

The information below represents one law enforcement towing carrier from 2022 data. The numbers have been rounded down for simplicity.

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|--|-----------------------------|--------------------------|
| Total number of ALL law enforcement tows for the year 2022 impounded and NOT impounded | | 6,000 |
| Of those, the total number of law enforcement tows impounded | | 4,000 |
| Vehicles NOT claimed or retrieved from the impound facility... | -20% | -800 |
| Vehicles retrieved from the impound facility... | | 3200 |
| Of those retrieved, the number of victims, including victims with insurance coverage, was approximately | -25% | 800 |
| Under this new bill, we would need to subtract 800 tows from the total number of 6000 for victims and 800 tows from the unclaimed. The total number of tows billable under the favor act would be... | $6000 - 1600 =$ | 4400 Billable |
| The lost revenue on the victim tows based on the numbers above of 800 tows. Figuring an average LOW cost of \$300 per tow. Figuring the tow, storage and administrative fee for a vehicle impounded for 3 days. | $\$300 \times 800$ vehicles | \$240,000.00 |
| To recover the cost of \$240,000. we would need to add a favor fee to the remaining paying consumers. Based on 4400 paying consumers, we would need to charge... | $\$240,000. \div 4400$ | \$54.50 Favor Act Fee |

These figures do NOT account for vehicles stored over 3 days or vehicles in higher cost categories over 10,000GVWR, nor do they account for any operating cost for the program to run, office location, personal, auditors, etc. If the Favor Act is to be funded by the tow carriers alone it would cost non victim consumers an unreasonable fee.

Let's do a small exercise below, I like to call it, brain fuel.

The **Average** fees for Law Enforcement towing in Colorado for vehicles under 10,000lbs. (GVWR)

The average charges for towing, \$200.00 per hour

The average storage fee, \$30.00 per day

The average admin fee, \$100.00

Example: Tow fee of \$200.00 + 30 days of storage at \$30. = \$900 + administrative of \$100.
Grand total of \$1,200.00

If we said all 800 of the victim vehicles were in the example above \$1,200. X 800 vehicles we would need \$960,000.00 from the Favor Act program. To recoup that from the 4400 paying consumers the fee would need to be \$218.18 per consumer and this still doesn't cover the operational cost of the program. If you increase the storage to **60days** the cost just increases.

Hopefully with this information you can see the favor act fee could range between \$54. to \$200+ depending on many factors, not including operational cost of the program.

The Definition of Victims determines the cost of this program.

Basic numbers from the 2022 auto theft report...38,339 reported vehicles stolen.

If all those vehicles are recovered by law enforcement and towed and secured for safe keeping by a towing carriers. We can do some basic math on average costs of \$300.00 for a vehicle towed and stored for 3 days.

$38,339 \times \$300.00 \text{ per tow} = \$11,501,700.00$

If we put those numbers of all stolen vehicles and figured they were all towed and stored for 30 days with an average cost per tow of \$1,200.00 $\times 38,339 = \$46,006,800.00$

60days in storage would be an average $2,100.00 \times 38,339 = \$80,511,900.00$

Now this is just from stolen vehicle victims. This doesn't include any other victims of crime.

So this program can costs towing carriers between 11 million and 80 million depending on many circumstances.

The problems,

If the definition of victims is vastly broad, then the cost to maintain this program will be a heavy burden on whatever is going to fund this.

The towing industry cannot fund this program without drastically increasing rates to non victim consumers.

The most Important aspect of this is, If the towing carriers cannot get paid for their services they provided to law enforcement to tow and secure these vehicles, they will not provide the service. Which in turn will create a huge public safety concern because most law enforcement agencies use the tow carriers as an (A la cart) service, ie. Accidents, abandoned, recovered stolen vehicles etc.