

Chapter 1 and Chapter 8 Changes – March 2014
Frequently Asked Questions

Q. Why are these changes being proposed?

A. To add a wrecker driver trainee license, remove convenience stores from the Retail Supply Dealer license requirement, streamline wrecker driver drug testing, strengthen criminal history standards for Salesman and to clean-up minor issues and mirror state law.

Q. Who was involved in the development of the proposed changes?

A. The HPD Auto Dealers Detail, HPD and City Legal and industry stakeholders.

Q. Was the industry notified of the proposed changes?

A. Yes, approximately 5,800 notification letters were sent to industry stakeholders. The redline version of the ordinance changes, the Power Point presentation and the FAQ sheet were posted on the Auto Dealers website for review. A presentation was also provided to the Greater Houston Retail Association regarding the change to the Retail Supply Dealer license.

Q. What has been the response from the industry?

A. There have been no negative responses or opposition regarding the proposed changes.

Q. Why are convenience stores being removed from the Retail Supply Dealer license requirement?

A. The definition and practical application of the *Retail Supply Dealer* (RSD) license has changed over time. Annually, the small convenience stores maintain a very low inventory of automotive accessory products. Additionally, their main interaction with citizens is not related to the automotive industry and it has been found the automotive product sales generally do not rise to the cost of the license (\$170/\$150). Removing convenience stores from the RSD license requirement will not affect the regulatory goal of law enforcement.

Q. Why is a wrecker driver trainee license being created?

A. A trainee license will provide Police Authorized Tow Service Agreement (PATSA) holders the opportunity to train and evaluate wrecker applicants for a 60 day time period. Current ordinance and the PATSA do not allow for an unlicensed passenger to be in the wrecker on a police scene. The City trainee license will be similar to the trainee license already offered by the Texas Department of Licensing and Regulation (TDLR).

Q. Why are equipment standards being moved from 8-111 to 8-126 in City Ordinance?

A. The equipment standards in Chapter 8-111 give the appearance that private property wreckers are required to abide by the requirements. In reality, only auto wreckers responding to police scenes (Police Authorized Tow Service Agreement) are required to maintain the equipment standards. The equipment requirements are being moved to 8-126 *Police Authorized Tow Service Agreement* for clarification purposes.

Q. Why is the drug screening requirement being changed?

A. Per State law, City ordinance and the PATSA, drivers are required to submit to annual and random drug screenings. Tow Operators pay for multiple drug tests for the State and City. The timelines of the required tests do not necessarily coincide which increases the costs for the operators. The proposal is to eliminate only the annual drug test for the renewal of a PATSA license. Under the proposed change, the driver would still be held to the annual and random testing by the State and the initial license and random testing by the City of Houston. Under the new PATSA, all companies are

required to follow the Mayor's Policy on Drug Testing and Deterrence which includes random testing of 25% of the employees and reporting every six months.

Q. Why is deferred adjudication being added to the Chapter 1-9?

A. This is only a clarification for City ordinance and is not a change to the law. Deferred adjudication has always been a consideration under the Texas Occupations Code, Chapter 53.

Q. Why are sex offenses being added to the criminal history standards for Salesman licenses?

A. To provide a safer environment for our citizens when interacting with salesman. Since 2011, there have been at least four (4) sex crime incidents, with multiple charges, involving salesman and juveniles. Because salesman interact with the public in a similar manner as wrecker drivers, the proposed change would mirror language already included in the standards for wrecker drivers.