifically, Chapter 1335, Statutes of 1985:

- o Requires acceptance of bank credit cards as well as cash.
- o Defines as excessive any private tow fees greater than the charges made for a comparable law enforcement tow.
- o Indicates that persons charged excess fees can collect for up to four times the amount charged.

- o Limits the "show-up" service charge to twenty dollars when vehicles are not towed because the owner returns before the tow is affected.

The state's efforts to provide more general "consumer protection" will continue to be monitored by City staff and an informational program can be developed to inform local constituents about their consumer rights, as appropriate.

#### RECOMMENDATION

It is requested that the Law and Legislation Committee recommend that the City Council adopt:

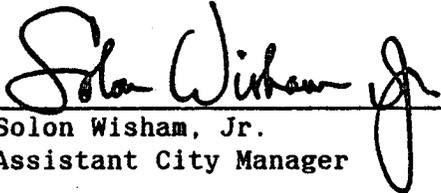
1. The attached ordinance relating to City tow service regulation.
2. The attached resolution establishing the annual permit fees authorized by the ordinance.

Respectfully submitted,



Monika Hudson  
Sr. Administrative Services Officer

RECOMMENDATION APPROVED:



Solon Wisham, Jr.  
Assistant City Manager

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

## RESOLUTION ESTABLISHING THE ANNUAL PERMIT FEES FOR TOW EMPLOYEE AND VEHICLE INSPECTION PERMITS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. Employee (driver) permit - A service charge of \$20 annually will be collected, along with a one-time Police Department fingerprinting/Department of Justice processing charge.
2. Tow car vehicular permit - An annual fee of \$100 will be collected for the first vehicle, with the presentation of an inspection certificate which establishes that the vehicle has been inspected in compliance with the City's criteria. For each additional vehicle, a permit fee of \$10 will be imposed, if an inspection certificate is presented which establishes that the vehicle has been inspected in compliance with the City's criteria. If the City conducts the vehicle inspection, an annual fee of \$80 per vehicle will be charged.

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MAYOR

ATTEST:

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CITY CLERK

# ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

## ORDINANCE ADDING ARTICLE IV TO CHAPTER 42 OF THE SACRAMENTO CITY CODE RELATING TO TOW CARS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

### SECTION 1.

The title of Chapter 42 of the Sacramento City Code is amended to read as follows:

#### CHAPTER 42

#### TAXICABS AND TOW CARS

### SECTION 2.

Article IV is hereby added to Chapter 42 of the Sacramento City Code to read as follows:

#### Article IV. Tow Cars

##### Sec. 42.50 Tow Car Defined.

"Tow car" shall mean any motor vehicle which has been altered or designed and equipped for, and used in the business of towing vehicles by means of a crane, hoist, tow bar, tow line or dolly, or any combination thereof. "Tow car" does not include an "auto dismantlers tow vehicle" as defined in Vehicle Code §615(c).

##### Sec. 42.51 Exemption.

(a) This article shall not apply to tow car businesses or tow car drivers not having their principal place of business or employment within the City of Sacramento.

(b) Any tow car operator or driver operating within the City of Sacramento who claims exemption pursuant to this section shall complete a declaration under penalty of perjury setting forth facts establishing his or her principal place of business or employment outside the City for evaluation by the Director.

(c) The Director shall deny a claim of exemption only after a hearing granted upon three (3) days' written notice to the claimant. Such notice shall specify the specific grounds for the proposed action. At the hearing, to be held by the City Manager, or his designee, the claimant shall be given the opportunity to present witnesses and documentary evidence, to be represented by counsel and to examine all witnesses presented. The City Manager shall mail or otherwise furnish to the claimant a written decision, stating the grounds for the decision.

(d) Any claimant dissatisfied with the decision of the City Manager regarding exemption from application of this ordinance may appeal to the City Council by filing a notice of appeal in writing with the City Clerk within ten (10) days of the date of the written decision of the City Manager. The City Council, or a hearing examiner designated pursuant to Section 2.323, shall hold a hearing at which the appellant shall be accorded the same hearing rights provided in subsection (c) hereof. The City Council or designated hearing examiner may sustain, reverse or modify the decision of the City Manager. The decision of the City Council or designated hearing officer shall be final.

**Sec. 42.52 Permit Required.**

It shall be unlawful for any person having its principal place of business within the City of Sacramento to engage in the business of operating a tow car without first obtaining a tow car vehicular permit for each tow car as required by this Article.

**Sec. 42.53 Permit Application.**

Applications for a tow car vehicular permit shall be filed with the Director and shall contain the following:

(a) The individual and business name, address, and telephone number of the permit applicant. The business address shall be an office where some person in charge can be contacted in person or by telephone weekdays from 8 a.m. to 5 p.m.

(b) Written evidence that the applicant is an owner, lessee or holder of a similar interest in the tow car.

(c) The name and address of all legal and registered owner(s) of the tow car, and each person with a financial interest in the business which operates the tow car.

(d) The state vehicle license number of the tow car.

(e) A city certificate of insurance, establishing compliance with Section 42.58.

(f) A certificate of compliance or other writing, dated not more than six months preceding the application date, issued by a state-

certified examiner or other examiner satisfactory to the Director, evidencing that the tow car complies with prevailing state smog, lamp and brake equipment standards and all state requirements for tow cars.

(g) The address of every site, whether within or outside the City, used for vehicle storage by the business or person operating the tow car.

(h) A written schedule of all rates to be charged for tow car services.

(i) For each person with a 10% or greater financial interest in the business which operates the tow car, a list, signed under penalty of perjury, of each conviction of such person and whether such conviction was by verdict, plea of guilty, or plea of nolo contendere. The list shall, for each such conviction, set forth the date of arrest, the offense charged, and the offense of which the person was convicted. A person who acquires a 10% or greater financial interest in the business which operates the tow car during the life of the permit issued pursuant to this Article shall immediately so notify the Director and comply with this subsection (k). Any holder of a valid tow car driver's permit issued pursuant to Section 42.64 shall be exempt from the requirements of this subsection (i).

(j) An annual nonprorateable, nonrefundable permit fee, as established by resolution of the City Council.

(k) Such other information as may be required by the Director to further the purpose of this Chapter.

#### Sec. 42.54 Permit Issuance and Denial.

(a) A tow car vehicular permit shall be issued by the Director upon receipt of a complete application, as specified in Section 42.53, and after the Director has:

(1) Physically inspected the tow car to ensure compliance with Sections 42.55 and 42.56; and

(2) Physically inspected all vehicle storage locations as necessary to ensure compliance with applicable zoning regulations and other codes.

(b) All tow car vehicular permits shall expire on September 30 of the calendar year following the date of issuance unless sooner revoked. Application for renewal shall be filed between August 1 and August 31 for the permit period beginning the succeeding October 1.

(c) A tow car vehicular permit shall authorize the operation of a single tow car and shall not be transferable to any other vehicle.

(d) A tow car vehicular permit may be denied by the Director on the following grounds:

(1) The applicant knowingly made a false statement of fact required to be revealed in the permit application.

(2) The information required by Section 42.53 is false or incomplete.

(3) A person with 10% or more financial interest in the operation of the tow car has been convicted of a crime, and the time for appeal has elapsed, or when an order granting probation is made suspending the imposition of sentence, irrespective of the entry of a subsequent order under Penal Code Section 1203.4; or has done any act involving dishonesty, fraud or deceit with intent to substantially benefit him or herself, or another, or substantially injure another.

Provided, however, that the permit shall be denied upon any of the grounds specified in this subsection (3) only if, in the opinion of the Chief of Police, contained in a recommendation to the Director, the crime or act is substantially related to the qualifications, functions or duties of a tow car owner or owner of a business which operates tow cars. However, no person shall be denied a permit solely on the basis that he has been convicted of a felony if he has obtained a certificate of rehabilitation under State Penal Code Sections 4852.01, et seq., or that he has been convicted of a misdemeanor if he has met all applicable requirements of the criteria of rehabilitation developed to evaluate the rehabilitation of a person when considering the denial of a license under State Penal Code Section 482(a).

#### Sec. 42.55 Posting Requirements.

(a) There shall be carried in the tow car passenger compartment for viewing upon request of any person whose vehicle is being or may be towed by the tow car:

(1) A copy of a valid permit issued pursuant to this Article; and

(2) A rate schedule substantively identical to the rate schedule filed pursuant to Section 42.53(h) or amended pursuant to Section 42.57.

(b) There shall be displayed on each exterior side of the tow car a sign showing the name of the company or the owner or operator of the tow cars. The sign shall also contain the business address and telephone number of the owner or driver. The letters of the sign shall be not less than 2½ inches in height and the lettering shall be in contrast to the color of the background upon which they are placed.

**Sec. 42.56 Radio Dispatch Service.**

Every tow car shall be equipped with an operative two-way radio dispatch system approved by the F.C.C. for commercial use.

**Sec. 42.57 Rate Schedule Amendment.**

A written amended schedule of rates to be charged for the hire or services of the tow car may be filed with the Director; provided, however, that a rate schedule may be amended no more frequently than once every three (3) months.

**Sec. 42.58 Liability Insurance.**

During the term of a permit issued pursuant to this Article, the permittee or owner(s) of a tow car authorized by the permit shall maintain in full force and effect at no cost to the City a comprehensive auto and general liability insurance policy:

- (a) In an amount no less than \$500,000 single limit per occurrence; and
- (b) Issued by an admitted insurer or insurers as defined by the California Insurance Code; and
- (c) Providing that the City of Sacramento, its officers, employees and agents are to be named as additional insureds under the policy; and
- (d) Covering all losses and damages as specified in Section 42.59; and
- (e) Stipulating that the policy will operate as primary insurance and that no other insurance effected by the City or other named insured will be called on to contribute to a loss covered thereunder; and
- (f) Providing that no cancellation, change in coverage, or expiration by the insurance company or the insured shall occur during the term of the tow car vehicular permit, without 30 days' written notice to the Director prior to the effective date of such cancellation or change in coverage.
- (g) Notwithstanding any other provision of this section, an owner of any tow car operating under the provisions of this article may provide for a deposit and insurance applicable to such tow car provided the following conditions are met:
  - (1) Such owner becomes approved as a depositor under the Compulsory Financial Responsibility Law of the State of California pursuant to Sections 16020, et seq., of the Vehicle Code. A certified copy of such acknowledgment of deposit shall be filed with the Director; and

(2) Such owner obtains a comprehensive liability insurance policy executed by an insurance company authorized to do business in the State of California by the Insurance Commissioner of the State of California of not less than \$500,000 single limit per occurrence, coverage to commence at the amount of said deposit. The City of Sacramento, its officers, agents and employees shall be named insureds, and said policy shall operate as primary insurance and no other insurance effected by the City of Sacramento, its officers, agents or employees, or other named insured shall be called upon to contribute to a loss covered thereunder. Said policy shall contain an endorsement that the insurance company issuing it will not allow the same to be cancelled for any purpose or changed for any purpose without serving 30 days' notice of cancellation or change upon the Director. Such service shall be by registered mail.

In the event of failure of any owner to obtain or maintain in effect such deposit or such insurance policy, the Director shall order the cancellation of the permit as provided in this section.

**Sec. 42.59 Indemnity and Hold Harmless.**

The permittee and tow car owner(s) shall assume the defense of, and indemnify and hold harmless, the City, its officers, employees and agents from and against all actions, losses, damages, liability, costs and expenses of every type and description, including but not limited to attorney fees, to which any or all of them may be subjected by reason of, or resulting from, directly or indirectly, in whole or in part, the acts or omissions of the permittee or the permittee's agents, officers or employees, directly or indirectly arising from the operation of the tow car.

The foregoing is not intended to and shall not be construed to limit any responsibility or liability that the permittee may be subjected to under other laws.

**Sec. 42.60 Procedure for Permit Denial, Revocation or Suspension.**

(a) Except as provided in Section 42.61(b), Director may deny, revoke or suspend a tow car vehicular permit only after a hearing granted upon three days' written notice to those persons specified in Section 42.53(a) and (c). Such notice shall specify the grounds for the proposed action. At the hearing, to be held by the City Manager, or his designee, the persons noticed pursuant to this section shall be given the opportunity to present witnesses and documentary evidence, to be represented by counsel and to examine all witnesses presented. Issuance of a written notice of cancellation, expiration or change in coverage by an insurance company shall be conclusive proof at the hearing of the change in the policy so indicated. The City Manager, or his designee, shall

mail or otherwise furnish to persons noticed pursuant to this section a written decision, stating the grounds for the decision. The taking or pendency of an appeal under subsection (b) shall not stay the effectiveness of such decision.

(b) If any person specified in Section 42.53(a) or (c) is dissatisfied with the decision of the City Manager in ordering the denial, revocation or suspension of the permit, such person may appeal to the City Council by filing a notice of appeal in writing with the City Clerk within ten days of the date of the written decision of the City Manager. The City Council, or a hearing examiner designated pursuant to Section 2.323, shall hold a hearing within 30 days of the receipt of the notice of appeal. The appellant shall be accorded the same hearing rights provided in subsection (a) hereof. The City Council or designated hearing examiner may sustain, reverse or modify the decision of the City Manager. The decision of the City Council or designated hearing officer shall be final.

#### Sec. 42.61 Grounds for Permit Revocation or Suspension.

(a) A tow car vehicular permit issued pursuant to this Article may be revoked or suspended for the following reasons:

(1) Failure to comply with the requirements specified in Section 42.55 or 42.56; or

(2) Violation of any state law relating to the towing of vehicles, whether or not the permittee has been charged with or convicted of such violations; or

(3) The tow car or its equipment is in such condition that its operation violates the State Vehicle Code; or

(4) Since the issuance of the permit, grounds for permit denial pursuant to Section 42.54 have occurred; or

(5) Transfer or sale of the permit to a vehicle other than that identified in the permit application; or

(6) Any other failure to comply with the conditions for obtaining a permit or failure to comply with this Chapter.

(b) Upon written notice by an insurer of cancellation, expiration or change in insurance coverage resulting in non-compliance with Section 42.12, a permit issued pursuant to this article shall be automatically suspended effective upon the effective date of the change in coverage stated in the written notice by the insurer.

The suspension shall continue until the City receives written notice from the insurer indicating compliance with the requirements of Section 42.58 or until the permit expires, as provided in Section 42.54(b).

**Sec. 42.62 Tow Car Driver Permit Required.**

No person with his or her principal place of employment within the City of Sacramento shall drive for compensation or offer to drive for compensation a tow car unless he or she holds a valid tow car driver permit issued pursuant to this Article.

**Sec. 42.63 Tow Car Driver Permit Procedure.**

Applications for a tow car driver permit shall be filed with the Director and shall contain the following:

- (a) The name and address of the applicant;
- (b) The number of a valid state driver license issued to the applicant, authorizing the applicant to drive a tow car, and date of license expiration;
- (c) A statement of whether the applicant's state driver license has ever been revoked or suspended and, if so, the reason(s) for such revocation or suspension;
- (d) A list of each conviction of the applicant, whether such conviction was by verdict, plea of guilty, or plea of nolo contendere. The list shall, for each such conviction, set forth the date of arrest, the offense charged, and the offense of which applicant was convicted;
- (e) A list of the applicant's physical or mental disabilities or incapacities. With respect to each such disability or incapacity, applicant shall state whether the same would interfere with the proper management and control of a motor vehicle;
- (f) A statement as to whether applicant is or ever has been addicted to the use of alcohol or any controlled substance as defined in the State Health and Safety Code;
- (g) A list of all prescription medication which applicant takes on a regular or episodic basis;
- (h) An annual nonprorateable permit fee, as established by resolution of the City Council.
- (i) Such other information as may be required by the Director to further the purpose of this Article.

**Sec. 42.64 Permit Issuance.**

- (a) A tow car driver permit shall be issued by the Director:
  - (1) Upon receipt of a complete application, as specified in Section 42.63; and

(2) If no ground for permit denial or revocation exists, as specified in Section 42.65 or Section 42.66; and

(3) After fingerprinting of the applicant by the Police Department, and submission of four recent dated portrait photographs, one to be attached to the application, one to be attached to the driver's permit if issued, and two for the use of the special investigation section of the Police Department.

(b) All permits shall expire on September 30 of the calendar year following the date of issuance unless sooner revoked. A permit shall not be transferable. Application for renewal shall be submitted between August 1 and August 31 for the year beginning the succeeding October 1.

#### Sec. 42.65 Grounds for Permit Denial.

A tow car driver's permit may be denied by the Director on the following grounds:

(a) Failure to submit a complete application, as specified in Section 42.63;

(b) Failure to submit fingerprinting and photographs, as required by Section 42.18(a)(3);

(c) The applicant knowingly made a false statement of fact required to be revealed in the permit application;

(d) The applicant: has been convicted of a crime, and the time for appeal has elapsed, or when an order granting probation is made suspending the imposition of sentence, irrespective of the entry of a subsequent order under Penal Code Section 1203.4, or has done any act involving dishonesty, fraud or deceit with intent to substantially benefit him or herself, or another, or substantially injure another; or has a physical or mental disability or incapacity, or takes medication, uses alcohol or any controlled substance as defined in the State Health and Safety Code.

Provided, however, that the permit shall be denied upon any of the grounds specified in this subsection (d) only if, in the opinion of the Chief of Police, contained in a recommendation to the Director, the crime, act, disability, incapacity or impairment from a substance consumed is substantially related to the qualifications, functions or duties of a tow car driver. However, no person shall be denied a permit solely on the basis that he has been convicted of a felony if he has obtained a certificate of rehabilitation under State Penal Code Sections 4852.01, et seq., or that he has been convicted of a misdemeanor if he has met all applicable requirements of the criteria of rehabilitation developed to evaluate the rehabilitation of a person when considering the denial of a license under State Penal Code Section 4852.01(a).

**Sec. 42.66 Unlawful Activities.**

(a) It shall be unlawful for any person to operate a tow car for compensation with knowledge that the tow car is not authorized by a valid permit or that grounds for revocation or suspension of said permit pursuant to Section 42.61 exist.

(b) It shall be unlawful for any tow car driver or person in the business of operating a tow car for compensation to do any of the following:

(1) Charge an additional type of rate or higher rate other than those rates on the schedule required to be carried by Section 42.55(a)(2). Notwithstanding Sections 42.55 and 42.57, it shall be lawful to charge a rate less than those rates scheduled;

(2) Refuse, upon request, to give a vehicle owner a written receipt showing the tow fee due and the miles towed; or

(3) Fail to display a valid permit, issued pursuant to this Article, and a list of fees as required by Section 42.55.

**Sec. 42.67 Grounds for Permit Revocation or Suspension.**

A tow car driver's permit may be revoked or suspended by the Director on any of the following grounds:

(a) Violation of Section 42.66; or

(b) If, since the issuance of the permit, grounds for permit denial pursuant to Section 42.65 have occurred, or the applicant has been found by the Director to have knowingly made a false statement of fact required to be revealed in the permit application; or

(c) Transfer or sale of the permit to an individual other than the person specified on the permit application.

**Sec. 42.68 Procedure for Permit Denial, Revocation or Suspension.**

(a) The Director may deny, revoke or suspend a tow car driver's permit only after a hearing granted upon three days' written notice to the permittee. Such notice shall specify the specific grounds for the proposed action. At the hearing, to be held by the City Manager, or his designee, the permittee shall be given the opportunity to present witnesses and documentary evidence, to be represented by counsel and to examine all witnesses presented. The City Manager, or his designee, shall mail or otherwise furnish to the permittee a written decision, stating the grounds for the decision. The taking or pendency of an appeal under subsection (b) shall not stay the effectiveness of such decision.

(b) If the permittee is dissatisfied with the decision of the City Manager in ordering the denial, revocation or suspension of the permit, such person may appeal to the City Council by filing a notice of appeal in writing with the City Clerk within ten days of the date of the written decision of the City Manager. The City Council, or a hearing examiner designated pursuant to Section 2.323, shall hold a hearing within 30 days of the receipt of the notice of appeal. The permittee shall be accorded the same hearing rights provided in subsection (a) hereof. The City Council or designated hearing examiner may sustain, reverse or modify the decision of the City Manager. The decision of the City Council or designated hearing officer shall be final.

DATE PASSED FOR PUBLICATION:

DATE ENACTED:

DATE EFFECTIVE:

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MAYOR

ATTEST:

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CITY CLERK