



MEMO TO CITY COUNCIL

Request to Include Topic on the City Council Agenda

From: Emily Kane, Deputy City Attorney **Meeting Date:** June 7, 2022

Presenter: Emily Kane, Deputy City Attorney **Estimated Time:** 30 minutes
Allen Sparhawk, Deep Six Security Services

Topic: Proposed update to Meridian City Code section 3-3-3(C), regarding limitation on the fee charged by a vehicle immobilization company to release an immobilized vehicle

Recommended Council Action:

Consider Mr. Sparhawk's request for an ordinance update increasing the limitation on the fee charged by a vehicle immobilization company to release an immobilization device from a vehicle; provide direction to staff.

Background:

In March of 2019, the City passed an ordinance regulating the immobilization of vehicles. The ordinance is codified in Title 3, Chapter 3, Meridian City Code. Section 3-3-1 of the ordinance defines "immobilize" as follows:

to impound, incapacitate, or immobilize any vehicle, whether motorized or not, without the permission of the owner or agent of the owner of the vehicle, by the use of any device, wheel clamp, object, barrel, boot, mechanism, or method, whether attached to the vehicle or not, that does not allow the owner of the vehicle, or his or her authorized agent, to freely or lawfully move the vehicle from the place where it is immobilized.

The ordinance requires all persons who immobilize vehicles in Meridian to be licensed, and to follow enumerated standards and procedures in the course of immobilizing vehicles and removing immobilization devices. The ordinance also specifies a limit on the fee that a vehicle immobilization company can charge for the removal of an immobilization device.

Following the passage of the ordinance in 2019, there were three vehicle immobilization companies operating in Meridian. As of the date of this memo, there is one such company operating in Meridian (Deep Six Security Services). On March 8, 2022, City staff was contacted by Allen Sparhawk of Deep Six Security Services. Mr. Sparhawk requested that the City increase the limit on the fee that a vehicle immobilization company can charge for the removal of an immobilization device.

The relevant provision, Meridian City Code section 3-3-3(C), reads:

Limitation on fees. No person or entity may charge more than one hundred dollars (\$100.00) for the release of an immobilized vehicle and/or the removal of a device used to immobilize a vehicle.

Deep Six Security Services requests that this limitation be increased to one hundred and fifty dollars (\$150.00).

Mr. Sparhawk states that the primary reason for this requested increase is that costs have increased significantly for all aspects of operating his business, including: employee labor (both field and administrative), gasoline, materials (tools, cell phones, printed notices), wheel lock device maintenance and repair, vehicle maintenance, signage installation and maintenance, insurance, taxes and fees (e.g., payroll taxes, sales tax, vehicle registration), overhead (office space, utilities, computers, office equipment, website), and other expenses.

Generally, service costs are increasing state- and nationwide due to increased costs of labor (7.3% growth in costs for Idaho service industry between 2019 and 2020;¹ 7.8% increase in compensation costs for service occupations²), increased gasoline costs (e.g., 6.6% increase in February; 18.3% increase in March; 1% decrease in April³), and rising inflation (7% increase in 2021⁴ and 8.5% as of April 2022⁵). Given this data, there is support for an increase in the cap on the fee charged by a vehicle immobilization company to release an immobilization device from a vehicle.

¹ Idaho Department of Labor, 2020 Idaho Labor Market and Economic Report, section 2.0, p. 23, https://www.labor.idaho.gov/dnn/Portals/0/Publications/Idaho_Labor_Market_Report_2020.pdf.

² U.S. Bureau of Labor Statistics press release, April 29, 2022, <https://www.bls.gov/news.release/eci.nr0.htm>.

³ U.S. Bureau of Labor Statistics press release, March 10, 2022, <https://www.bls.gov/news.release/pdf/cpi.pdf>.

⁴ U.S. Inflation Calculator, <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>.

⁵ *Id.*