

Management Research Report:

Revenue Impacts of BPD Towing Practices

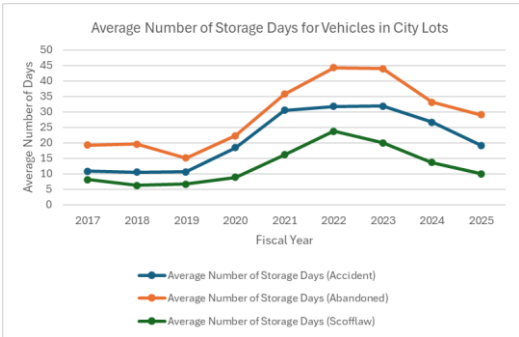
What BBMR Found

Anytime a vehicle is towed by a private tow company to a private lot there are both revenue and expenditures implications that ultimately impact the City’s General Fund. Based on data provided by the Baltimore Police Department (BPD) from April 2024 to May 2025, there were 3,664 vehicles towed to private lots. The Bureau of the Budget and Management Research projects these vehicles could have generated \$1.5 million in revenue and incurred \$384,000 in expenses resulting in a net General Fund impact of \$1.2 million.

Net General Fund Impact of Vehicles Towed to Private Lots	
Projected Lost Tow Revenue	\$282,472
Projected Lost Storage Revenue	\$733,944
Projected Lost Auction Revenue	\$508,011
Projected Expenses	-\$348,080
Net General Fund Impact	\$1,176,347

Impact of Storage Fees & Policies

One reason vehicles may be towed to private lots is storage capacity at the City’s two tow yards. During the COVID-19 pandemic the City began waiving all storage fees at these lots which lead to an increase in the overall duration that cars were left in the lots. Storage fees were turned back on in Fiscal 2025 and have begun to show signs of decreasing storage times. We believe City tow yards will continue to have increased capacity to handle additional traffic from BPD initiated tows.



Why BBMR did the Study

When Baltimore Police Department (BPD) responds to a traffic accident that requires a tow, a private tow truck driver is dispatched to the scene to remove the vehicle. In situations where the accident does not involve serious injuries or require further police involvement, the vehicles are towed to private impound lots. The purpose of this report is to project the estimated lost revenue and associated expenses resulting from towing these vehicles to private lots rather than the City’s tow yard.

Key Recommendations

1. Increased utilization of City-owned lots to accommodate vehicles that would otherwise be towed to private lots. Before any vehicle is directed to a private lot, the storage capacity of City lots should be assessed to ensure internal space is fully utilized.
2. Explore strategies to expedite the auction process for eligible vehicles as a means to increase available storage capacity within City facilities.
3. This analysis was based on one year of BPD data regarding the number of private tows. This analysis should be replicated for the full universe of City tows over a longer period of time to help inform future service delivery decisions regarding towing.

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Background

When a vehicle is towed to a City lot, the individual retrieving the vehicle is responsible for paying towing, storage, and administrative fees. If the vehicle is not claimed by the owner, the City, after completing the required notification procedures, sells the vehicle at auction. Following payment of auctioneer fees, all remaining proceeds from the sale are retained by the City. The table below provides a breakdown of all associated towing and storage fees.

Table 1: Towing and Impound Fees

Towing and Impound Fees	
Fee	Fee Amount
Tow Fee (East of Charles Street)	\$130
Tow Fee (West of Charles Street)	\$140
Tow Fee (Vehicle 6-9 Wheels)	\$305
Tow Fee (Vehicles 10+ Wheels)	\$440
Storage Fee (Per Day after Two days)	\$15
Storage Fee (Vehicles with 6+ Wheels)	\$30
Initial Storage Charge	\$50
Administrative Fee	\$40

The data used for this analysis was provided by the Baltimore Police Department (BPD) capturing dispatches to tow drivers from April 2024 to May 2025. The dataset includes a total of 8,130 dispatches, encompassing both City tow drivers and private tow drivers operating under the umbrella organization 'Medallion.' Medallion includes multiple private towing companies, such as Frankford Towing, Mel's Towing, Jim Elliot's Towing, and Chaudry's Towing, among others.

Private towers are primarily used for accident-related tows but may also be dispatched for other situations such as, removing an abandoned vehicle that is causing a traffic problem. Of the 8,130 dispatches, 130 vehicles were towed by City drivers, all of which were brought to City-operated lots. The remaining 8,000 vehicles were towed by private drivers to various destinations, including City lots, private lots, police stations, and other locations. These 'other' locations appear to consist largely of private residences or auto repair shops.

The table below provides a breakdown of tow destinations and associated reasons for towing for all vehicles in the dataset.

Table 2: Vehicle Tow Reasons by BPD and Tow Destination (4.1.24-5.27.25)

Vehicle Tow Reasons by BPD and Tow Destination (4.1.24-5.27.25)						
Lot	Impounded	Abandoned	Scofflaw	Locate	Repossessed	Total
Towed to City Lot	3,489	311	3	182	3	3,988
Towed to Private Lot	3,275	189	200	5	6	3,675
Police	379	6	19	2	0	406
Other	50	1	5	5	0	61
Total	7,193	507	406	15	9	8,130

As indicated in the table above, vehicles labeled as 'impounded' were primarily involved in accidents and dispatched solely by BPD, which is intended to be the primary reason for dispatching private tow companies. However, the data shows that private tow operators have also been dispatched for other reasons, including abandoned vehicles, scofflaw violations, and a limited number of repossessions. The repossession cases are believed to have occurred as a result of BPD involvement in incidents where a repossessed vehicle was present, rather than as a direct dispatch to conduct a repossession. Typically, vehicle repossessions are handled privately between the lienholder and the vehicle owner, without BPD involvement.

Just under half of all vehicles dispatched by BPD are being towed to private lots rather than City operated lots. This is largely due to current City policy and procedures. Currently, BPD instructs tow drivers to bring vehicles to private lots when the incident does not involve injuries and does not require further police investigation. In situations where injuries are reported or continued police involvement is necessary tow drivers are directed to bring vehicles to City lots.

All tows with “scofflaw” and “abandoned” distinctions should go to City lots. Based on the data, vehicles of all tow distinctions are going to private lots. It is possible the primary motivator for private tow drivers to bring these vehicles to private lots is financial incentive. Typically, all scofflaw and abandoned vehicles should be towed by DOT drivers to City lots.

Currently, when a private tow driver delivers a vehicle to a City lot, the City compensates them at a fixed rate of \$95 per tow. In contrast, when vehicles are taken to private lots, private tow companies have the potential to gain revenues from tow fees, storage and auctions fees that typically would far exceed the \$95 gained from the tow to the City Yard.

Convenience may also be a contributing factor. If a private lot is significantly closer than one of the two City lots, drivers may choose the closer location to get to their next tow quicker. Additionally, while private tow drivers are supposed to receive instructions from BPD on where to deliver vehicles, miscommunication or lack of notification could result in drivers deciding for themselves where to take the vehicle. In some cases, drivers may also be disregarding BPD’s instructions altogether.

It is important to note that the City does not provide any payment to private tow drivers for vehicles brought to private lots.

As noted above, when a vehicle is towed to a City operated lot, the individual retrieving the vehicle is responsible for paying towing, storage, and administrative fees to the City. If a vehicle is not reclaimed and is subsequently auctioned, the City retains the sale proceeds after covering auction-related expenses.

When a vehicle is towed to a private lot, all associated fees are paid directly to the private lot, and the City receives no portion of this revenue. If the vehicle remains unclaimed and is auctioned by the private lot, the City does not benefit from those proceeds either. Therefore, each time BPD dispatches a private tow and the vehicle is delivered to a private lot, the City forfeits potential revenue from towing, storage, administrative fees, and vehicle auctions.

Key Assumptions

To estimate the fiscal impact of vehicles being towed to private lots, BBMR reviewed data related to the reason for the tow, the reason for vehicle release, and the number of days vehicles remained in City lots. The table below presents the average number of days vehicles were held in City lots during Fiscal Year 2025, categorized by tow type. This analysis focuses on vehicles towed due to accidents, outstanding citations, and abandonment, as these are the primary categories currently being directed to private lots by private tow companies.

Any vehicle that would otherwise be towed to a City lot instead of a private lot would incur storage fees based on the length of time it remains in the lot. Depending on the reason for being in the lot pick up times vary.

Table 3: Average Number of Storage Days City Lot by Type Fiscal Year 2025

Average Number of Storage Days City Lot by Type Fiscal Year 2025	
Type	Number of Days
Impound (Accident)	20
Abandoned	29
Scofflaw	10

Not all vehicles brought to City impound lots are reclaimed by their owners. As noted earlier in this analysis, some vehicles ultimately go to auction because they remain unclaimed. This projection assumes that a portion of vehicles brought to City lots would generate revenue through tow, storage, and administrative fees upon retrieval by their owners.

This projection also assumes that a percentage of these vehicles will proceed to auction and be sold. Finally, the projection accounts for a small percentage of vehicles that are neither reclaimed nor sold at auction, based on observed trends in City lot data.

Table 4: Release Status for Tow Type City Lots Fiscal Year 2023-2025

Release Status for Tow Type City Lots Fiscal Year 2023-2025						
Type	Released to Owner	Released to Insurer	Released to Lien Holder	Auctioned	Other	Total
Impound (Accident)	23.3%	35.1%	1.7%	38.3%	1.6%	100%
Abandoned	12.8%	2.7%	1.6%	79.3%	3.6%	100%
Scofflaw	41.2%	3.1%	1.7%	53.4%	0.6%	100%

The table above outlines release trends for vehicles held in City lots. Vehicles released to owners, insurers, or lienholders are assumed to generate revenue through towing, storage, and administrative fees. Vehicles sold at auction are assumed to generate revenue solely from the sale proceeds. Vehicles categorized under 'Other' are assumed to generate no revenue.

To project lost revenue, the study assumes that the 3,275 vehicles towed to private lots for accident-related reasons would have remained in City lots for an average of 20 days. This assumption is based on Fiscal Year 2025 data, which shows that vehicles towed to City lots for accidents typically stay an average of 20 days before being released to the vehicle owner, insurer, or lienholder.

The analysis also assumes that 60% of these vehicles, approximately 1,968, would be released to the owner, insurer, or lienholder. For tow fees, we used a midpoint of \$135 per vehicle, reflecting the range between \$130 and \$140 depending on pickup location. Using this methodology, projected tow revenue equals **(1,968 vehicles X \$135)= \$265,683** in total revenue. To project loss storage revenue, it is assumed that each vehicle would incur a \$40 administrative fee, a \$50 initial storage charge, and \$15 per day storage fees beginning after the first 48 hours in the lot. The methodology follows as such, Storage revenue equals **(1,968 vehicles X (\$50+\$40+((20-2)X\$15)))=\$708,488** in lost revenue. The same methodology was applied to abandoned and scofflaw vehicles, adjusting the average number of days in the lot according to vehicle type. Please note that vehicles towed to BPD locations and “other lots” are not expected to generate revenue. Additionally, vehicles with tow distinctions of “locate” and “repossessed” are not expected to generate any revenue. The reasons for being in private lots and the surrounding circumstances for their tows are vague and therefore are not expected to generate any revenue. Also, any vehicle that is stolen would not generate any associated fees.

Table 5: Projected City Revenue for Vehicles Towed to Private Lots

Projected City Revenue for Vehicles Towed to Private Lots					
Type	Number of Vehicles	Projected Number of Vehicles to be Picked up by Owner	Tow Revenue	Storage Revenue	Total
Impound (Accident)	3,275	1,968	\$265,683	\$708,488	\$974,170
Abandoned	189	32	\$4,375	\$14,421	\$18,797
Scofflaw	200	92	\$12,414	\$11,035	\$23,450
Total	3,664	2,092	\$282,472	\$733,944	\$1,016,416

Next, the projection estimates lost revenue from impounded vehicles sold at auction, based on the previously noted percentage of vehicles release status. For instance, it is assumed that of the 3,275 accident-related vehicles towed to private lots, 38.3% will be sold at auction.

According to a conversation with the Department of Transportation (DOT), the average auction sale price for vehicles in Calendar Year 2024 was \$756. However, vehicles involved in accidents or classified as 'abandoned' typically sell for less due to their condition. It is estimated that these accident-related and abandoned vehicles sell for approximately \$450 each.

Auction sales are managed and coordinated by a company called Copart. After the City completes all required protocols before auctioning a vehicle, Copart takes possession and transports the vehicles to its facilities. Copart then performs repairs or cosmetic improvements to enhance the vehicles' appearance and functionality prior to auctioning them on the City's behalf.

Copart charges the City a flat fee of \$145 per vehicle sold for their services. For example, if a vehicle sells for \$1,000, the City receives \$855 and Copart retains \$145. If a vehicle sells for \$500, the City receives \$355 while Copart still retains \$145.

This projection assumes each accident-related and abandoned vehicle will sell for \$450, with the City receiving \$305 and Copart receiving \$145 per vehicle. The projection methodology follows as such, **(1,254 vehicles sold at auction X (\$450-\$145))=\$382,369** in revenue. The same projection methodology was applied to abandoned vehicles. Vehicles classified as 'scofflaw' are projected to sell at the Calendar Year 2024 average price of \$756 per vehicle, reflecting their generally better condition. Occasionally, Copart's fees may be higher due to extenuating circumstances. Please note this projection only assumes that vehicles are sold at the flat rate of \$145. It is believed that that any additional payment to Copart for extenuating circumstances is relatively infrequent.

Table 6: Projected City Auction Revenue for Vehciles Towed to Private Lots

Projected City Auction Revenue for Vehicles Towed to Private Lots			
Type	Number of Vehicles	Projected Number of Vehicles to be Auctioned	Projected Auction Revenue
Impound (Accident)	3,275	1,254	\$382,369
Abandoned	189	150	\$45,705
Scofflaw	200	107	\$79,937
Total	3,664	1,510	\$508,011

Key Findings

In total, after combining projections for tow revenue, storage revenue, and auction revenue, the City is estimated to have lost approximately \$1.5 million in revenue due to vehicles being towed to private lots. The table below provides a breakdown of projected revenue losses by tow type and associated revenue categories.

Table 7: Total Projected Revenue Loss for Vehicles Towed to Private Lots

Total Projected Revenue Loss for Vehicles Towed to Private Lots				
Type	Tow Revenue	Storage Revenue	Auction Revenue	Total
Impound (Accident)	\$265,683	\$708,488	\$382,369	\$1,356,539
Abandoned	\$4,375	\$14,421	\$45,705	\$64,501
Scofflaw	\$12,414	\$11,035	\$79,937	\$103,386
Total	\$282,472	\$733,944	\$508,011	\$1,524,427

Projected Expenses for Privately Towed Vehicles

Currently, when a vehicle is towed to a City lot by a private tow company, the company is paid a standard fee of \$95 per tow. However, if a private tow driver is dispatched by the City and the vehicle is taken to a private lot, the City does not pay the tow fee.

If all 3,664 vehicles mentioned were towed to City lots, the minimum projected expense for towing would be \$346,000 (**calculated as 3,664 vehicles × \$95 per tow**). Please refer to the table below for a detailed breakdown of projected expenses. It is important to note that private tow companies may charge additional fees for tows requiring more complex services. For example, if a vehicle needs to be flipped over before towing, the company receives an extra fee. This projection does not account for such additional charges, as this information is not available in the current data. As a result, the extent to which private tow companies bill the City for these additional services remains unclear.

Table 8: Projected Costs for Vehicles Towed to Private Lots

Projected Costs for Vehicles Towed to Private Lots		
Type	Number of Vehicles	Cost
Impound (Accident)	3,275	\$311,125
Abandoned	189	\$17,955
Scofflaw	200	\$19,000
Total	3,664	\$348,080

Limitations and Additional Considerations

The City currently operates two impound lots: 6700 Pulaski Highway and 410 Fallsway. The primary lot at 6700 Pulaski Highway has a capacity of 2,500 vehicles and currently houses approximately 2,250 vehicles. The 410 Fallsway lot is a smaller facility with a capacity of 40 vehicles and functions primarily as a short-term “in and out” lot for vehicles expected to be held only a few days.

According to conversations with the Department of Transportation (DOT), the agency expected to begin towing all privately towed vehicles to City lots during Fiscal 2026. As of August 21st, 2025 private tow drivers dispatched by BPD continue to bring some vehicles to private lots opposed to the City Lot. Per recent conversations with DOT, a meeting with BPD will be scheduled soon to coordinate the plan for all vehicles that would typically end up in private lots to be brought to the City lot. While there are roughly 250 remaining spaces available at 6700 Pulaski Highway, DOT believes the yard can accommodate the influx

of vehicles currently towed to private lots. To make space for the potential influx of cars “layover space” in the lot could be optimized. Layover space typically holds vehicles that are set to go to auction and don’t factor into the 2,250 vehicles that are in the lot. At this time some vehicles that are going to auction are not in the layover space and are in spaces in the lot that could be used to intake vehicles. DOT expressed all vehicles that are “auction vehicles” could be moved to the layover space which would create adequate space to intake vehicles that typically go to private lots.

DOT also expressed that the circumstances that led to longer vehicles storage time in the lots have improved. For example, staffing limitations in recent years have contributed to longer than expected vehicle storage times which have also impacted the time it takes for a vehicle to go to auction. The staffing situation has improved, and lots should move in and out of the lot quicker than in recent years. If City lots are unable to accommodate all vehicles currently being towed to private lots, this could limit the City’s ability to collect associated towing, storage, and auction revenues. However, DOT reported these vehicles will not be turned away from City lots and that vehicles in the lot could always be moved around to accommodate any vehicle.

The projections in this report are highly dependent on the assumed number of days vehicles remain in City lots. If owners begin retrieving their vehicles sooner than projected, revenue from storage fees will decrease accordingly. Among all factors, the daily storage fee component has the greatest potential to impact the revenue projections.

It is also important to acknowledge certain limitations within the data used for this projection.

- The dataset provided by BPD, which lists all towing dispatches, contained several inconsistencies. Specifically, the field indicating the destination of towed vehicles included multiple variations for the same location, such as differing names, slight discrepancies in addresses, or shorthand notations that were not intuitive to interpret. There was also a mention of a “City lot for large vehicles” at 8410 Pulaski Highway. DOT confirmed the City does not operate an impound lot at this location and that there is not a separate lot for “large vehicles”. It also appears 8410 Pulaski Highway is located Baltimore County in the town of Rosedale.
- The dataset includes items that did not appear to align with standard City towing practices. For instance, some tows labeled as 'impounded' were recorded as being taken to private residences rather than to City or private impound lots. There appears to be no issue with these cars being towed to private residences, but it does not appear they were “impounded”. In another case, a tow reason was listed as 'repossessed,' but it was confirmed to be a vehicle recovered following a carjacking. DOT also expressed that it is very unlikely scofflaw vehicles are towed by private entities. When a vehicle is deemed a “scofflaw” typically the vehicle is booted which can only be removed by DOT staff which necessitates a DOT response. Based on conversations with DOT it seems unlikely when a boot is removed from a vehicle that private entities are involved in these responses at all.

Due to these inconsistencies, there is a degree of uncertainty in the exact number of vehicles towed to City versus private lots, as well as in the categorization of tow reasons. As such, the projections in this report should be reviewed within a reasonable margin of individual interpretation. Based on conversations with DOT and BPD it appears there are other, non-financial motivations for accident-related vehicles to be towed to City lots instead of private lots. It is believed that any time one of the mentioned vehicles are towed to a private lot the vehicle owners are often charged fees that are significantly higher than what the City charges for the same services. It is also unclear if private tow drivers are utilizing the City lots in situations where their own lots are at capacity. Additionally, there have been instances where owners believed their vehicle was towed to a City lot, only to later discover it was taken to a private lot. This miscommunication can lead to confusion, delays in retrieving the vehicle, and added frustration for those affected

Storage Trends

The table below presents the average number of storage days for accident, abandoned, and scofflaw vehicles held in City lots. Notably, the average storage duration has increased over recent years, which may be partially attributed to the City not charging daily storage fees the last couple of years. This report's projections assume that storage durations will continue to follow a pattern similar to Fiscal Year 2025.

Table 9: Average Number of Storage Days by Type and Fiscal Year

Average Number of Storage Days By Type and Fiscal Year			
Fiscal Year	Average Number of Storage Days (Accident)	Average Number of Storage Days (Abandoned)	Average Number of Storage Days (Scofflaw)
2017	11	19	8
2018	11	20	6
2019	11	15	7
2020	18	22	9
2021	31	36	16
2022	32	44	24
2023	32	44	20
2024	27	33	14
2025	19	29	10

An overall average from Fiscal Years 2017 to 2025 was not used for this projection because it could potentially link environmental factors, such as the pandemic, operational factors, and agency staffing levels. It is important to note that the average storage days during the 2017-2020 period were significantly lower than those recorded in Fiscal Year 2025.

In the future, if the average number of storage days were to mimic Fiscal Year 2017-2020 the City would see significantly less vehicle storage revenue. However, a quicker turnover rate could also reduce instances where vehicles are turned away due to lack of storage capacity, potentially improving operational

efficiency. A quicker turnover rate would also benefit vehicle owners, as they would retrieve their vehicles sooner and incur lower storage fees paid to the City.

Revenue generated from towing, impound storage, and auction sales appears to have been affected by both the suspension of storage fees during the pandemic and the increased use of private tow companies. The table below outlines revenue associated with impound storage, administrative fees, and auction sales - recorded under RC0244: Impounding Cars - Storage, as well as revenue from towing fees listed under RC0245: Impounding Cars - Towing.

The City suspended the \$15-per-day storage fee during the pandemic but the fee was reinstated on July 1, 2024. Revenue from storage and auctions was significantly higher in pre-pandemic years and has not fully rebounded since fees have been reinstated. As noted in the table above, storage length began increasing in Fiscal 2021 has begun declining in Fiscal 2025 but we have not returned to pre-pandemic trends.

Table 10: Towing, Impound, and Vehicle Auction Revenue for Fiscal year 2017-2024

Towing, Impound and Vehicle Auction Revenue Fiscal Year 2017-2024								
Revenue Category	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
RC0244 - Impounding Cars - Storage	\$5,295,700	\$5,992,641	\$3,683,601	\$2,535,603	\$2,439,326	\$2,701,261	\$4,162,991	\$2,763,641
RC0245 - Impounding Cars - Towing	\$2,915,228	\$2,786,766	\$1,936,129	\$1,205,588	\$719,733	\$1,133,949	\$762,139	\$641,781

Summary & Conclusion

Each time a vehicle is towed to a private lot instead of a City lot, there are direct revenue implications. When a tow driver is dispatched by BPD and the vehicle is taken to a private lot, the City forfeits potential revenue from towing fees, storage charges, and auction proceeds.

In the dataset provided by BPD, a total of 3,664 vehicles were towed to private lots that had the potential to generate towing, storage, or auction revenue. It is projected that if all these vehicles had been brought to City lots, approximately \$1.5 million in revenue could have been generated from April 2024 to May 2025. This estimate assumes that City impound lots have sufficient capacity to store these vehicles and that the City is able to direct private tow drivers to City facilities rather than private ones. If only a portion of these vehicles can be accommodated in City lots, actual revenue would be proportionately lower.

BBMR and DOT have discussed the importance of continuing this analysis on a larger scale. DOT maintains a data set containing information to all vehicles that enter City lots. BBMR intends to assess the medallion tow contacts alongside data from DOT to evaluate both the revenue and expenditure implications of Medallion contacts and revenues generated from City towing, impound, and auction activity.

BBMR recognizes various operational and logistical factors may affect the City's ability to tow, store, and auction these vehicles, the correlation between the volume of vehicles directed to City lots and revenue generation is clear. The upcoming policy change, under which all accident-related vehicles will be towed to City lots beginning August 1, 2025, is expected to have a positive impact on City revenues.

