

DETROIT CHARTER REVISION COMMISSION

PROPOSAL/ISSUE REVIEW SUMMARY

ISSUE NUMBER: GDS 8

ISSUE CATEGORY: Government Department & Services

SOURCE: Mayor, January 2010 *“Report on the Impact of the Detroit City Charter on City Service Administration”*

RELATED CHARTER SECTIONS: Article 7, Chapter 6 (Consumer Affairs)

RELEVANT ORDINANCE SECTION:

RELEVANT LAW(S):

ISSUE/PROPOSAL STATEMENT: Eliminate Consumer Affairs Department

RATIONALE: “The Consumer Affairs Department is established to provide consumer education and protection programs, enforce laws prohibiting consumer fraud; grant, revoke or approve transfers of business licenses; and receive and investigate consumer complaints. It includes the consumer advocacy function, the business license center and overweight truck regulation.

“Business licensing and overweight truck regulation have long histories as city services, but the consumer advocacy function was added in the 1974 Charter with the creation of this department. It is unusual for municipalities to provide consumer education and mediation services especially in separate organizations and without enforcement powers (see Appendix III).

“The 1974 Charter Commentary calls the creation of this department “an attempt to make existing laws work more equitably for everyone ... consistent with a growing awareness” of the increasing complexity of the marketplace. Today, with less economic activity in the city limits and more power wielded by national or multinational organizations, a local agency has less capacity to impact consumer problems. With other outreach operations existing in the city bureaucracy, and media watchdogs, consumer education could easily be assumed elsewhere.”- *Mayor’s Report on the Impact of the Detroit City Charter on City Service Administration, p. 4.*

“Findings of 2002 Benchmarking Study on Local Consumer Protection Systems

“Based on The Consumer Action Handbook (2002 edition) and phone interviews, it is unusual for municipalities to provide consumer education and mediation services especially in separate organizations. Consumer protection services tend to have enforcement powers rather than solely doing public education:

- New York, San Diego, Santa Monica, Tucson, Cincinnati and Virginia Beach do some mediation out of their City Attorney’s Offices.
- Chicago and Middletown Connecticut are the only municipalities known to have separate consumer service/protection departments
- Seattle and Minneapolis also take on the function but using enforcement approach rather than public education

-*Mayor’s Report on the Impact of the Detroit City Charter on City Service Administration, Appendix III, p. 8.*

ANALYSIS:

DISPOSITION/COMMISSION ACTION:

NOTES: