

O2019-3864 Amendment of Municipal Code Section 9-92-100 to further regulate disposal of unclaimed vehicles

Alderman Pat Dowell

Budget and Government Operations

Intro Date: May 29, 2019

Headline: Would permit owners of impounded vehicles to voluntarily relinquish title to the City for immediate disposal.

Background: Currently, the City of Chicago stores impounded vehicles for twenty-one days, and disposes of them via scrap auction if they are not redeemed during that period. The City charges vehicle owners a storage fee of \$20/day for the first five days, and \$35/day thereafter, for a total maximum storage fee of \$660.

Approximately 21,000 vehicles a year are disposed of this way. The average scrapped vehicle is sold for \$454, of which the City receives an average of 42%, or \$190 (the rest goes to the City's scrap vendor). Whatever money the City receives in the scrap sale is credited against the former vehicle owner's debt to the City. However, on average that credit would offset less than a third of the storage fee, while still leaving the other fines and penalties untouched.

Summary: For vehicle owners who have no means to redeem their impounded vehicle, this ordinance would provide an opportunity to avoid the \$660 in daily storage costs by expediting the disposal process.

Immediate Fiscal Impact: In COFA's opinion, this ordinance would have little or no fiscal impact.

Under this ordinance, the City would receive the same income from vehicle disposal that it does now, only with an expedited process. The City would still be able to keep all of the disposal income, because the motorist would still owe a \$150 towing fee plus whatever fines and penalties led to the tow. The City would be forgoing the opportunity to charge storage fees, but *charging* fees is not the same as *collecting* them. If a person's circumstances are such that they would rather give away their car than pay \$660, then there is a good chance that the debt would be uncollectable.

Long-Term Fiscal Impact: The City may see some cost savings by reducing the number of vehicles it has to store at any given time. But, most of the cost of an impound facility is fixed regardless of whether it is full or not, and it is unlikely that the reduction in vehicles would be significant enough to permit downsizing of impound facilities.

Co-sponsors:

Additional Considerations: