



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 010101

Introduced February 15, 2001

Councilmembers Clarke, Mariano, Blackwell, Goode, Reynolds Brown and Rizzo

**Referred to the
Committee on Law and Government**

AN ORDINANCE

Enacting a new Chapter 21-1300 of The Philadelphia Code, entitled "Office of Consumer Affairs" establishing an Office of Consumer Affairs, setting forth the composition of its board, providing the office with the broad power to investigate and study consumer issues, and establishing its advisory functions, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Title 21 of The Philadelphia Code is hereby amended to add a new Chapter 21-1300 to read as follows:

§21-1301. Legislative Findings.

The Council of the City of Philadelphia hereby finds that:

- (1) Philadelphia's auto insurance consumers are paying the highest rates in the country; and
- (2) According to the Pennsylvania Insurance Department, the average auto insurance premium in Philadelphia is \$2409.00; and
- (3) Rates in Philadelphia are twice as high as those in suburban counties, where the average premium is \$1228.00; and
- (4) Auto insurance rates are a major factor that motivates residents to move out of the city; and

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(5) Rising utility rates and unfair lending practices adversely affect Philadelphia consumers; and

(6) These consumers need an agency to educate and protect them, giving them the same rights consumers in other areas have.

§21-1302. Establishment of Office.

An Office of Consumer Affairs (“the Office”) is hereby established in the Managing Director’s Office which shall pay from appropriations made to the Office to it, all the expenses of such Office. The Office shall have an advisory board (the “Board”) that shall consist of thirteen (13) members who shall be appointed by the Mayor, subject to approval of City Council by Resolution heard in the Committee of the Whole. Seven (7) of the original members shall be appointed to four (4) year terms, and six (6) shall be appointed to two (2) year terms, and all shall serve until the appointment of their successors. Persons appointed to fill vacancies shall serve for the balance of the terms for which their predecessors were appointed. All other appointments shall be for terms of four (4) years. The Mayor shall make appointments in the following manner:

(1) Seven (7) appointments, of which four (4) shall be for initial four (4) year terms, and three (3) for initial two (2) year terms, subject to approval of City Council by Resolution heard in the Committee of the Whole.

(2) Members shall serve until their successors are appointed.

(3) Within seven (7) days of the date the Mayor learns of a vacancy in any Office position occurring for any reason other than expiration of a term, and no later than thirty (30) days prior to the expiration of a Board member’s term, the Mayor shall notify the Council of such event.

(4) All initial appointments shall be made by the Mayor within sixty (60) days of the effective date of this Chapter, and all subsequent appointments shall be made within sixty (60) days of any of the following:

(a) the date the Mayor give notice to Council of a vacancy to be filled under subsection 21-1302(3): or

(b) the occurrence of any other vacancy.

In making nominations and appointments, the Mayor shall use his best efforts to create and maintain a Office reflecting the diversity in the population of the City and to include as Office members three (3) persons who are experienced as an advocate for consumers.

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For the purposes of this section, experience as an advocate for consumer affairs shall include experience in the following fields: (1) insurance; (2) public utility issues; and (3) mortgage lending. Others selected shall have skills and experience in areas relevant to the work of the Office. Areas that should be represented are: consumer affairs work and litigation; community leadership; and relevant academic expertise. At the first meeting of the Board it shall elect its officers, and adopt rules governing the conduct of its meetings, proceedings, other operations and the manner by which members of the general public and the are to make formal complaints and be informed of the current and final status of their complaints. New elections for officers shall be held every two (2) years after the election of the Board's initial officers, and at such other times as the Board may determine in its rules.

§21-1303. Powers and Duties of Office.

(1) The Office shall advise the Mayor, Managing Director, the Director of the Commerce Department and City Council on policies and actions of consumers and institutions, agencies, businesses in their interaction with consumers. To this end the Office shall have full discretion to select appropriate individual incidents to investigate and broader issues to study which may be of concern to the community; provided, however, that the Office shall, to the extent possible, minimize any duplication of effort between the Office and any other existing agencies which have jurisdiction over the same matter. The Office, the Managing Director, the Director of the Commerce Department, and other responsible officials shall ensure that all such agencies cooperate to the greatest extent possible in the performance of their respective activities, investigations, and operations. Such studies and investigations may be initiated upon complaint to the Office by any member of the public, the Commerce Department, City Council, or at the Office's own discretion.

(2) The Office at its discretion may make specific recommendations at anytime, and shall issue a public report summarizing its activities and recommendations not less than once a year to the Mayor and members of City Council, and shall make copies of the report available to the public at the Free Library and at other locations.

(3) The Office shall establish a mediation program pursuant to which a complainant may voluntarily choose to resolve a complaint by means of informal conciliation.

(4) The Office shall have the right to represent the City, or a group of consumers, in proceedings in federal, state and local administrative agencies and courts in issues relating to consumers, including, but not limited to, the Pennsylvania Public Utility Commission and the Office of Pennsylvania Insurance Department, the Office of Rate and Policy Regulation.

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(5) The Office shall have the responsibility of informing the public about the Office and its duties, and shall develop and administer an on-going program for the education of the public regarding the provisions of this Chapter.

§21-1304. Staffing.

(1) To enable the Office to conduct fact-finding investigations, the Managing Director shall authorize the Office to hire an Executive Director who shall in turn hire, subject to the approval of the Office and the Managing Director, a sufficient staff of independent investigators, independent counsel and independent clerical personnel to enable the Office to do its work. Such staff members shall report directly to the Executive Director, who, in turn shall be supervised by the Board.

(2) Within sixty (60) days of the appointment of the initial Board, and by January 1 of each year thereafter, the Office shall determine its staff and other needs and submit a proposed budget to the Managing Director setting forth such needs and their anticipated cost for the following year. A copy of such budget request shall be submitted to the Council simultaneously with its transmission to the Managing Director.

§21-1305. Hearings

(1) To aid its fact-gathering function, the Office shall have the power to conduct public hearings and subpoena witnesses and testimony.

(2) In order to vindicate the Office's interest in the accurate collection of truthful testimony in official proceedings, it shall have the power to record testimony by videotape, audiotape and/or stenographic transcription.

(3) All testimony given before the Office shall be given under oath.

§21-1306. Form of Advice

The Office shall have the power to recommend that the Managing Director take certain actions. The Office may recommend general reforms or specific actions directed at individual officers; provided, however that the Managing Director shall retain full and ultimate authority, power, discretion, management prerogatives, and responsibility to set disciplinary policies.

(1) The Managing Director shall have the power to request information and reports on any existing or proposed investigation conducted by the Office.

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SECTION 2. The Ordinance shall take effect sixty (60) days after its enactment.

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