

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

AMEERA SHAHEED and EARL  
DICKERSON,

*Plaintiffs,*

v.

CITY OF WILMINGTON, FIRST STATE  
TOWING, LLC and CITY TOWING  
SERVICES, LLC,

*Defendants.*

C.A. No. 21-01333 CFC

**ORDER DISMISSING CIVIL ACTION  
AND RETAINING JURISDICTION  
OVER THE SETTLEMENT  
AGREEMENT**

IT IS HEREBY STIPULATED AND AGREED by and between counsel for Plaintiffs and counsel for Defendants that this action, including all claims asserted in the Complaint and all claims and crossclaims asserted against Defendants, shall be and hereby is dismissed with prejudice and without fees or costs against any party, except as provided in the Settlement Agreement dated as of December 16, 2024.

The Court shall retain continuing and exclusive jurisdiction over the underlying action and over enforcing this Settlement Agreement, including jurisdiction over the Parties for the purpose of enforcing this Settlement Agreement. The Court shall retain continuing and exclusive jurisdiction to interpret, implement, administer and enforce the Settlement Agreement.

Dated: December 16, 2024

**MCCARTER & ENGLISH, LLP**

/s/ Daniel J. Brown

Daniel J. Brown (#4688)  
405 North King Street, 8th Floor  
Wilmington, DE 19801  
(302) 984-6300

djbrown@mccarter.com

**SHAW KELLER LLP**

/s/ John Shaw

John Shaw (#3362)  
I.M. Pei Building  
1105 North Market Street, 12th Floor  
Wilmington, DE 19801  
(302) 298-0700

jshaw@shawkeller.com

Adam N. Saravay  
Nicole M. Virella  
Four Gateway Center  
100 Mulberry St.  
Newark, NJ 07102  
(973) 622-4444  
asaravay@mccarter.com  
nvirella@mccarter.com

*Attorneys for Defendant City of Wilmington*

**JOSEPH W. BENSON, P.A.**

/s/ Joseph W. Benson  
Joseph W. Benson  
Andrew G. Ahern, III  
1701 North Market Street  
P.O. Box 248  
Wilmington, DE 19899  
(302) 656-8811  
aahern@jwbpa.com  
jbenson@jwbpa.com

*Attorneys for Defendant City Towing*

-and-

**INSTITUTE FOR JUSTICE**

William R. Aronin  
901 North Glebe Road, Suite 900  
Arlington, VA 22203  
(703) 682-9320  
waronin@ij.org  
agoodman@ij.org

Robert E. Johnson  
16781 Chagrin Boulevard, #256  
Shaker Heights, OH 44120  
(703) 682-9320  
rjohnson@ij.org

*Attorneys for Plaintiffs*

**REGER RIZZO DARNALL LLP**

/s/ Robert W. Small  
Robert W. Small  
Scott L. Silar  
Brandywine Plaza West  
1521 Concord Pike, Suite 305 Wilmington,  
DE 19803  
(302) 477-7100  
ssilar@regerlaw.com  
rsmall@regerlaw.com

*Attorneys for Defendant First State Towing*

SO ORDERED this 17<sup>th</sup> day of December, 2024.

  
\_\_\_\_\_  
Hon. Colm F. Connolly

## SETTLEMENT AGREEMENT

This Settlement Agreement (the “Settlement Agreement”) is made and entered into by and between Ameera Shaheed (“Shaheed”) and Earl Dickerson (“Dickerson”) (each of the foregoing may be individually referred to herein as a “Plaintiff” or, collectively, as the “Plaintiffs”), the City of Wilmington (the “City”), City Towing Services, LLC (“City Towing”), and First State Towing, LLC (“First State”) (collectively the City, City Towing, and First State are, the “Defendants”) (each of the foregoing may be individually referred to herein as a “Party” or, collectively, as the “Parties”).

WHEREAS, Plaintiffs are residents of the City; and

WHEREAS, Shaheed’s vehicle received several parking tickets; and

WHEREAS, Shaheed’s vehicle was towed and impounded by First State on October 30, 2019; and

WHEREAS, First State scrapped Shaheed’s vehicle; and

WHEREAS, in April 2021, Dickerson’s vehicle was ticketed as abandoned; and

WHEREAS, City Towing towed and impounded Dickerson’s vehicle on April 19, 2021; and

WHEREAS, City Towing scrapped Dickerson’s vehicle; and

WHEREAS, on or about September 22, 2021, Plaintiffs commenced an action in the United States District Court for the District of Delaware, captioned Ameera Shaheed and Earl Dickerson v. City of Wilmington, First State Towing, LLC, and City Towing Services, LLC, Civil Action No. 21-cv-01333 (CFC) (hereinafter the “Action”); and

WHEREAS, the City filed a motion to dismiss, and the Court dismissed several claims, leaving two claims remaining to be determined at a trial; and whereas Plaintiffs contest the

dismissal of their additional claims, and absent settlement, would reserve the right to appeal that decision; and

WHEREAS, the Defendants filed answers and separate defenses denying any liability as well as crossclaims; and

WHEREAS, all issues of liability and damages on the claims and crossclaims asserted in the Action were contested by all Defendants; and

WHEREAS, the City and counsel for the Plaintiffs have engaged in extensive efforts to identify changes that can be made to parking enforcement, towing, and impounding of vehicles in the City and to address concerns raised by the Plaintiffs; and

WHEREAS, the Parties believe that an agreement to make such changes would better serve everyone's interests than proceeding with a trial and incurring the expenses, burdens, risks, and uncertain outcomes that are involved in litigation; and

WHEREAS, on June 21, 2024, the Parties signed a letter stating the terms of an agreement in principle to settle the Action (the "Settlement Terms Letter"); and

WHEREAS, on June 21, 2024, the Parties jointly requested that the Court adjourn the trial in this Action to allow time for the Parties to enter into a formal settlement agreement and for the City to enact legislative changes to the City Code that are required to implement some of the terms of the agreement in principle, and the Court entered an order granting the request and adjourning the trial in this Action to January 13, 2025; and

WHEREAS, the Parties have agreed to settle finally and fully all disputes among them on the terms and conditions set forth in this Settlement Agreement and dismiss the Action with prejudice, without any admission of liability by any of the Parties, and with the Court retaining jurisdiction to enforce this Settlement Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties to this Settlement Agreement, intending to be legally bound, voluntarily agree as follows:

1. The City will implement changes described below with respect to ticketing, towing, and impounding vehicles parked in the City of Wilmington, several of which will require legislative changes to the City Code (the “Legislative Changes”) and/or to Department of Finance Policies (the “Policy Changes”).

a. Enactment of the Legislative Changes and Policy Changes on or before November 29, 2024 is a condition precedent to the Settlement Agreement becoming effective and if the Legislative Changes and Policy Changes are not enacted by that date, this settlement shall be null and void, and this Action will resume with all parties in the same positions, with the same claims and defenses, as of the day before the Settlement Terms Letter was signed. The City and Plaintiffs may agree to extend this date.

b. Within five (5) business days after the Legislative Changes have been made, the City will provide to Plaintiffs’ counsel a copy of the signed ordinance containing the Legislative Changes. Within five (5) business days after the Policy Changes have been made, the City will provide to Plaintiffs’ counsel a copy of the signed Policy Changes, along with a signed document stating that all Legislative Changes and Policy Changes that are necessary for the implementation of this Settlement Agreement have been enacted (the “Legislative and Policy Changes Statement”).

2. The settlement of the Action shall become final the day after the Court enters the

Order Dismissing Civil Action attached to this Settlement Agreement as Exhibit A (the “Effective Date”). The Parties shall not submit Exhibit A to the Court until after the Legislative Changes and Policy Changes are enacted, the City has provided to Plaintiffs’ counsel the signed Legislative Changes and signed Policy Changes and the Legislative and Policy Changes Statement, and Plaintiffs’ counsel has signed the Legislative and Policy Changes Statement. Plaintiffs’ counsel will sign the Legislative and Policy Changes Statement when they agree that the Legislative Changes and Policy Changes allow the terms of this Settlement Agreement to be implemented.

3. On or before the 30th day after the Effective Date, the City shall pay (a) to Ameera Shaheed the sum of twenty thousand dollars (\$20,000.00), (b) to Earl Dickerson, the sum of twenty thousand dollars (\$20,000.00), and (c) to Plaintiffs’ counsel (the Institute for Justice) the sum of one-hundred and ten thousand dollars (\$110,000.00) ((a), (b), and (c) collectively referred to as the “Settlement Payment”), as compensation for Plaintiffs’ claims for the loss of the claimed value of their vehicles and claimed losses and expenses due to the loss of use of their vehicles and for attorneys’ fees and costs. Prior to the Effective Date, the Institute for Justice shall provide the City’s counsel with the information and documentation required for the City to issue the Settlement Payment, including but not limited to Forms W-9 for Plaintiffs and the Institute for Justice, any additional information needed to complete Forms 1099, and a vendor agreement, if needed.

4. On or before the 14th (fourteenth) day after the Effective Date, the City shall cancel and dismiss all tickets and booting fees owed by Shaheed in connection with the vehicle identified in the Complaint in this Action. Prior to the Effective Date, the City shall confirm whether Dickerson has any outstanding tickets and booting fees in connection with his vehicle

identified in the Complaint in this Action, and, if so, within 14 (fourteen) days of the Effective Date, the City shall cancel and dismiss all such tickets and booting fees. On or before the 7th (seventh) day afterwards, the City shall represent and warrant that all outstanding tickets and booting fees have been cancelled and dismissed.

5. After the Effective Date, the City shall make payment plans available to vehicle owners who have received tickets as described in the following subparagraphs. The City shall make any Legislative Changes and Policy Changes required to implement this paragraph.

- a. Upon request, a vehicle owner with at least seventy-five dollars (\$75.00) in tickets (including late fees/penalties) and boot fees that could result in the vehicle being towed will be able to obtain a payment plan.
- b. If the vehicle owner has one hundred dollars (\$100.00) or less in tickets (including late fees/penalties) and boot fees, the tickets and associated fees must be paid within 12 months. If the vehicle owner has over one hundred dollars (\$100.00) in tickets (including late fees/penalties) and boot fees, the tickets and associated fees must be paid within 24 months. The payment plan will provide for payments in equal monthly installments.
- c. The City's Finance Director will have discretion to authorize a payment plan longer than 24 months for any vehicle owner that demonstrates the inability to pay the amount due within 24 months.
- d. "Lost boot" fees (fees assessed for having removed a boot unlawfully) will not be subject to payment plans, and payment plans will not be provided to owners who have previously removed a boot from their vehicle unlawfully, unless the owner has paid the "lost boot" fee in full or had their car scrapped, sold, or

disposed of by a towing contractor. In other words, vehicle owners gets a “fresh start” under this Settlement Agreement each time they lose a vehicle.

e. Payment plans are limited to one payment plan per vehicle. If a vehicle owner defaults (as defined below) on a payment plan for the vehicle, the City will not be required to provide a second payment plan for the same vehicle.

f. Towing and storage fees will not be subject to a City payment plan.

g. The City will publicize the availability of payment plans through methods including: information on or attached to parking tickets; notifications in letters sent to owners about individual tickets; notifications in windshield stickers affixed to the vehicle when the ticket debt exceeds the threshold for towing (or earlier if the vehicle is located before the ticket debt exceeds the threshold) stating that the vehicle will be subject to booting and towing if the owner does not pay the tickets, enter into a payment plan, or attend a hearing; similar notifications in windshield stickers affixed to vehicles when they are booted; and information about payment plans on the City’s website.

h. The City will include in future towing contracts that towing contractors will be required to (i) include information about payment plans and how to request one in the notice letters they are required to send to owners when a vehicle is towed, and (ii) display a notice in the window or by the cashier at the impound yard informing vehicle owners of the availability of payment plans and how to obtain one. City Towing agrees to do this as of the Effective Date of this Settlement Agreement.



i. When the City provides a payment plan, the vehicle owner will be asked for contact information for text messages, emails, and/or paper mail for communications and notices about the payment plan. A vehicle owner will be able to update this information.

j. If an owner is late on a payment under a payment plan, the City will send notices to the owner by text or email (if the owner has provided the necessary information to the City), and by mail. The notices will state that a payment under the payment plan is late and that if the payment is not made, the vehicle will be subject to towing. If the vehicle is located, the City will also place a notice on the windshield stating that the vehicle may be subject to immobilization and towing and to contact the City for additional information.

k. An owner will not be considered in default under a payment plan unless and until they are 90 (ninety) days late on a scheduled payment.

l. The City shall not charge a fee to set up or maintain a payment plan as described herein.

6. The City will provide vehicle owners whose vehicles have been towed because of unpaid tickets the opportunity for a hearing. The details of the hearing shall include the features described in the following subparagraphs. The City shall make any Legislative Changes and Policy Changes required to implement this paragraph.

- a. The hearing will be conducted by a City employee or an individual contracted to perform such task (hereinafter “hearing officer”) within either the Finance Department or Law Department. The hearing officer will act as a neutral arbiter. They will not be incentivized to make any particular decision, nor will their contract or employment depend on deciding hearings in the City’s favor.
- b. The notice of the hearing will include information about how to request a payment plan, which can be obtained from the City’s Finance Department prior to a hearing or at a hearing. The employee conducting the hearing will also expressly inform individuals of the option to enter into a payment plan. Payment plans will be as described in the previous section.
- c. The vehicle owner will be able to participate in a hearing by phone, by video (e.g. Zoom or Teams), or in person.
- d. A hearing will be available within 7 days of the vehicle being towed. If the time period in future requests for proposals reduces the number of days before a contractor can charge storage fees, then the time period within which a hearing must be made available must be equally reduced. For example, if a future contract says a contractor can start charging storage fees on day 5, then a hearing must be available within five days. If a payment plan is entered into within this period, the contractor will waive the towing fee. Future towing contracts cannot reduce the number of days before a contractor can start charging fees below 3 (three) days.
- e. If a vehicle owner does not attend a hearing within this period, a vehicle owner may obtain a hearing up until 15 (fifteen) days prior to the end of the

period the towing contract requires vehicles to be held, but towing and storage fees allowed under the towing contract will not be waived unless the hearing officer determines that the vehicle was towed in error or there were extraordinary circumstances. Towing and storage fees will not be subject to a payment plan.

f. The hearing will not be a second opportunity to challenge individual tickets and will be limited to whether the threshold for booting or towing has been met, extraordinary circumstances (e.g., an owner was in the hospital or out of town due to a family emergency), or inability to pay.

g. The hearing officer will have authority to recommend to the Director of Finance a reduction in the amount claimed to be due or owing, for good cause, and the Director of Finance will have discretion to void tickets, fees, and/or penalties.

h. The hearing officer will have the authority to have the City's Finance Department enter into a payment plan with the owner, which would preclude towing of the vehicle while the owner remains in compliance with the payment plan (i.e., not in default).

i. The decision of the hearing officer conducting the hearing will be an internal agency decision that will not have preclusive effect in any court.

Some aspects of the implementation of the hearing process may require Legislative Changes and/or Policy Changes.

7. The City shall amend its Code to provide that when the City's towing contractor tows a vehicle under any towing contract with the City and thereafter takes title to the vehicle

through a State-authorized legal process, or obtains authority to dispose of the vehicle through a State-authorized legal process, the City shall cancel and dismiss all unpaid tickets, including late fees and penalties and booting fees, owed to the City for that vehicle. If in any future towing contract the towing or storage fees would be owed to the City, those will be canceled or waived when the City's towing contractor tows a vehicle under any towing contract with the City and thereafter takes title to the vehicle through a State-authorized legal process, or obtains authority to dispose of the vehicle through a State-authorized legal process. After the Effective Date, towing contracts shall require—and any current towing contracts shall be amended to require—that when the City's towing contractor tows a vehicle under the towing contract with the City and thereafter takes title to the vehicle through a State-authorized legal process, the City's towing contractor shall cancel any unpaid towing and storage fees owed by the owner of the vehicle for that vehicle. The City will include in future contracts for towing and impoundment services that unpaid towing and storage fees will be canceled after the towing contractor has taken title to the vehicle or obtains authority to dispose of the vehicle through a State-authorized legal process.

8. Within 14 (fourteen) days of the enactment of all of the Legislative Changes and Policy Changes required to implement the changes described in Sections 5, 6, and 7 above, the Parties shall as described in Section 2 execute and submit to the Court for entry the Order of Dismissal attached hereto as Exhibit A. Each party shall bear its own attorneys' fees and costs, except as described in Section 3 above regarding a payment by the City for Plaintiffs' attorneys' fees.

9. The City will maintain the provisions referenced in Sections 5, 6, and 7 above for a period of 7 (seven) years following the Effective Date. If at any time during this 7-year period, the City wishes to alter those provisions, the City may request an amendment to this Settlement Agreement. The City will first confer with Plaintiffs' counsel, and if Plaintiffs' counsel does not agree, the City may apply to the Court to amend the Settlement Agreement. Plaintiffs have a right to oppose the City's application to amend the terms of this Settlement Agreement and the City bears the burden of proving that the agreed upon term is not working and that the requested amendment would better effectuate the intent of the parties in entering into this agreement.

10. For a period of up to 10 (ten) years from the Effective Date, the City will maintain

- a. the availability of payment plans for unpaid tickets and associated fees;
- and
- b. hearings regarding the towing of a vehicle, within the time period before storage fees may be charged; and
- c. notices issued in a manner designed to reach owners who do not have a fixed address or if the City receives a communication indicating that a notice was not received by the vehicle owner (e.g. a bounceback message in response to an email, undelivered mail, or notifications that text messages were undeliverable), to the extent the city is reasonably able to.

During this period, the specific terms regarding payment plans and hearings in Sections 5 and 6 above will not be required (the City may utilize different, procedures, amounts, and time periods) but will be sufficient to constitute compliance with the Settlement Agreement.

11. Without any time limitation, (a) the City shall provide due process protection for owners whose vehicles have been towed for unpaid ticket debt; and (b) the City shall provide protection for individuals who cannot afford to pay the amount of the tickets (which can be satisfied by payment plans or other means).

12. If at any time the Plaintiffs believe that the City is not in compliance with any provision of this Settlement Agreement, Plaintiffs will, before taking any action in court, notify the City, confer in good faith with the City about whether the City is out of compliance, and provide the City with 90 days to cure the alleged non-compliance. If the City and Plaintiffs agree to make a change to cure the alleged non-compliance, but that change requires legislative approval, the time to cure the alleged non-compliance is increased to 180 days. Plaintiffs can agree to extend deadlines. If at the end of this period Plaintiffs do not believe that the alleged non-compliance has been cured they can apply to the Court to enforce the Settlement Agreement. Defendants can oppose Plaintiffs' application. Any allegations of non-compliance shall be directed to:

City of Wilmington Law Department  
Louis L. Redding City/County Building  
800 N. French Street, 9th Floor  
Wilmington, Delaware 19801

13. All Parties will bear their own costs in connection with the Action and all matters relating to the claims and crossclaims being settled and released, including, but not limited to, attorneys' fees, except as provided in paragraph 3 above with respect to a payment for Plaintiffs' attorneys' fees.

14. Plaintiffs shall not seek or receive any other compensation or relief from the City or the Defendants based on any conduct or events that are related to the subject matter of the Action and have happened up to the date on which the Settlement Agreement becomes Effective.

15. This Settlement Agreement represents a compromise of disputed claims and is entered into to avoid the costs and distractions of continued litigation. The Settlement Agreement shall not constitute an adjudication or finding on the merits of the claims or crossclaims or defenses asserted in the Action and shall not be construed as an admission or acknowledgement of any weakness or defect in any claim or crossclaim or defense, or as an admission of wrongdoing or liability by any Party. Defendants expressly deny any wrongdoing. The Parties further agree that this Settlement Agreement shall not be admissible as evidence in connection with any proceeding to show liability or wrongdoing of any kind by any Party, except in an action to enforce the terms of this Settlement Agreement.

16. Upon the full execution of this Settlement Agreement by all Parties, Plaintiffs and the City shall issue the statement attached as Exhibit D. Plaintiffs and Plaintiffs' counsel and the City may also publicly speak about this Action and the Settlement Agreement. Plaintiffs have not waived their First Amendment rights.

17. Plaintiffs shall execute Releases of claims in the form and manner as set forth in Exhibit C hereto at the same time Plaintiffs provide this signed Settlement Agreement and email

defense counsel that it has been done. The Defendants shall execute Releases in the form and manner as set forth in Exhibit C hereto at the same time they provide this signed Settlement Agreement and shall email all counsel that it has been done. The Releases shall be held by counsel and shall not become effective until the Effective Date, at which point the releases shall be exchanged.

18. This Settlement Agreement, including the Releases, is the entire agreement between the Parties. The terms of this Settlement Agreement are contractual, and not a mere recital and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors and assigns of each Party. Further, the Parties expressly acknowledge that no promise or representation (oral or written) has been made, or is being relied upon, that is not expressly set forth in this Settlement Agreement.

19. By their signatures below, the Parties represent that they (a) have read the foregoing Settlement Agreement in its entirety; (b) fully understand and agree to the terms, conditions, and obligations set forth herein; (c) have full authority to enter into this Settlement Agreement; (d) have had sufficient time to consult with attorneys and consider whether to enter into this Settlement Agreement; and (e) do so freely and voluntarily. It is represented that Plaintiffs and the persons executing this Settlement Agreement on behalf of the City, City Towing, and First State are fully and duly authorized to do so. It is further represented by the Parties that the terms of this Settlement Agreement will be legal, valid, and binding obligations of the Parties and enforceable in accordance with the terms hereof as of the Effective Date.

20. This Settlement Agreement may not be modified, including through waiver, acquiescence, or any other legal or equitable doctrine, except in a writing signed by the Parties. There shall be no interpretation or construction of this Settlement Agreement that is based upon



the fact that any of the Parties was responsible for drafting all or any portion of this Settlement Agreement.

21. This Settlement Agreement will be construed under the laws of the State of Delaware, without regard to its choice of law principles.

22. In the event that a court determines that any of the provisions of this Settlement Agreement, including the Releases, is not enforceable in the manner set forth in this Settlement Agreement, that provision shall be enforceable to the maximum extent possible under applicable law and shall be reformed accordingly. If a court rules that any provision of this Agreement other than paragraph 23, including the Releases, is invalid or unenforceable, that ruling shall not affect the validity or enforceability of any other portions of this Agreement.

23. The Court shall retain continuing and exclusive jurisdiction over the Action and over enforcing this Settlement Agreement, including jurisdiction over the Parties for the purpose of enforcing this Settlement Agreement. The Court shall retain continuing and exclusive jurisdiction to interpret, implement, administer and enforce the Settlement Agreement. Notwithstanding the preceding paragraph (22), if the Court declines to retain jurisdiction over this Settlement Agreement, then this Settlement Agreement shall be void and the case shall continue with the Parties in the same positions as the day before the Settlement Terms Letter.

24. This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall be deemed to be one and the same instrument. A facsimile or electronic transmission of a signed original of this Settlement Agreement shall have the same effect as delivery of a signed original. This Settlement Agreement shall not be effective until the Effective Date.

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be executed.

AMEERA SHAHEED

\_\_\_\_\_  
Dated: \_\_\_\_\_, 2024

EARL DICKERSON

\_\_\_\_\_  
Dated: \_\_\_\_\_, 2024

CITY OF WILMINGTON

By: \_\_\_\_\_  
Dated: \_\_\_\_\_, 2024      Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FIRST STATE TOWING, LLC

By: \_\_\_\_\_  
Dated: \_\_\_\_\_, 2024      Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CITY TOWING SERVICES, LLC

By: \_\_\_\_\_  
Dated: \_\_\_\_\_, 2024      Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SHAW KELLER LLP and  
INSTITUTE FOR JUSTICE  
Attorneys for Plaintiff

Dated: 12/12/2024

By: /s/ John Shaw  
John Shaw

McCARTER & ENGLISH, LLP  
Attorneys for Defendant City of Wilmington

Dated: 12/12/2024

By: /s/ Daniel J. Brown  
Daniel J. Brown

JOSEPH W. BENSON, P.A.  
Attorneys for Defendant City Towing

Dated: 12/16/2024

By: /s/ Joseph W. Benson  
Joseph W. Benson

REGER RIZZO DARNALL LLP  
Attorneys for Defendant First State Towing

Dated: 12/12/2024

By: /s/ Robert W. Small  
Robert W. Small

AMEERA SHAHEED

\_\_\_\_\_  
Dated: \_\_\_\_\_, 2024

EARL DICKERSON

\_\_\_\_\_  
Dated: \_\_\_\_\_, 2024

CITY OF WILMINGTON

By: Tanya Washington SM  
Dated: August 29, 2024  
Name: Tanya Washington  
Title: Chief of Staff

FIRST STATE TOWING, LLC

By: \_\_\_\_\_  
Dated: \_\_\_\_\_, 2024  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CITY TOWING SERVICES, LLC

By: \_\_\_\_\_  
Dated: \_\_\_\_\_, 2024  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

AMEERA SHAHEED

Dated: \_\_\_\_\_, 2024

EARL DICKERSON

Dated: \_\_\_\_\_, 2024

CITY OF WILMINGTON

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2024

Name:  
Title:

FIRST STATE TOWING, LLC

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2024

Name:  
Title:

CITY TOWING SERVICES, LLC

By: 

Dated: 9/6, 2024

Name: Kevin Bruner  
Title: VP

SHAW KELLER LLP and  
INSTITUTE FOR JUSTICE  
Attorneys for Plaintiff

Dated: \_\_\_\_\_, 2024

By: \_\_\_\_\_  
John Shaw

McCARTER & ENGLISH, LLP  
Attorneys for Defendant City of Wilmington

Dated: \_\_\_\_\_, 2024

By: \_\_\_\_\_  
Steven P. Wood

JOSEPH W. BENSON, P.A.  
Attorneys for Defendant City Towing

Dated: 9/6, 2024

By:   
Joseph W. Benson

REGER RIZZO DARNALL LLP  
Attorneys for Defendant First State Towing

Dated: \_\_\_\_\_, 2024

By: \_\_\_\_\_  
Robert W. Small

AMEERA SHAHEED

\_\_\_\_\_  
Dated: \_\_\_\_\_, 2024

EARL DICKERSON

\_\_\_\_\_  
Dated: \_\_\_\_\_, 2024

CITY OF WILMINGTON

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_, 2024

FIRST STATE TOWING, LLC

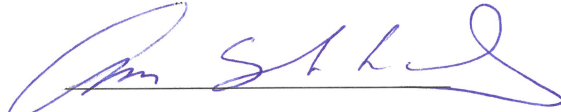
By: K Morris  
Name: Katharine Morris  
Title: President  
Dated: Sept 3rd, 2024

CITY TOWING SERVICES, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_, 2024



AMEERA SHAHEED



Dated: 9-23, 2024

EARL DICKERSON

\_\_\_\_\_

Dated: \_\_\_\_\_, 2024

CITY OF WILMINGTON

By: \_\_\_\_\_

Name:

Dated: \_\_\_\_\_, 2024

Title:

FIRST STATE TOWING, LLC

By: \_\_\_\_\_

Name:

Dated: \_\_\_\_\_, 2024

Title:

CITY TOWING SERVICES, LLC

By: \_\_\_\_\_

Name:

Dated: \_\_\_\_\_, 2024

Title:

AMEERA SHAHEED

\_\_\_\_\_  
Dated: \_\_\_\_\_, 2024

EARL DICKERSON

\_\_\_\_\_  
Dated: Sept 14, 2024

CITY OF WILMINGTON

By: \_\_\_\_\_  
Dated: \_\_\_\_\_, 2024      Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FIRST STATE TOWING, LLC

By: \_\_\_\_\_  
Dated: \_\_\_\_\_, 2024      Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CITY TOWING SERVICES, LLC

By: \_\_\_\_\_  
Dated: \_\_\_\_\_, 2024      Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A****UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

AMEERA SHAHEED and EARL  
DICKERSON,

*Plaintiffs,*

v.

CITY OF WILMINGTON, FIRST STATE  
TOWING, LLC and CITY TOWING  
SERVICES, LLC,

*Defendants.*

C.A. No. 21-01333 CFC

**ORDER DISMISSING CIVIL ACTION  
AND RETAINING JURISDICTION  
OVER THE SETTLEMENT  
AGREEMENT**

IT IS HEREBY STIPULATED AND AGREED by and between counsel for Plaintiffs and counsel for Defendants that this action, including all claims asserted in the Complaint and all claims and crossclaims asserted against Defendants, shall be and hereby is dismissed with prejudice and without fees or costs against any party, except as provided in the Settlement Agreement dated as of December 16, 2024.

The Court shall retain continuing and exclusive jurisdiction over the underlying action and over enforcing this Settlement Agreement, including jurisdiction over the Parties for the purpose of enforcing this Settlement Agreement. The Court shall retain continuing and exclusive jurisdiction to interpret, implement, administer and enforce the Settlement Agreement.

Dated: December 16, 2024

**MCCARTER & ENGLISH, LLP**

/s/ Daniel J. Brown

Daniel J. Brown (#4688)  
405 North King Street, 8th Floor  
Wilmington, DE 19801  
(302) 984-6300

djbrown@mccarter.com

**SHAW KELLER LLP**

/s/ John Shaw

John Shaw (#3362)  
I.M. Pei Building  
1105 North Market Street, 12th Floor  
Wilmington, DE 19801  
(302) 298-0700

jshaw@shawkeller.com

-and-

Adam N. Saravay  
Nicole M. Virella  
Four Gateway Center  
100 Mulberry St.  
Newark, NJ 07102  
(973) 622-4444  
asaravay@mccarter.com  
nvirella@mccarter.com

*Attorneys for Defendant City of Wilmington*

**JOSEPH W. BENSON, P.A.**

/s/ Joseph W. Benson  
Joseph W. Benson  
Andrew G. Ahern, III  
1701 North Market Street  
P.O. Box 248  
Wilmington, DE 19899  
(302) 656-8811  
aahern@jwbpa.com  
jbenenson@jwbpa.com

*Attorneys for Defendant City Towing*

**INSTITUTE FOR JUSTICE**

William R. Aronin  
901 North Glebe Road, Suite 900  
Arlington, VA 22203  
(703) 682-9320  
waronin@ij.org  
agoodman@ij.org

Robert E. Johnson  
16781 Chagrin Boulevard, #256  
Shaker Heights, OH 44120  
(703) 682-9320  
rjohnson@ij.org

*Attorneys for Plaintiffs*

**REGER RIZZO DARNALL LLP**

/s/ Robert W. Small  
Robert W. Small  
Scott L. Silar  
Brandywine Plaza West  
1521 Concord Pike, Suite 305 Wilmington,  
DE 19803  
(302) 477-7100  
ssilar@regerlaw.com  
rsmall@regerlaw.com

*Attorneys for Defendant First State Towing*

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

---

Hon. Colm F. Connolly

**EXHIBIT B**  
**ADDRESSES FOR NOTICES**

Daniel J. Brown, Esq.  
McCARTER & ENGLISH, LLP  
405 North King Street, 8th Floor  
Wilmington, DE 19801  
(302) 984-6300  
[djbrown@mccarter.com](mailto:djbrown@mccarter.com)

Adam N. Saravay, Esq.  
MCCARTER & ENGLISH, LLP  
100 Mulberry Street  
4 Gateway Center  
Newark, NJ 07102  
[asaravay@mccarter.com](mailto:asaravay@mccarter.com)

William Aronin, Esquire  
INSTITUTE FOR JUSTICE  
901 N. Glebe Road, St. 900  
Arlington, VA 22203  
[waronin@ij.org](mailto:waronin@ij.org)

Robert E. Johnson, Esquire  
INSTITUTE FOR JUSTICE  
16781 Chagrin Blvd., #256  
Shaker Heights, OH 44120  
[rjohnson@ij.org](mailto:rjohnson@ij.org)

John W. Shaw, Esquire  
SHAW KELLER LLP  
I.M. Pei Building  
1105 North Market Street, 12th Floor  
Wilmington, DE 19801  
[jshaw@shawkeller.com](mailto:jshaw@shawkeller.com)

Joseph W. Benson  
JOSEPH W. BENSON, P.A.  
1701 North Market Street  
P.O. Box 248  
Wilmington, DE 19899  
(302) 656-8811  
[jbenson@jwbpa.com](mailto:jbenson@jwbpa.com)

Robert W. Small  
REFER RIZZO DARNALL LLP  
Brandywine Plaza West  
1521 Concord Pike, Suite 305 Wilmington, DE 19803  
(302) 477-7100  
[rsmall@regerlaw.com](mailto:rsmall@regerlaw.com)

**EXHIBIT C**  
**RELEASE OF CLAIMS**

**Release from Plaintiffs to Defendants**

Ameera Shaheed and Earl Dickerson (“Plaintiffs”), and any executors, administrators, representatives, or beneficiaries thereof, any heirs, successors, or assigns, hereby fully and unconditionally release and forever discharge the City of Wilmington, First State Towing, LLC, City Towing Services, LLC, and their departments, subsidiaries, affiliates, and present or former officers, directors, employees, agents, shareholders, members, and successors in interest (these entities referred to collectively herein as “Releasees”), from any and all claims, rights, liabilities, suits, causes of action, damages, punitive damages, liens, costs, and attorneys’ fees, whether known or unknown, suspected or unsuspected, which Plaintiffs had, have or may have against the Releasees, related in any way to the subject matters of the Complaint and Amended Complaint filed in United States District Court for the District of Delaware, captioned Ameera Shaheed and Earl Dickerson v. City of Wilmington, First State Towing, LLC, and City Towing Services, LLC, Civil Action No. 21-cv-01333 (CFC) (hereinafter the “Action”), based on anything that has happened up to the Effective Date of the settlement of the Action. This Release does not and shall not release the Releasees from their obligations as set forth in the parties’ Settlement Agreement, nor shall this Release preclude the right of the Parties to seek judicial relief to enforce the Settlement Agreement.

In consideration for making this Release, Plaintiffs have received the consideration provided for in the Settlement Agreement.

Ameera Shaheed

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2024

STATE OF DELAWARE,

COUNTY OF \_\_\_\_\_ ss.:

I certify that on \_\_\_\_\_, 2024, \_\_\_\_\_ personally came before me and acknowledged under oath, to my satisfaction.

\_\_\_\_\_  
Notary Public

Earl Dickerson

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2024

STATE OF DELAWARE,

COUNTY OF \_\_\_\_\_ ss.:

I certify that on \_\_\_\_\_, 2024, \_\_\_\_\_ personally came before me  
and acknowledged under oath, to my satisfaction.

\_\_\_\_\_  
Notary Public



### **Release from Defendants to Plaintiffs**

The City of Wilmington, First State Towing, LLC, and City Towing Services, LLC, and their departments, subsidiaries, affiliates, and present or former officers, officials, directors, employees, agents, shareholders, members, and successors in interest (these entities, and any executors, administrators, representatives, or beneficiaries thereof, any heirs, successors, or assigns collectively referred to as “Releasors”), hereby fully and unconditionally release and forever discharge plaintiffs Ameera Shaheed and Earl Dickerson (referred to collectively herein as “Releasees”), from any and all claims, rights, liabilities, suits, causes of action, damages, punitive damages, liens, costs, and attorneys’ fees, whether known or unknown, suspected or unsuspected, which Releasors had, have or may have against the Releasees, related in any way to the subject matters of the Complaint and Amended Complaint filed in United States District Court for the District of Delaware, captioned Ameera Shaheed and Earl Dickerson v. City of Wilmington, First State Towing, LLC, and City Towing Services, LLC, Civil Action No. 21-cv-01333 (CFC) (hereinafter the “Action”), based on anything that has happened up to the Effective Date of the settlement of the Action. This Release does not and shall not release the Releasees from their obligations as set forth in the parties’ Settlement Agreement, nor shall this Release preclude the right of the Parties to seek judicial relief to enforce the Settlement Agreement.

In consideration for making this Release, Releasors have received the consideration provided for in the Settlement Agreement.

CITY OF WILMINGTON

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CITY TOWING SERVICES, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FIRST STATE TOWING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



### **Release from First State Towing to City of Wilmington**

First State Towing, LLC and its subsidiaries, affiliates, and present or former officers, directors, employees, agents, shareholders, members, and successors in interest (collectively referred to as “Releasors”) hereby fully and unconditionally release and forever discharge the City of Wilmington and its departments, officers, officials, employees, and agents (referred to collectively herein as “Releasees”), from any and all claims, rights, liabilities, suits, causes of action, damages, punitive damages, liens, costs, and attorneys’ fees, whether known or unknown, suspected or unsuspected, which Releasors had, have or may have against the Releasees, related in any way to the subject matters of the Complaint and Amended Complaint filed in United States District Court for the District of Delaware, captioned Ameera Shaheed and Earl Dickerson v. City of Wilmington, First State Towing, LLC, and City Towing Services, LLC, Civil Action No. 21-cv-01333 (CFC) (hereinafter the “Action”), based on anything that has happened up to the Effective Date of the settlement of the Action, including all crossclaims that were or could have been asserted in the Action, all claims related to the settlement of the Action, and all claims for indemnification and contribution. This Release does not and shall not release the Releasees from their obligations as set forth in the parties’ Settlement Agreement, nor shall this Release preclude the right of the Parties to seek judicial relief to enforce the Settlement Agreement.

In consideration for making this Release, Releasors have received the consideration provided for in the Settlement Agreement.

FIRST STATE TOWING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

### **Release from City Towing to City of Wilmington**

City Towing Services, LLC and its subsidiaries, affiliates, and present or former officers, directors, employees, agents, shareholders, members, and successors in interest (collectively referred to as “Releasors”), hereby fully and unconditionally release and forever discharge the City of Wilmington and its departments, officers, officials, employees, and agents (referred to collectively herein as “Releasees”), from any and all claims, rights, liabilities, suits, causes of action, damages, punitive damages, liens, costs, and attorneys’ fees, whether known or unknown, suspected or unsuspected, which Releasors had, have or may have against the Releasees, related in any way to the subject matters of the Complaint and Amended Complaint filed in United States District Court for the District of Delaware, captioned Ameera Shaheed and Earl Dickerson v. City of Wilmington, First State Towing, LLC, and City Towing Services, LLC, Civil Action No. 21-cv-01333 (CFC) (hereinafter the “Action”), based on anything that has happened up to the Effective Date of the settlement of the Action, including all crossclaims that were or could have been asserted in the Action, all claims related to the settlement of the Action, and all claims for indemnification and contribution. This Release does not and shall not release the Releasees from their obligations under the towing contract between City Towing LLC and the City of Wilmington dated as of \_\_\_\_\_, 2024, except as those obligations may be modified by the parties’ Settlement Agreement. This Release does not and shall not release the Releasees from their obligations set forth in the Parties’ Settlement Agreement, nor shall this Release preclude the right of the Parties to seek judicial relief to enforce the Settlement Agreement.

In consideration for making this Release, Releasors have received the consideration provided for in the Settlement Agreement.

CITY TOWING SERVICES, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Release from City of Wilmington to City Towing Services, LLC**

The City of Wilmington and its departments, subsidiaries, affiliates, and present or former officers, officials, directors, employees, and agents (these entities and individuals collectively referred to as “Releasors”), hereby fully and unconditionally release and forever discharge City Towing Services, LLC and its officers, members, employees, and agents (referred to collectively herein as “Releasees”), from any and all claims, rights, liabilities, suits, causes of action, damages, punitive damages, liens, costs, and attorneys’ fees, whether known or unknown, suspected or unsuspected, which Releasors had, have or may have against the Releasees, related in any way to the subject matters of the Complaint and Amended Complaint filed in United States District Court for the District of Delaware, captioned Ameera Shaheed and Earl Dickerson v. City of Wilmington, First State Towing, LLC, and City Towing Services, LLC, Civil Action No. 21-cv-01333 (CFC) (hereinafter the “Action”), based on anything that has happened up to the Effective Date of the settlement of the Action, including all crossclaims that were or could have been asserted in the Action, all claims related to the settlement of the Action, and all claims for indemnification and contribution. This Release does not and shall not release the Releasees from their obligations under the towing contract between City Towing LLC and the City of Wilmington dated as of \_\_\_\_\_, 2024, except as those obligations may be modified by the parties’ Settlement Agreement. This Release does not and shall not release the Releasees from their obligations as set forth in the parties’ Settlement Agreement, nor shall this Release preclude the right of the Parties to seek judicial relief to enforce the Settlement Agreement.

In consideration for making this Release, Releasors have received the consideration provided for in the Settlement Agreement.

CITY OF WILMINGTON

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Release from City of Wilmington to First State Towing, LLC**

The City of Wilmington and its departments, subsidiaries, affiliates, and present or former officers, officials, directors, employees, and agents (these entities and individuals collectively referred to as “Releasors”), hereby fully and unconditionally release and forever discharge First State Towing, LLC and its officers, members, employees, and agents (referred to collectively herein as “Releasees”), from any and all claims, rights, liabilities, suits, causes of action, damages, punitive damages, liens, costs, and attorneys’ fees, whether known or unknown, suspected or unsuspected, which Releasors had, have or may have against the Releasees, related in any way to the subject matters of the Complaint and Amended Complaint filed in United States District Court for the District of Delaware, captioned Ameera Shaheed and Earl Dickerson v. City of Wilmington, First State Towing, LLC, and City Towing Services, LLC, Civil Action No. 21-cv-01333 (CFC) (hereinafter the “Action”), based on anything that has happened up to the Effective Date of the settlement of the Action, including all crossclaims that were or could have been asserted in the Action, all claims related to the settlement of the Action, and all claims for indemnification and contribution. This Release does not and shall not release the Releasees from their obligations as set forth in the parties’ Settlement Agreement, nor shall this Release preclude the right of the Parties to seek judicial relief to enforce the Settlement Agreement.

In consideration for making this Release, Releasors have received the consideration provided for in the Settlement Agreement.

CITY OF WILMINGTON

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT D**  
**STATEMENT REGARDING SETTLEMENT**

The Institute for Justice (IJ) and the City of Wilmington are pleased to announce that they have agreed to resolve the federal lawsuit concerning the city's towing program.

The parties worked hard to craft a detailed system that provides a series of additional protections for vehicles owners throughout Wilmington. This improved system can serve as a model for cities throughout the United States for towing-and-impound systems.

The agreement lays out provisions that still have to be enacted by the City Council as well as policy changes that have to be implemented by the Department of Finance. The settlement is contingent on that happening in the coming months, but the parties are thrilled to have made such progress and are confident that it will pass and go into effect.

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

AMEERA SHAHEED and  
EARL DICKERSON,

Plaintiffs,

V.

C.A. No. 21-01333 CFC

CITY OF WILMINGTON,  
FIRST STATE TOWING, LLC and  
CITY TOWING SERVICES, LLC,

Defendants.

CITY OF WILMINGTON,  
FIRST STATE TOWING, LLC and  
CITY TOWING SERVICES, LLC,

FIRST STATE TOWING, LLC and  
CITY TOWING SERVICES, LLC,

CITY TOWING SERVICES, LLC,

Defendants.

Defendants.

## LEGISLATIVE AND POLICY STATEMENT

WHEREAS, the Parties to the above captioned matter entered into a Settlement Agreement dated 12/16/2024; and

WHEREAS, as part of the Settlement Agreement the City agreed to implement certain changes with respect to ticketing, towing and impounding vehicles; and

WHEREAS, several of the agreed upon changes required amendments to the Wilmington City Code and/or Department of Finance policies (“Legislative and Policy Changes”); and

WHEREAS, on September 19, 2024, the Wilmington City Council passed Ordinance 24-048 amending Chapter 37 of the Wilmington City Code (attached as Exhibit 1); and

WHEREAS, on October 15, 2024, the City's Administrative Board approved amendments to the Department of Finance Policy 2019-01 Rules for the Collection of Delinquent Accounts, said amendments effective as of midnight on November 14, 2024 (attached as Exhibit 2).



**NOW THEREFORE**, Defendant City of Wilmington and Plaintiffs Ameera Shaheed and Earl Dickerson, by and through their undersigned counsel, hereby agree that all Legislative and Policy Changes necessary for the implementation of the Settlement Agreement have been enacted.

**CITY OF WILMINGTON LAW DEPT.**

/s/ Rosamaria Tassone-DiNardo  
Rosamaria Tassone-DiNardo, (#3546)  
Deputy City Solicitor  
Laura Najemy (#6189)  
Senior Assistant City Solicitor  
Louis L. Redding City/County Bldg.  
800 North French Street, 9<sup>th</sup> Fl.  
Wilmington, DE 19801  
(302) 576-2175  
[rtassone@wilmingtonde.gov](mailto:rtassone@wilmingtonde.gov)  
[lnajemy@wilmingtonde.gov](mailto:lnajemy@wilmingtonde.gov)

*-and-*

**MCCARTER & ENGLISH, LLP**

Steven P. Wood  
Chelsea A. Botsch  
Daniel J. Brown  
Adam Saravay  
Nicole Virella  
405 North King Street, 8th Floor  
Wilmington, DE 19801  
(302) 984-6300  
[cbotsch@mccarter.com](mailto:cbotsch@mccarter.com)  
[asaravay@mccarter.com](mailto:asaravay@mccarter.com)  
[djbrown@mccarter.com](mailto:djbrown@mccarter.com)  
[nvirella@mccarter.com](mailto:nvirella@mccarter.com)  
[swood@mccarter.com](mailto:swood@mccarter.com)

*Attorneys for Defendant City of Wilmington*

Dated: November 22, 2024

**SHAW KELLER LLP**

/s/ /s/ John Shaw  
John Shaw (No. 3362)  
I.M. Pei Building  
1105 North Market Street, 12th Floor  
Wilmington, DE 19801  
(302) 298-0700  
[jshaw@shawkeller.com](mailto:jshaw@shawkeller.com)

*-and-*

**INSTITUTE FOR JUSTICE**

William R. Aronin  
901 North Glebe Road, Suite 900  
Arlington, VA 22203  
(703) 682-9320  
[waronin@ij.org](mailto:waronin@ij.org)  
[agoodman@ij.org](mailto:agoodman@ij.org)

Robert E. Johnson  
16781 Chagrin Boulevard, #256  
Shaker Heights, OH 44120  
(703) 682-9320  
[rjohnson@ij.org](mailto:rjohnson@ij.org)

*Attorneys for Plaintiffs*

Dated: December 16, 2024

# EXHIBIT 1

ORD 24-048

**AN ORDINANCE TO AMEND CHAPTER 37 RELATING TO THE COLLECTION OF PARKING FINES**

#0471

**Sponsor:**

**Council  
Member  
Cabrera**

**Co-Sponsors:**

**Council  
Members  
Spadola  
Bracy  
Harlee  
Johnson  
Darby  
Oliver  
  
Council  
President  
Congo**

**WHEREAS**, pursuant to Wilmington City Charter § 6-109 (e), the Department of Finance is tasked with collecting “all fines due to the city from parking violations”; and

**WHEREAS**, it is a necessary function of City government to regulate parking and implement parking regulations throughout the City; and

**WHEREAS**, the City is committed to responsibly and thoughtfully implement its parking regulations; and

**WHEREAS**, the City has previously addressed the burdens that parking regulations may have on some residents and guests through legislative changes to the City’s Code, including but not limited to reducing certain parking ticket fines, requiring notice to vehicle owners prior to reaching immobilization/towing thresholds, and increasing immobilization/towing thresholds; and

**WHEREAS**, the City has also made changes to its towing contract to, among other things, expand the time period vehicle owners have to redeem their vehicles without payment of storage fees and increasing the length of time vehicles must be held by towing contractors; and

**WHEREAS**, the City wishes to continue to mitigate the burdens of parking regulations by providing greater flexibility in payment agreements for parking and traffic related fines and penalties, allowing for the release of impounded vehicles when vehicle owners enter into a payment agreement authorized by the Department of Finance, and voiding certain outstanding penalties and fees when, pursuant to a State-authorized process,

title to a vehicle that has been impounded is transferred to the towing or storage contractor, or the towing or storage contractor obtains authority to dispose of the vehicle; and

**WHEREAS**, City Council deems it necessary and proper to amend Chapter 37 of the Wilmington City Code to effectuate these and certain other housekeeping changes provided herein.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON  
HEREBY ORDAINS:**

**SECTION 1.** Chapter 37, section 37-66 of the City Code is hereby amended by deleting the stricken language and adding the underlined language as follows:

**Sec. 37-66 - Violations of chapter and penalties generally; discount for payment within 48 hours in person or on-line.**

\*\*\*

- (c) The director of finance or his authorized agent shall be authorized to waive, in whole or in part, penalties which are ~~owned~~ owed in connection with unpaid parking violations or the parking penalty, under the following circumstances only:
- (1) When litigation of the amount of the civil penalties is pending or threatened and waiver of penalty is proposed as part of the overall settlement of the litigation.
  - (2) Where the assessment of the penalty is based on parking violations assessed in error.
  - (3) When the waiver of the penalty is proposed as part of an agreement by which the entire principal amount of the civil penalties shall be paid to the city whether litigation is pending or not.
  - (4) When the penalties are proposed to be waived for good cause or as part of a payment agreement entered into by the vehicle owner.
- (d) The director of finance shall permanently suspend all civil penalties older than seven years from the date of issuance and deem such penalties to be uncollectible.
- (e) When a vehicle has been towed and impounded at the direction of the city and the city's towing contractor takes title to said vehicle or obtains authority to dispose of the vehicle through a State-authorized legal process, the director of finance shall void all unpaid civil penalties, including late fees, penalties and other fees, associated with the vehicle.

~~(e)(f)~~ The civil assessments and penalties assessed under this chapter shall, unless otherwise provided, be levied in accordance with the following schedule:

\*\*\*

**SECTION 2.** Chapter 37, section 37-125 of the City Code is hereby amended by deleting the stricken language and adding the underlined language as follows:

**Sec. 37-125 - Outstanding and overdue citations.**

- (a) The department of public safety shall provide the license registration numbers of motor vehicles which have outstanding and overdue traffic citations issued to such motor vehicles for violations incurred under 21 Del. C., this chapter, any law of the state, or any ordinance of the city or other provision of this Code or regulation issued by the city government and which citations total in amount \$150.00 or more in unpaid fines and/or total in number five or more traffic citations. The amount owed in unpaid fines will be calculated in conjunction with any outstanding and overdue traffic citations issued to the owner on currently or previously owned motor vehicles. Except that unpaid fines, penalties and fees that have been waived, permanently suspended or voided pursuant to section 37-66 will not be included in the calculation for immobilization or towing eligibility. Further, An unpaid fines that are the subject of an appeal will not be calculated towards immobilization and/or towing eligibility until the designated appeal window has passed. If any such vehicle is found parked on the streets of the city, it shall be:

- (1) Issued a warning notice, affixed to the vehicle, alerting the owner that further unpaid fines may result in the vehicle being immobilized and towed once the vehicle reaches the threshold outlined in subsection (a)(2) if the owner does not make payment or enter into a payment agreement.

- i. Warning notices issued pursuant to this section shall provide the following information to vehicle owners: how to dispute the amount owed; how to submit a payment; and that payment plans may be available.

- (2) Immobilized in such manner as to prevent its operation if the total amount of unpaid fines exceeds \$600.00 and the vehicle shall be towed and impounded as provided in section 37-125(c) or immobilized in such manner as to prevent its operation; provided, however, that no such vehicle shall be immobilized by any means other than by the use of a device or other mechanism which will cause no damage to such vehicle unless it is moved while such device or mechanism is in place. At the time of immobilization, a

notice in the form required by section 37-128(a) shall be affixed to the vehicle.

\*\*\*

- (c) Any vehicle remaining immobilized and not released for up to 36 hours or constituting a wrecked or abandoned vehicle under section 37-123 hereof, shall be towed and impounded, but only at the specific direction of the authorized towing contractor and upon the towing contractor having verified that the vehicle is to be towed by reference to the state-issued vehicle license plate and registration tags, if any, or by reference to the vehicle identification number of the vehicle to be towed, or by observation that the vehicle is in fact immobilized and not released, or that the vehicle is considered to be abandoned under section 37-123 hereof. Any such vehicle remaining immobilized and not released may be towed within less than such 36 hours if any of the following extenuating circumstances or conditions are met and the towing contractor has been so advised by the city's finance department, or by the city's authorized scofflaw enforcer(s), or by the city's police department, or by the city's office of public safety:
- (1) The same vehicle has been immobilized on one or more previous occasions and on such occasion(s) the "motor vehicle boot" was unlawfully removed;
  - (2) The owner of the motor vehicle has made fraudulent use of a credit card or issued a bad check in payment of any traffic citation issued by the city;
  - (3) The vehicle is parked in a tow-away zone or is otherwise parked unlawfully;
  - (4) The motor vehicle owner has ~~failed to make timely payments under any defaulted on a~~ time-to-pay agreement regarding parking tickets or red light camera citations with the city or has otherwise breached any such agreement with the city as determined by the department of finance;
  - (5) The motor vehicle owner has failed to return a "motor vehicle boot" from a previous immobilization of any motor vehicle of that same owner; or
  - (6) The owner of the motor vehicle has outstanding, overdue and unpaid motor vehicle immobilization booting fees citations for violations of Chapter 37 of the City Code totaling in amount more than \$500.00 ~~in motor vehicle immobilization booting fees.~~

Any vehicle so impounded or immobilized shall not be released to its lawful owners, any provision in this chapter to the contrary notwithstanding, until all unpaid traffic citations, including red light camera citations, issued to such vehicle have been discharged either by payment of all fines and costs assessed thereon or by action of the court having jurisdiction thereof or by the director of finance or by entering into a payment agreement authorized by the director of finance. It shall



be unlawful for any person to tow any immobilized vehicle except at the specific direction of the city towing contractor above referenced. It shall be unlawful for any person to remove an immobilization device, commonly known as a "motor vehicle boot", or having unlawfully removed such "motor vehicle boot" not to return it to the proper city officer, except as such removal may be done in accordance with the authority of the towing contractor. In any instance in which a "motor vehicle boot" has been removed other than by or at the direction of the towing contractor, there shall be a rebuttable presumption that the registered owner of the motor vehicle is responsible for the missing or stolen "motor vehicle boot". Any violation of this section constituting an unlawful towing of an immobilized vehicle, or an unlawful removal of a "motor vehicle boot", or a failure to return to the city any "motor vehicle boot" that has been removed from a motor vehicle shall be punishable upon conviction by a fine in an amount of not less than \$515.00 plus court costs; in addition, any and all such unpaid traffic citations issued to the vehicle that was immobilized by the subject immobilization device shall be paid.

\*\*\*

- (f) The director of finance or their designee shall be authorized to enter into an agreement with the owner of ~~any~~ a motor vehicle subject to the provisions of this subsection for scheduled regular payments of fines, penalties, fees and costs over a period of time ~~not to exceed three months in order to discharge all unpaid traffic citations issued to the owner of such motor vehicle.~~ The director of finance shall promulgate regulations to establish procedures relating to payment agreements offered under this Chapter. Such regulations may establish, among other things, the type of fines, penalties, fees and costs subject to a payment agreement, a monetary threshold to obtain a payment agreement, the length of a payment agreement, late payment notices, and default. Any such agreements entered into prior to the effective date of the ordinance from which the amendments herein set forth regarding the department of transportation derive and for which payments are still due as of such date shall continue in effect and such scheduled payments shall be made to the department of finance.

**SECTION 3.** Chapter 37, section 37-128 of the City Code is hereby amended by deleting the stricken language and adding the underlined language as follows:

**Sec. 37-128 - Procedure; notices; issuing citation without causing vehicle to be towed or immobilized; civil penalty for violation.**

- (a) Police officers or parking regulation enforcement officers, authorized scofflaw enforcers, the commissioner of licenses and inspections, the deputy commissioner, and designated code enforcement officers shall be the only persons authorized to direct the immobilization and/or the removal of any vehicle under the provisions of this article or article IV of this chapter. Such police officer or parking regulation enforcement officer or scofflaw enforcer, or such commissioner, deputy

commissioner, or code enforcement officer shall be present at the time of immobilization and/or removal and shall securely affix an immobilization notice form or a towing notice form in a prominent place on such vehicle, such forms to bear the license number and state of registration of the vehicle, the date, time, place and nature of the violation, how to contest the immobilization or towing of the vehicle, how to submit a payment, the availability of payment agreements and the name and identifying badge number of the person directing the immobilization or the removal of the vehicle; provided, however, that any unregistered vehicle and any vehicle not bearing a valid registration tag shall be removed without the opportunity for the owner or agent for the owner to stop the towing of such vehicle. Such notice forms shall be made out in as many copies as necessary for proper administration and shall be identified by a separate number on each original form. The same number shall appear on all copies of the form. At least one copy shall be made for the offender, one copy shall be kept by the police department or the scofflaw enforcer, or the department of licenses and inspections as the case may be, one copy shall be delivered to the registered owner and the original copy shall be delivered to the department of finance.

\*\*\*

**SECTION 4.** Chapter 37, section 37-131 of the City Code is hereby amended by deleting the stricken language and adding the underlined language as follows:

**Sec. 37-131. - Redemption of vehicles; contesting immobilization and towing; civil penalties for abandoned vehicles.**

- (a) Before the owner or his agent shall be permitted to have an immobilized vehicle released or to remove an impounded vehicle from any pound provided for by this article, the following steps shall be taken:
  - (1) The owner shall pay by cash, money order, ~~or~~ certified check, or by any other payment method authorized by the director of finance, only to the city any fines, penalties and immobilization fees due and owing for the violations for which the vehicle was immobilized or towed, as well as any other fines, penalties and fees for any other parking violations which the vehicle owner may owe to the city, or the owner may enter into a payment agreement authorized by the director of finance for payment of said fines, penalties and fees. Upon payment of these fines, penalties and fees or the execution of a payment agreement authorized by the director of finance, the department of ~~public works~~ finance will provide a receipt. In the case of an immobilized vehicle, the department of ~~public works~~ finance shall cause the device to be removed from the vehicle and release the vehicle to the owner forthwith.



- (2) The owner shall present the department of ~~public works~~ finance receipt, as well as proof of ownership of the towed vehicle, to the records division of the police department. The owner will then be issued a release-of-vehicle form.
  - (3) The owner of an impounded vehicle shall then deliver to the official pound the release-of-vehicle form, and he shall also pay to the pound operator any applicable towing and storage charges. The towing and storage charges shall not exceed the amounts agreed upon between the pound operator and the city in the current contract for towing services. A printed statement of the charges which the pound operator is permitted to charge under contract can be obtained through the department of ~~public works~~ finance or through the records division of the police department. A statement of charges shall also be prominently posted in a public area at the pound.
- (b) If such immobilization and/or towing and storage charges are paid under protest, or if the fine on the violation for which the vehicle was towed or immobilized is paid under protest or the vehicle owner elects to contest the immobilization or towing of their vehicle without payment under protest, the ~~offender~~ vehicle owner shall be entitled to a hearing before ~~the municipal court for the city~~ a hearing officer employed or contracted by the city who will determine whether the vehicle was properly subject to immobilization or towing. The hearing officer's decision will not have preclusive effect in a subsequent court action. The director of finance shall promulgate regulations to establish procedures related to hearings by the city's hearing officer. An appeal of the underlying parking or traffic violation shall be heard and determined by the Justice of the Peace Court for the State of Delaware as provided for in 21 Del. C. § 4181A. Such hearings are held, without appointment, on Friday mornings at 9:30 a.m. in the municipal court for the city. The notice placed upon the motor vehicle pursuant to section 37-125, warning that the vehicle has been immobilized and should not be moved, shall include a statement advising the motor vehicle owner or his agent of the foregoing right to pay the fines and fees under protest and/or to appear in the municipal court on the next Friday morning at 9:30 a.m. a hearing to present his their reasons why the motor vehicle should not have been immobilized and/or why the vehicle should not have been towed. When such fines and fees are paid under protest, at which time the motor vehicle shall be released, such fines and fees shall be held in escrow by the department of finance pending the outcome of the ~~municipal court~~ hearing. If the ~~municipal court~~ hearing officer determines that the motor vehicle should not have been immobilized or towed, or that such fines and fees or any part thereof need not have been paid, or the court determines the vehicle owner did not violate a provision of this Chapter, ~~shall so advise~~ the department of finance ~~which~~ shall release such fines or fees or part thereof from the escrow account to the motor vehicle owner or his agent.

- (c) The person or party who appears as owner of any wrecked or abandoned vehicle shall, in addition to any penalties provided by any other provision of this chapter or ordinance or regulation, be subject to and liable for a civil penalty at Level 6.

**SECTION 5.** Chapter 37, section 37-132 of the City Code is hereby amended by deleting the stricken language and adding the underlined language as follows:

**Sec. 37-132. - Towing of unauthorized motor vehicles from handicapped parking spaces and other restricted areas.**

\*\*\*

- (b) In any case involving immobilization of a vehicle pursuant to this section, the police officer or parking regulations enforcement officer shall cause to be placed on such vehicle, in a conspicuous manner, notice sufficient to warn any individual to the effect that such vehicle has been immobilized and that any attempt to move such vehicle might result in damage to such vehicle. The immobilization notice shall also contain the information required by section 37-128(a).
- (c) Any vehicle remaining immobilized and not released for 24 hours shall be towed and impounded, but only at the specific direction of authorized police officers or parking regulation enforcement officers. Any vehicle so impounded or immobilized shall not be released to its lawful owner, any provision in this chapter to the contrary notwithstanding, until all unpaid traffic citations issued to such vehicle have been discharged either by payment of all civil penalties or costs assessed thereon, by entering into a payment agreement authorized by the department of finance, by action of the hearing officer acting pursuant to section 37-131(b) or by action of the court. It shall be unlawful for any person to tow any immobilized vehicle except at the specific direction of the above-referenced city officials. It shall be unlawful for any person to remove an immobilization device, commonly known as a "motor vehicle boot," for having unlawfully removed such "motor vehicle boot" not to return it to the proper city parking regulation enforcement officer. In any instance in which a "motor vehicle boot" has been removed other than by or at the direction of the above referenced city officers, there shall be a rebuttable presumption that the registered owner of the motor vehicle is responsible for the missing or stolen "motor vehicle boot." Any violation of this section constituting an unlawful towing of an immobilized vehicle, or an unlawful removal of a "motor vehicle boot," or a failure to return to the city any "motor vehicle boot" that has been removed from a motor vehicle shall be punishable by a civil penalty in the amount of not less than that established at Level 22 plus court costs; in addition, any and all unpaid traffic citations issued to the vehicle that was immobilized by the subject immobilization device shall be paid.
- (d) The owner of such impounded or immobilized motor vehicle shall redeem it only pursuant to the provisions of section 37-131. The owner of such impounded or immobilized motor vehicle shall redeem it only on payment of the sum of \$50.00

for the cost of immobilizing or towing and releasing such vehicle and shall sign a receipt for such vehicle. The owner of an immobilized vehicle which was subsequently towed and impounded shall be subject to a fee of \$50.00 plus ~~an~~ any additional fees for towing and storage. The \$50.00 fee may be included in a payment agreement authorized by the department of finance.

\*\*\*

**SECTION 6.** This Ordinance shall be effective upon its passage by City Council and approval by the Mayor.

First Reading.....August 29, 2024  
Second Reading.....August 29, 2024  
Third Reading..... Sept. 19, 2024  
Passed by City Council, Sept. 19, 2024

\_\_\_\_\_  
President of City Council

ATTEST:

Maribel Seijo  
City Clerk

Approved this 20 day of Sept., 2024

\_\_\_\_\_  
Mayor

**SYNOPSIS:** This Ordinance amends Chapter 37 of the Wilmington City Code to 1) allow the Director of Finance greater flexibility when entering into payment plans by deleting the three-month time limitation on such plans; 2) permit a vehicle owner to obtain a release for a vehicle that has been immobilized or impounded when the owner enters into a payment agreement that is authorized by the Department of Finance; 3) require that outstanding civil penalties and fees imposed under this Chapter be voided when, pursuant to a State-authorized process, title to a vehicle that has been impounded is transferred to the towing or storage contractor, or the towing or storage contractor obtains authority to dispose of the vehicle; and 4) clarify that disputes related to immobilization and towing will be heard by a hearing officer employed or contracted by the City in accordance with regulations adopted by the Department of Finance.

**FISCAL IMPACT:** It is anticipated that the Department of Finance may need to hire an employee in the next fiscal year and make certain modifications to technology because of the passage of this Ordinance. The estimated cost for the new position and technology modifications is approximately \$200,000.00 (TWO HUNDRED THOUSAND DOLLARS). Additionally, the current default rate for payment agreements is approximately 70%. While providing greater flexibility in payment agreements and increasing notice of the availability of payment agreements may result in a decrease in the default rate and the payment of more fines and penalties, the potential decrease in the default rate cannot be quantified with any degree of certainty. There is minimal fiscal impact anticipated from voiding outstanding civil penalties and fees when title to a vehicle that has been impounded is transferred to the towing or storage contractor or the towing or storage contractor obtains authority to dispose of the vehicle because the City is unable to collect the majority of that debt.

# **EXHIBIT 2**

## City of Wilmington



**MICHAEL S. PURZYCKI**  
Mayor

### Department of Finance

#### Policy 2019 – 01: Version 9.0

#### Rules for Collection of Delinquent Accounts

Approved - May 17, 2022

Revised – August 22, 2023

Revised – April 2024

Revised – October 15, 2024

(Effective November 14, 2024)

Objective: In the collection of delinquent accounts, the Department of Finance will make reasonable efforts to contact account owners, property owners, and vehicle owners to resolve delinquent balances and provide opportunities for repayment of debts before taking enforcement actions such as shut-off, Sheriff Sales, and vehicle immobilization/towing. The Department will document on the account all attempts to make contact. Once notice is given, customers who fail to respond may be liable for enforcement actions as provided in these Rules and/or by law.

#### A) Delinquency notices:

- a. Unpaid tax bills or any portion thereof shall be deemed to be delinquent on September 1 of the year in which they are levied. Sewer, water charges, and stormwater charges shall be deemed to be delinquent after the billing due date.
- b. For any delinquent utility account, the City will send the account owner and property owner of the account, will receive a notice of delinquency via certified mail and/or regular mail every 30 days for 6 months. After 6 months of delinquency, the City will issue a shut-off notice to the account owner and property owner, requiring payment within 5 days or the water will be turned off. If timely payment is not received after a shut-off notice on day 180, a door hanger will be placed on the property indicating that the water will be shut off in 5 days if no payment is made.
- c. The Department will also utilize text, email, and digital ad notices to encourage delinquent customers to pay their bills or reach us to arrange a payment agreement.



**B) Shutoff:**

- a. Shutoff notices will be sent by certified mail.
  - i. There will be no minimum threshold amount for accounts subject to notice letters or water shutoffs. However, the City will prioritize those accounts with the largest delinquencies for shutoff.
  - ii. Account Services will work with customers wishing to pay or enter into payment agreements for any shutoff.
  - iii. Account Services will maintain a list of the shutoff notices, their status, and resolution.
  - iv. Exceptions may be made when meters need to be located by Public Works or access to the meter is unavailable.
- b. After a shut-off notice is issued, If the customer does not make an appointment or call in within the time provided by the shutoff notice, the meter agent will be deployed to the property and the water will be turned off.
- c. Shutoffs will be performed in the mornings; water service renewals will be done in the afternoons.
- d. Shutoffs will not occur on Fridays, weekends, or when the outside temperature reaches lower than 40 degrees Fahrenheit.
- e. Shutoffs may also be deferred if a property owner reports a leak. However, a customer must bring the account current, or enter into a payment agreement to be eligible for a leak on property adjustment.

**C) Sheriff Sales delinquent balance thresholds:**

- a. The delinquent balance threshold for sheriff's sale action shall be \$7,500 for owner- occupied properties. Account Services will identify accounts from the Accounts Receivable list beginning with those properties with the highest delinquency of more than 365 days.
- b. No sheriff sale monitions will be filed against owner-occupied residential properties for accounts with utility-only delinquencies. Additionally, the City shall exclude unpaid utility obligations from consideration on whether the \$7,500 threshold has been met for owner-occupied residential properties on which property tax, utility, and/or license and inspection delinquencies exist.
- c. There shall be no delinquent balance threshold for commercial properties, rental properties, properties owned by nonprofit entities, or nuisance properties. Nuisance properties shall include vacant properties and owner-occupied nuisance properties. Such properties may be subject to Sheriff's sale for delinquent amounts at any threshold.

**D)** Vacant properties are NOT eligible for payment agreements. The City will send a demand letter 15 days prior to filing a monition action to property owners requesting contact with the City on resolution of debts.

**E)** The City shall endeavor to send notice to mortgage companies of record on properties on which there is a delinquent balance to seek payment, 30 days prior to the filing of monition against the property.

**F) Debts/ Uncollectible Utility, Property or Instant Ticket Debts:**

- a. The Department will conduct a review of the account receivable list in consultation with the Law Department to determine if portions of the receivable should be designated as uncollectible.
- b. Accounts on which the delinquent principal is more than 10 years old will be placed in uncollectible status. However, a statutory lien will continue against the property.
- c. Utility accounts held under different names, addresses, or Customer Identification Numbers will be researched to determine if the property has been transferred to another owner. If a new property owner did not secure clear title at time of purchase, the new property owner will assume the previous owner's debt.
- d. If a delinquent account is determined to be uncollectible, the account will be held in a special database in MUNIS for future reference and disposition. Delinquent amounts that are designated as uncollectible shall continue to be subject to statutory penalties and interest.

**G) Penalty and Interest:**

- a. Penalties will be charged 18 days from the billing date with a 3-day grace to receive mailed payments. This still gives the customer 21 days to pay but makes the application of penalties consistent across all accounts. This charge would be presented and due by the customer with the next scheduled billing of the account.
- b. Interest will be applied on any unpaid past due charges (arrears) with the next scheduled billing (9 days after the scheduled due date) for the account.
- c. Interest will be charged at 1 ½ percent.

**H) Payment Agreements (excluding payment agreements for parking and photo-enforced red-light ticket debt which is addressed in Section K):**

- a. All payment agreements will be logged in the payment agreement module.
- b. Customers wishing to pay off their entire past due balance will be provided a 100% abatement on interest ONLY. Penalties, however, may still be charged.
- c. Customers entering into a payment agreement have the following options:
  - i. 25% penalty and interest abatement for 36-month agreements. The initial deposit will be no less than 5% of the balance due after abatement. The 1 ½ percent interest rate will still be charged.
  - ii. 50% penalty and interest abatement for 24-month agreements. The initial deposit will be no less than 5% of the balance due after abatement. The 1 ½ percent interest rate will still be charged.
  - iii. 75% penalty and interest abatement for 12-month agreements. The initial deposit will be no less than 5% of the balance due after abatement. The 1 ½ percent interest rate will still be charged.
  - iv. Customers making below the 200% of the federal poverty level based



on income will be afforded 100% abatement of penalty and interest. Agreements will be no longer than 36 months. A minimum deposit of \$100 is needed to secure the agreement.

- d. Customers will be given no more than two agreements (a second agreement will be offered if the first agreement is broken).
- e. A broken agreement is defined as 60 days late on payment.

**I) Bankruptcy:** Once notification is obtained by the City that a bankruptcy has been filed, the City will file a proof of claim on the property to identify to the court that the City has a lien.

**J) Intestate Transfer of Property:**

- a. Property owners who acquire property through intestacy on which there are outstanding delinquencies may have their delinquencies satisfied by paying 100% of the outstanding principal; however, all interest and penalties at the time of recorded transfer of title or settlement may be discharged. Penalties and interest that are imposed after the owner takes title shall be the responsibility of the new owner.
- b. Owners who acquire property through intestacy must provide official documentation from the Register of Wills to establish title.

**K) Payment Agreements for Parking and Photo-Enforced Red-Light Ticket Debt (Chapter 37 of the Wilmington City Code):<sup>1</sup>**

- a. The thresholds for the immobilization (*i.e.*, “booting”) and towing of vehicles is set by the Wilmington City Code.
- b. A vehicle owner whose vehicle has been immobilized or towed can obtain a release of their vehicle by entering into a payment agreement with the City and making their first payment.
- c. A vehicle owner with at least seventy-five dollars (\$75.00) in parking or red-light ticket debt (including late fees/penalties) and boot fees that could result in the vehicle being towed may obtain a payment agreement. There shall be no charge to set up or maintain a payment agreement.
- d. If the vehicle owner has one hundred dollars (\$100.00) or less in parking or red-light ticket debt (including late fees/penalties) and boot fees, the outstanding fines

---

<sup>1</sup> Sections K, L, M, and N of this Policy are subject to the terms of the Settlement Agreement reached by the parties in the matter of *Ameera Shaheed and Earl Dickerson v. City of Wilmington, First State Towing, LLC, and City Towing Services, LLC*, Civil Action No. 21-cv-01333 (CFC). The terms of the Settlement Agreement include, but are not limited to, the maintenance of certain policy provisions contained in these Sections for a specific period of time. Please refer to the Settlement Agreement before making any changes to the foregoing Sections.

and associated fees/penalties subject to the payment agreement must be paid within 12 months. If the vehicle owner has over one hundred dollars (\$100.00) in parking or red-light ticket debt (including late fees/penalties) and boot fees, the outstanding fines and associated fees/penalties subject to the payment agreement must be paid within 24 months. The City's Finance Director, at their discretion, may authorize a payment agreement longer than 24 months if a vehicle owner demonstrates they are unable to pay the amount due within 24 months.

- e. "Lost boot" fees (fees assessed to a vehicle owner for having removed a boot unlawfully) will not be subject to payment agreements.
- f. Payment agreements will provide for payments in equal monthly installments. A vehicle owner may choose to pay more than the monthly installment for any given month or pay the balance in full at any time.
- g. Vehicle owners may continue to make payments by credit card (except American Express), debit card, check, cash or any other convenient form of payment authorized by the Director of Finance. Payments may continue to be submitted to the City by mail, on-line, in-person, or by any other manner designated by the Director of Finance.
- h. Payment agreements will not be provided to vehicle owners who have previously removed a boot from their vehicle unlawfully, unless 1) the owner has paid the "lost boot" fee in full; or 2) the car to which the lost boot fee was applied was scrapped, sold, or disposed of by a towing contractor, *i.e.*, a vehicle owner gets a "fresh start" each time they lose a vehicle.
- i. Payment agreements are limited to one payment agreement per vehicle. If a vehicle owner defaults (as defined below) on a payment agreement for the vehicle, the City will not provide the vehicle owner with a second payment agreement for the same vehicle.
- j. Towing and storage fees are not subject to a City payment agreement.
- k. Information regarding the availability of payment agreements will be included in:
  - i. parking tickets affixed to vehicles;
  - ii. letters sent to vehicle owners regarding individual tickets;
  - iii. warning notifications affixed to vehicles when ticket debt approaches the threshold for towing;
  - iv. notifications affixed to vehicles when the vehicle has been immobilized;
  - v. hearing notifications sent pursuant to Section L below; and
  - vi. the City's website.
- l. When payment agreements are entered into, vehicle owners will be asked for and should provide contact information for text messages, emails, and/or paper mail

for communications and notices about their payment agreement. Vehicle owners may update their contact information.

- m. If a vehicle owner is late on a monthly payment under a payment agreement, the City will notify the owner by text or email (if the owner has provided the necessary information to the City), by mail, and, if the vehicle is located on a public street, by placing a sticker or other notice on the windshield/window of the vehicle that the vehicle may be subject to immobilization or towing and to contact the Department of Finance for additional information.
- n. A vehicle that is subject to a payment agreement will not be immobilized or towed based on unpaid parking ticket and photo-enforced red-light ticket debt if the owner remains in compliance with the payment agreement (*i.e.*, not in default).
- o. A vehicle owner is in default of their payment agreement when they are 90 (ninety) days late on a scheduled payment. If a vehicle owner defaults on their payment agreement and the amount owed at the time of default meets the immobilization threshold, their vehicle will be placed on the immobilization list and subject to immobilization or towing.

**L) Contesting Immobilization or Towing of a Vehicle for Unpaid Parking Ticket and Photo-Enforced Red-Light Ticket Debt**

- a. A vehicle owner who has received an immobilization warning or whose vehicle has been immobilized or towed for unpaid parking or red-light tickets will be provided with the opportunity for a hearing to determine whether the threshold for immobilization or towing has been met, or that the immobilization or towing was the result of extraordinary circumstances (e.g., the vehicle owner was in the hospital or out of town due to a family emergency) or inability to pay. The hearing will not be a second opportunity to challenge the validity of the parking or red-light ticket.
- b. A hearing officer will conduct the hearing as a neutral arbiter. The hearing officer may be a City employee or an individual contracted to perform such task within either the Finance Department or Law Department. Hearing officers will not be incentivized to make a particular decision, nor will their contract or employment depend on deciding hearings in the City's favor.
- c. Hearings will be available upon the request of the vehicle owner. The vehicle owner may choose to participate in the hearing either by phone, video (e.g., Zoom or Teams), or in-person at the Louis L. Redding City/County Building.
- d. Notices scheduling hearings will include information about how to request a payment agreement from the City's Finance Department prior to the hearing or from the hearing officer at the hearing. The hearing officer will also expressly inform vehicle owners of the option to enter into a payment agreement during the hearing. If the vehicle owner requests a payment agreement during the hearing, the hearing officer has the authority to have the Finance Department enter into a payment agreement with the owner consistent with and on the terms provided in

Section K above.

- e. Hearings will be available within 7 (seven) days of a vehicle being towed. However, if the City's towing contract provides for a shorter period before storage fees can be assessed by the contractor, then the hearing will be available within this shorter period. Towing contracts shall provide a period of at least 3 (three) days before storage fees can be assessed by the contractor.
- f. A vehicle owner may request a hearing up until 15 (fifteen) days prior to the end of the period the towing contract requires vehicles to be held. If a hearing is held after the time period provided in Section L(e) above, the towing and storage fees allowed under the City's towing contract shall not be waived unless the hearing officer determines that:
  - i. the vehicle was towed in error, or
  - ii. the vehicle owner can demonstrate extraordinary circumstances (e.g., the vehicle owner was in the hospital or out of town due to a family emergency).
- g. For good cause, the hearing officer may waive 1 (one) outstanding violation and any associated late fees. For good cause, the hearing officer may also recommend to the Director of Finance a further reduction in the amount due or owing. The Director of Finance has the discretion to void tickets, fees and/or penalties.
- h. The decision of the hearing officer will be an internal agency decision that will not have preclusive effect in any court.

**M) Parking Tickets and Violation Letters – Content:**

- a. Parking tickets and violation letters will contain the following information (in addition to date, location, description of violation, applicable fines and penalties, how to pay, and any other information required by the Code or that the Director Finance believes may be appropriate):
  - i. the availability of payment agreements and contact information to request one;
  - ii. how to appeal a parking ticket to the Justice of the Peace Court;
  - iii. immobilization and towing thresholds; and
  - iv. how to contest the immobilization or towing of a vehicle.

**N) Immobilization and Towing Notices:**

- a. Immobilization and towing notices (letters, windshield/window stickers and placards) will contain the following information (in addition to any other information required by the Code or that the Director Finance believes may be appropriate):

- i. the license number and state of registration of the vehicle;
- ii. the date, time, place and nature of the violation;
- iii. how to contest the immobilization or towing of the vehicle;
- iv. how to submit payment for outstanding ticket debt;
- v. the availability of payment plans and contact information to request one; and
- vi. the name and identifying badge number of the person directing the immobilization or removal of the vehicle.

**O) Condominiums:**

- a. Condominium units will be treated as separate units for debt collection when there is no single controlling interest or a condo owners association.
- b. A separate debt collection letter will be sent to the condo owners once identified. Debt on a single-metered unit will be allocated based on the square footage of the condominium unit as a percentage of the total square footage of the condominium property.
- c. Common areas will be equally distributed based on square footage divided by the relative percentage of ownership interest.

**P) Business Licenses:**

- a. No business licenses will be issued to an applicant who owes the City delinquent property taxes, Licenses, and Inspection Fees, or instant tickets.
- b. City license agents are directed to pull information from MUNIS before the issuance of a license.
- c. Provisional licenses will be afforded to applicants if a payment agreement is entered into with the Accounts Services Division.
- d. Instant tickets are not eligible for payment agreements. They must be paid in full at the time of obtaining a business license.

**Q) Rental Property Licenses:**

- a. No rental property license will be issued to applicants who owe the City for delinquent property taxes, license and inspection fees, or instant tickets.
- b. City license agents are directed to pull information from MUNIS before the issuance of a license.
- c. Provisional licenses will be granted to applicants if a payment agreement is entered into with the Accounts Services Division.
- d. Instant tickets are not eligible for payment agreements. They must be paid in full at the time of obtaining a business license.