

POLICE DEPARTMENT

TO Eric Lane, Chief of Police

FROM Shawn Shimono, Operations Captain

DATE February 18th, 2026

RE Administrative Tow Fee Amendment

RECOMMENDED ACTION

Adopt a resolution amending the City’s Master Fee Schedule to:

- Increase the Administrative Vehicle Stored/Impound Release Fee from \$102 to \$200;
 - Establish new administrative fee categories of \$325 for:
 - 30-Day Impound Hold Releases; and
 - DUI-Related Impound Releases; and
 - Authorize an annual cost-of-living adjustment (COLA) to these administrative fees based on the Consumer Price Index (CPI).
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EXECUTIVE SUMMARY

For the purpose of this staff report, the term “impound” will be used to collectively refer to both stored vehicles and impounded vehicles. While these terms describe different towing circumstances, the City applies the same administrative fee structure for standard stored vehicles and standard impounded vehicles unless otherwise specified.

A stored vehicle is typically a vehicle towed as a result of a parking violation, traffic collision, disabled vehicle, or arrest-related circumstance. A stored vehicle generally does not require enhanced release authorization beyond standard administrative processing. An impounded vehicle is typically towed as a result of a driver’s license, registration, insurance violation, or other enforcement action requiring additional verification and authorization prior to release.

A 30-day hold impound may be placed on a vehicle pursuant to California Vehicle Code (CVC) Section 14602.6, including when a vehicle is operated by a driver with a suspended or revoked



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driver's license. In addition, vehicles may be subject to impound under CVC Section 23109.2 for racing contests or exhibition of speed violations.

The City's current administrative vehicle stored/impound release fee of \$102 no longer reflects the actual cost of providing administrative vehicle impound services. Impound processing requires staff time and resources associated with records processing, verification of ownership, insurance and registration review, statutory compliance, and release authorization. These costs have increased over time due to inflation, labor and benefit increases, pension obligations, technology system expenses, and operational overhead.

Additionally, vehicles impounded under 30-day hold authority and DUI-related impounds require significantly more staff time due to enhanced statutory requirements, additional verification procedures, supervisor review, and increased administrative oversight. Comparable cities within the South Bay and Los Angeles County region have adopted higher administrative release fees, with many jurisdictions charging between \$120 and \$200 for standard stored/impounds and approximately \$300 or more for 30-day hold or DUI-related releases.

Staff recommends updating the Master Fee Schedule to align with regional benchmarks and ensure the City recovers the cost of administering vehicle impounds rather than subsidizing these services through the General Fund.

BACKGROUND

The City currently assesses an administrative stored/impound release fee of **\$102** for vehicles towed pursuant to the California Vehicle Code and local enforcement authority. This fee is collected prior to the release of an impounded or stored vehicle and is separate from towing and storage fees assessed by the City's contracted tow operator.

Vehicle impound administrative processing includes, but is not limited to:

- Verification of registered owner and legal authorization to release
- Review of DMV records and driver eligibility
- Confirmation of valid driver's license, registration, and insurance
- Records Division processing and release documentation
- Compliance with state-mandated notice and documentation requirements

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- Coordination with tow operators and release procedures
- Management of legal holds and statutory timelines

While the tow operator collects towing and storage charges, the City incurs significant staff and administrative costs associated with statutory compliance and release processing.

DISCUSSION

Cost Recovery and Fiscal Responsibility

The administrative impound release fee is intended to recover the City's cost of providing services related to impound processing and vehicle release authorization. Over time, the City's cost of service delivery has increased due to:

- Inflationary increases in operational costs
- Increased personnel costs, including salaries and benefits
- Increased pension and healthcare obligations
- Technology system maintenance (records management systems, citation processing systems, payment systems)
- Increased compliance and documentation requirements

Maintaining the current fee results in partial cost recovery and creates an ongoing General Fund subsidy for enforcement-related administrative work. Adjusting the fee aligns with the City's fiscal responsibility objectives and ensures the cost of providing impound-related services is borne by the responsible party rather than the broader taxpayer base.

Regional Fee Benchmarking (South Bay)

Staff reviewed administrative stored/impound release fees in nearby jurisdictions. Comparable cities charge higher administrative release fees than the City's current \$102.

Examples include:



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Standard Administrative Release Fees (Passenger / Non-DUI Unless Noted)

City	Standard Release Fee
Redondo Beach	\$139
Palos Verdes Estates	\$168
Culver City	\$318.03
Torrance	\$200
Manhattan Beach	\$209
Gardena	\$210
El Segundo	\$276
Hermosa Beach	\$284

Statistical Snapshot (Standard Fees Only)

Lowest: \$139 (Redondo Beach)

Highest: \$318.03 (Culver City)

Average: ≈ \$225.50

the fee schedule ensures consistency with peer agencies and reduces the likelihood that the City becomes an outlier jurisdiction with disproportionately low administrative cost recovery.

DUI / 30-Day Hold / Investigative / Special Categories

City	Category	Fee
Redondo Beach	30-Day Hold / DUI Tow	\$372
El Segundo	DUI Tow	\$322

Based on this data, the City's current fee is below the prevailing regional range. Updating

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Justification for Separate 30-Day Hold and DUI Administrative Fees

Vehicles impounded under a 30-day hold pursuant to CVC Sections 14602.6 and 23109.2, as well as vehicles impounded due to DUI-related enforcement actions, require substantially more staff time than standard stored/impounds.

These cases typically require:

- Additional verification of eligibility for release
- Supervisor review and statutory compliance review
- Administrative tracking of hold timelines
- Processing of hardship hearing requests
- Coordination with court-related or probation-related conditions
- Increased liability risk and documentation requirements

As a result, these impounds create a significantly higher administrative burden than a standard stored/impound tow. Establishing a separate fee category ensures that the administrative fee reflects the additional cost and complexity of these cases. Comparable jurisdictions charge approximately \$300 or more for these enhanced hold releases.

Inflationary Adjustment and Cost-of-Living Indexing

The City's current administrative stored/impound release fee has not kept pace with inflation or municipal operating cost increases. A fee adjustment is consistent with best practices for user fee programs and reflects the economic reality of current cost structures.

In addition, staff recommends adopting an annual cost-of-living adjustment to ensure the fee schedule remains aligned with actual service delivery costs without requiring frequent Council action.

Administrative stored/impound release fees shall be adjusted annually based on the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), Los Angeles-Long Beach-Anaheim Area, as published by the U.S. Bureau of Labor Statistics. Fee increases shall be rounded to the nearest whole dollar. If the CPI-U reflects a decrease, the City may elect to maintain the prior year fee without reduction.

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This approach ensures continued cost recovery and maintains the integrity of the Master Fee Schedule over time.

Equity and Public Safety Considerations

Administrative stored/impound release fees are behavior-based fees assessed only when a vehicle is towed due to violation-related or enforcement-related circumstances. These fees are avoidable through compliance with licensing, registration, insurance, and public safety laws.

Updating the fee schedule supports public safety enforcement by ensuring the City has adequate resources to administer impounds, process releases, and maintain compliance with state law. It also ensures the City does not subsidize administrative enforcement costs through the General Fund, which is funded by the broader community.

PROPOSED FEE SCHEDULE ADJUSTMENTS

Fee Category	Current Fee	Proposed Fee
Standard Administrative Stored/Impound Release Fee	\$102	\$200
30-Day Hold Administrative Release Fee	N/A	\$325
DUI-Related Administrative Release Fee	N/A	\$325

FISCAL IMPACT

Approval of the proposed fee adjustments is expected to:

- Improve cost recovery for Police Department and Records Division administrative workload
- Reduce General Fund subsidy of stored/impound-related services
- Generate incremental annual revenue dependent on annual stored/impound volume and hold categories



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Based on a five-year average of 5,240 stored/impounded vehicles, the current administrative fee generates approximately:

All Stored/ Impounded Vehicles	Current Fee	Annual Revenue
5,240	\$102	\$534,480

Based on a five-year average under the proposed fee schedule, annual revenue would increase to:

Stored/ Impounded Vehicles	Proposed Fee	Estimated Annual Revenue
4,910	\$200	\$982,000

30 Day Hold/ DUI Vehicles	Proposed Fee	Estimated Annual Revenue
330	\$325	\$107,250

Total Proposed Annual Revenue:

Estimated Revenue Standard Stored/ Impounds	Estimated Revenue 30-Day Holds/ DUI Tows	Estimated Total Revenue
\$982,000	\$107,250	\$1,089,250

This represents an estimated annual revenue increase of:

Estimate of Proposed Revenue	Current Revenue	Increased Revenue
\$1,089,250	\$534,480	\$554,770

This estimate does not account for vehicles towed in response to DUI-related arrests. Inclusion of DUI-related impounds assessed at the proposed \$325 administrative release fee would increase the annual revenue estimate accordingly.

LEGAL / POLICY CONSIDERATIONS

Vehicle impounds and administrative release fees are authorized by California Vehicle Code Section 22850.5, which permits cities to impose a charge equal to their administrative costs relating to the removal, impound, storage, or release of vehicles.

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The Vehicle Code further provides that administrative costs may be waived upon verifiable proof that the vehicle was reported stolen at the time it was removed.

Administrative release fees are separate from towing and storage charges collected by the contracted tow operator. The City retains discretion to establish differentiated fee categories reflecting higher administrative burdens for statutory hold cases, including 30-day holds and DUI-related impounds.

An internal administrative review confirms that the fully burdened cost of staff time, supervision, records processing, technology systems, and overhead associated with impound release processing exceeds the proposed fee amounts. The proposed fees are structured to recover costs and are not intended to generate surplus revenue beyond reasonable administrative cost recovery

IMPLEMENTATION

If approved, the fee adjustment will be implemented through an update to the City's Master Fee Schedule and will become effective after allowing sufficient time for:

- Police Department and Records Division process updates
- Public-facing communications and website updates
- Coordination with contracted tow operators
- Training of counter staff and records personnel

The City retains authority to waive administrative fees in cases where the vehicle was reported stolen at the time of removal, consistent with state law. Additionally, hardship hearings remain available pursuant to statutory requirements.

CONCLUSION

Staff recommends updating the City's administrative vehicle stored/impound release fees to align with regional benchmarks, maintain fiscal responsibility, and ensure appropriate cost recovery. Establishing separate administrative fee categories for 30-day holds and DUI-related impounds



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reflects the significantly higher administrative burden and statutory compliance requirements associated with those cases.

Adopting the proposed fee schedule will protect the General Fund, align the City with peer jurisdictions, and ensure continued efficient and legally compliant administration of stored and impounded vehicle releases.