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Towns seek cash per crash from out-of-town drivers

By Lori Kurtzman, USA TODAY

In the tiny village of New Richmond, Ohio, most people who get involved in car accidents are from somewhere else.

Police can spend hours working a crash at the expense of the village's taxpayers, Police Chief Dave Willoughby said, even though none of its 2,483 residents caused the problem.

Now New Richmond and a growing number of cash-strapped communities large and small are billing at-fault out-of-town drivers and their insurance companies to recoup some of the cost of responding to and clearing accidents outside drivers cause.

Ocala, Fla., a community of 55,000, approved an ordinance last Tuesday that aims to collect more than \$350,000 in annual reimbursements for police services. Larger cities, including Tampa and Boston, have expressed interest, according to Regina Moore, president of Dayton, Ohio-based Cost Recovery Corp., a company that helps communities bill accident-causers for police time.

New Richmond, Ohio, hopes to recover \$25,000 this year after approving a similar ordinance in November, Willoughby said.

The practice of billing out-of-towners has raised the ire of drivers and insurance companies and a few communities have rescinded their ordinances. But accident fees for out-of-town drivers are still gaining popularity. During the past three years municipalities in at least 15 states — including Michigan, Kentucky, Florida, Wisconsin and North Carolina — have passed ordinances requiring at-fault drivers to pay up.

"We're bombarded with requests," Moore said. Her company, she said, receives 10% of whatever is collected.

Across the Ohio River from New Richmond in Erlanger, Ky. — a city where four major highways intersect and where 82% of accidents last year involved out-of-town drivers — city leaders expect to generate \$100,000 with their ordinance. They bill at-fault drivers \$14 for the first 30 minutes an officer is on scene and \$7 for every 15 minutes thereafter.

"You're going to see a lot of cities (that) have the same problems we do look at this," Erlanger Mayor Tom Rouse said.

Even as the billing practice has gained momentum, a burgeoning movement has sprung up against the accident fees, which some call a "crash tax." In December, Pennsylvania passed a state law prohibiting them. The Ohio Insurance Institute created the website accidentresponsefees.com as the practice took root in that state. Other sites have followed.

Some communities, including Radnor Township, Pa., and Wyoming, Mich., have instituted the fees only to drop them after citizen uproar.

Wyoming's City Council repealed its fee last week. Radnor ended its practice last February, before the state ban. After Radnor abolished its fees, the township refunded at least \$47,000 to those who'd paid them, police Lt. A.J. Antonini said.

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Stow, Ohio, ended its relationship with Cost Recovery in September 2006 and offered to reimburse drivers who had reimbursed the city.

Stow recovered \$5,890 of the nearly \$30,000 in bills sent to drivers and insurance companies, Police Chief Louis Dirker said. The small return and the unpopularity of the ordinance led to it being dropped after about a year.

Dirker still believes the practice has merit. He said Cost Recovery didn't make any false promises. "It just wasn't worth it," Dirker said. "The money wasn't there like we assumed it would (be)."

Critics say the fees could drive up insurance rates and hurt local businesses that rely on out-of-town customers.

"Crash taxes put the local community basically on a collision course with their local economy," said Mary Bonelli, a spokeswoman with the Ohio Insurance Institute. "Why would a business want to choose to invest in a community that sticks drivers with a tab that is routinely picked up by the community in most other states?"

"Most of our member companies do not pay these fees," she added. "We have yet to see an insurance policy that covers them."

"Insurance policies will cover you when you're liable or negligent. But in this situation, unless there's some sort of hazardous spill or something, there's no liability," said Kentucky Farm Bureau spokesman Greg Kosse.

When the insurance companies don't pay, the bills get sent to the drivers, Moore said. If drivers don't pay, the bills may be sent to collection agencies — or they may be tossed away, depending on what the ordinance dictates.

Kurtzman reports for The (Cincinnati) Enquirer.

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