SENATE BILL 5524

State of Washington61st Legislature2009 Regular SessionBy Senators Rockefeller and Marr

Read first time 01/26/09. Referred to Committee on Transportation.

1 AN ACT Relating to vehicle impoundment notice requirements; and 2 amending RCW 46.55.100, 46.55.110, 46.55.120, and 46.55.130.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 Sec. 1. RCW 46.55.100 and 2002 c 279 s 9 are each amended to read 5 as follows:

(1) At the time of impoundment the registered tow truck operator 6 7 providing the towing service shall give immediate notification, by telephone or radio, to a law enforcement agency having jurisdiction who 8 9 shall maintain a log of such reports. A law enforcement agency, or a private communication center acting on behalf of a law enforcement 10 agency, shall within six to twelve hours of the impoundment, provide to 11 a requesting operator the name ((and)), address, and telephone number 12 of the legal and registered owners of the vehicle, and the registered 13 owner of any personal property registered or titled with the department 14 15 that is attached to or contained in or on the impounded vehicle, the 16 vehicle identification number, and any other necessary, pertinent information. The initial notice of impoundment shall be followed by a 17 18 written or electronic facsimile notice within twenty-four hours. In

p. 1

1 the case of a vehicle from another state, time requirements of this 2 subsection do not apply until the requesting law enforcement agency in 3 this state receives the information.

(2) The operator shall immediately send an abandoned vehicle report 4 to the department for any vehicle, and for any items of personal 5 property registered or titled with the department, that are in the 6 7 operator's possession after the one hundred twenty hour abandonment 8 period. Such report need not be sent when the impoundment is pursuant to a writ, court order, or police hold that is not a suspended license 9 10 impound. The owner notification and abandonment process shall be initiated by the registered tow truck operator immediately following 11 12 notification by a court or law enforcement officer that the writ, court 13 order, or police hold that is not a suspended license impound is no 14 longer in effect.

15 (3) Following the submittal of an abandoned vehicle report, the 16 department shall provide the registered tow truck operator with owner 17 information, including name, address, and telephone number, within 18 seventy-two hours.

(4) Within fourteen days of the sale of an abandoned vehicle at 19 public auction, the towing operator shall send a copy of the abandoned 20 21 vehicle report showing the disposition of the abandoned vehicle and any 22 other items of personal property registered or titled with the 23 department to the department. The vehicle buyer information sent to 24 the department on the abandoned vehicle report relieves the previous owner of the vehicle from any civil or criminal liability for the 25 26 operation of the vehicle from the date of sale thereafter and transfers full liability for the vehicle to the buyer. By January 1, 2003, the 27 28 department shall create a system enabling tow truck operators the option of sending the portion of the abandoned vehicle report that 29 30 contains the vehicle's buyer information to the department electronically. 31

32 (5) If the operator sends an abandoned vehicle report to the 33 department and the department finds no owner information, an operator 34 may proceed with an inspection of the vehicle and any other items of 35 personal property registered or titled with the department to determine 36 whether owner identification is within the vehicle.

37 (6) If the operator finds no owner identification, the operator38 shall immediately notify the appropriate law enforcement agency, which

1 shall search the vehicle and any other items of personal property 2 registered or titled with the department for the vehicle identification 3 number or other appropriate identification numbers and check the 4 necessary records to determine the vehicle's or other property's 5 owners.

6 **Sec. 2.** RCW 46.55.110 and 2002 c 279 s 11 are each amended to read 7 as follows:

(1) When an unauthorized vehicle is impounded, the impounding 8 towing operator shall notify the legal and registered owners of the 9 10 impoundment of the unauthorized vehicle and the owners of any other 11 items of personal property registered or titled with the department. 12 The notification shall be sent by first-class mail within twenty-four 13 hours after the impoundment to the last known registered and legal 14 owners of the vehicle, and the owners of any other items of personal property registered or titled with the department, as provided by the 15 16 law enforcement agency, and shall inform the owners of the identity of 17 the person or agency authorizing the impound. The notification shall 18 include the name of the impounding tow firm, its address, and telephone number. The notice shall also include the location, time of the 19 20 impound, and by whose authority the vehicle was impounded. The notice 21 shall also include the written notice of the right of redemption and 22 opportunity for a hearing to contest the validity of the impoundment 23 pursuant to RCW 46.55.120. If the notification is returned to the operator as undeliverable or returned to the sender for any other 24 25 reason, the operator must make a good faith attempt to notify the legal 26 and registered owners using the telephone number provided by the department. At a minimum, the operator must attempt to contact the 27 owners during regular business hours at least three times during a 28 29 forty-eight hour period and maintain a log of these attempts.

30 (2) In addition, if a suspended license impound has been ordered, 31 the notice must state the length of the impound, the requirement of the 32 posting of a security deposit to ensure payment of the costs of removal, towing, and storage, notification that if the security deposit 33 is not posted the vehicle will immediately be processed and sold at 34 35 auction as an abandoned vehicle, and the requirements set out in RCW 36 46.55.120(1)(b) regarding the payment of the costs of removal, towing, 37 and storage as well as providing proof of satisfaction of any

1 penalties, fines, or forfeitures before redemption. The notice must 2 also state that the registered owner is ineligible to purchase the 3 vehicle at the abandoned vehicle auction, if held.

4 (3) In the case of an abandoned vehicle, or other item of personal 5 property registered or titled with the department, within twenty-four hours after receiving information on the owners from the department 6 7 through the abandoned vehicle report, the tow truck operator shall send 8 by certified mail, with return receipt requested, a notice of custody and sale to the legal and registered owners and of the penalties for 9 10 the traffic infraction littering--abandoned vehicle. If the notice is returned to the operator as undeliverable or returned to the sender for 11 12 any other reason, or the return receipt is not returned, the operator 13 must make a good faith attempt to notify the legal and registered owners using the telephone number provided by the department. At a 14 minimum, the operator must attempt to contact the owners during regular 15 business hours at least three times during a forty-eight hour period 16 and maintain a log of these attempts. 17

18 (4) If the date on which a notice required by subsection (3) of 19 this section is to be mailed falls upon a Saturday, Sunday, or a postal 20 holiday, the notice may be mailed on the next day that is neither a 21 Saturday, Sunday, nor a postal holiday.

(5) No notices need be sent to the legal or registered owners of an impounded vehicle or other item of personal property registered or titled with the department, if the vehicle or personal property has been redeemed.

26 **Sec. 3.** RCW 46.55.120 and 2004 c 250 s 1 are each amended to read 27 as follows:

(1) Vehicles or other items of personal property registered or titled with the department that are impounded by registered tow truck operators pursuant to RCW 46.55.080, 46.55.085, 46.55.113, or 9A.88.140 may be redeemed only under the following circumstances:

(a) Only the legal owner, the registered owner, a person authorized in writing by the registered owner or the vehicle's insurer, a person who is determined and verified by the operator to have the permission of the registered owner of the vehicle or other item of personal property registered or titled with the department, or one who has purchased a vehicle or item of personal property registered or titled

with the department from the registered owner who produces proof of 1 2 ownership or written authorization and signs a receipt therefor, may redeem an impounded vehicle or items of personal property registered or 3 4 titled with the department. In addition, a vehicle impounded because the operator is in violation of RCW 46.20.342(1)(c) shall not be 5 released until a person eligible to redeem it under this subsection 6 7 (1)(a) satisfies the requirements of (e) of this subsection, including 8 paying all towing, removal, and storage fees, notwithstanding the fact that the hold was ordered by a government agency. If the department's 9 10 records show that the operator has been convicted of a violation of RCW 46.20.342 or a similar local ordinance within the past five years, the 11 12 vehicle may be held for up to thirty days at the written direction of 13 the agency ordering the vehicle impounded. A vehicle impounded because the operator is arrested for a violation of RCW 46.20.342 may be 14 released only pursuant to a written order from the agency that ordered 15 the vehicle impounded or from the court having jurisdiction. An agency 16 17 may issue a written order to release pursuant to a provision of an applicable state agency rule or local ordinance authorizing release on 18 19 the basis of the following:

(i) Economic or personal hardship to the spouse of the operator,
taking into consideration public safety factors, including the
operator's criminal history and driving record; or

(ii) The owner of the vehicle was not the driver, the owner did not know that the driver's license was suspended or revoked, and the owner has not received a prior release under this subsection or RCW 46.55.113(3).

In order to avoid discriminatory application, other than for the reasons for release set forth in (a)(i) and (ii) of this subsection, an agency shall, under a provision of an applicable state agency rule or local ordinance, deny release in all other circumstances without discretion.

If a vehicle is impounded because the operator is in violation of RCW 46.20.342(1) (a) or (b), the vehicle may be held for up to thirty days at the written direction of the agency ordering the vehicle impounded. However, if the department's records show that the operator has been convicted of a violation of RCW 46.20.342(1) (a) or (b) or a similar local ordinance within the past five years, the vehicle may be held at the written direction of the agency ordering the vehicle

impounded for up to sixty days, and for up to ninety days if the 1 If a vehicle is 2 operator has two or more such prior offenses. impounded because the operator is arrested for a violation of RCW 3 4 46.20.342, the vehicle may not be released until a person eligible to redeem it under this subsection (1)(a) satisfies the requirements of 5 (e) of this subsection, including paying all towing, removal, and 6 storage fees, notwithstanding the fact that the hold was ordered by a 7 8 government agency.

9 (b) If the vehicle is directed to be held for a suspended license impound, a person who desires to redeem the vehicle at the end of the 10 period of impound shall within five days of the impound at the request 11 12 of the tow truck operator pay a security deposit to the tow truck 13 operator of not more than one-half of the applicable impound storage rate for each day of the proposed suspended license impound. 14 The tow 15 truck operator shall credit this amount against the final bill for removal, towing, and storage upon redemption. The tow truck operator 16 may accept other sufficient security in lieu of the security deposit. 17 If the person desiring to redeem the vehicle does not pay the security 18 19 deposit or provide other security acceptable to the tow truck operator, 20 the tow truck operator may process and sell at auction the vehicle as 21 an abandoned vehicle within the normal time limits set out in RCW 22 46.55.130(1). The security deposit required by this section may be 23 paid and must be accepted at any time up to twenty-four hours before 24 the beginning of the auction to sell the vehicle as abandoned. The registered owner is not eligible to purchase the vehicle at the 25 26 auction, and the tow truck operator shall sell the vehicle to the 27 highest bidder who is not the registered owner.

(c) Notwithstanding (b) of this subsection, a rental car business may immediately redeem a rental vehicle it owns by payment of the costs of removal, towing, and storage, whereupon the vehicle will not be held for a suspended license impound.

32 (d) Notwithstanding (b) of this subsection, a motor vehicle dealer 33 or lender with a perfected security interest in the vehicle may redeem 34 or lawfully repossess a vehicle immediately by payment of the costs of 35 removal, towing, and storage, whereupon the vehicle will not be held 36 for a suspended license impound. A motor vehicle dealer or lender with 37 a perfected security interest in the vehicle may not knowingly and 38 intentionally engage in collusion with a registered owner to repossess

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and then return or resell a vehicle to the registered owner in an 1 2 attempt to avoid a suspended license impound. However, this provision does not preclude a vehicle dealer or a lender with a perfected 3 4 security interest in the vehicle from repossessing the vehicle and then selling, leasing, or otherwise disposing of it in accordance with 5 chapter 62A.9A RCW, including providing redemption rights to the debtor 6 7 under RCW 62A.9A-623. If the debtor is the registered owner of the 8 vehicle, the debtor's right to redeem the vehicle under chapter 62A.9A 9 RCW is conditioned upon the debtor obtaining and providing proof from 10 the impounding authority or court having jurisdiction that any fines, 11 penalties, and forfeitures owed by the registered owner, as a result of 12 the suspended license impound, have been paid, and proof of the payment 13 must be tendered to the vehicle dealer or lender at the time the debtor tenders all other obligations required to redeem the vehicle. Vehicle 14 15 dealers or lenders are not liable for damages if they rely in good faith on an order from the impounding agency or a court in releasing a 16 vehicle held under a suspended license impound. 17

18 (e) The vehicle or other item of personal property registered or 19 titled with the department shall be released upon the presentation to 20 any person having custody of the vehicle of commercially reasonable 21 tender sufficient to cover the costs of towing, storage, or other 22 services rendered during the course of towing, removing, impounding, or 23 storing any such vehicle, with credit being given for the amount of any 24 security deposit paid under (b) of this subsection. In addition, if a vehicle is impounded because the operator was arrested for a violation 25 26 of RCW 46.20.342 or 46.20.345 and was being operated by the registered 27 owner when it was impounded under local ordinance or agency rule, it 28 must not be released to any person until the registered owner establishes with the agency that ordered the vehicle impounded or the 29 30 court having jurisdiction that any penalties, fines, or forfeitures owed by him or her have been satisfied. Registered tow truck operators 31 32 are not liable for damages if they rely in good faith on an order from 33 the impounding agency or a court in releasing a vehicle held under a suspended license impound. Commercially reasonable tender shall 34 35 include, without limitation, cash, major bank credit cards issued by 36 financial institutions, or personal checks drawn on Washington state 37 branches of financial institutions if accompanied by two pieces of 38 valid identification, one of which may be required by the operator to

have a photograph. If the towing firm cannot determine through the 1 2 customer's bank or a check verification service that the presented check would be paid by the bank or guaranteed by the service, the 3 4 towing firm may refuse to accept the check. Any person who stops payment on a personal check or credit card, or does not make 5 restitution within ten days from the date a check becomes insufficient 6 due to lack of funds, to a towing firm that has provided a service 7 8 pursuant to this section or in any other manner defrauds the towing 9 firm in connection with services rendered pursuant to this section shall be liable for damages in the amount of twice the towing and 10 11 storage fees, plus costs and reasonable attorney's fees.

12 (2)(a) The registered tow truck operator shall give to each person 13 who seeks to redeem an impounded vehicle, or item of personal property registered or titled with the department, written notice of the right 14 15 of redemption and opportunity for a hearing, which notice shall be accompanied by a form to be used for requesting a hearing, the name of 16 the person or agency authorizing the impound, and a copy of the towing 17 18 and storage invoice. The registered tow truck operator shall maintain 19 a record evidenced by the redeeming person's signature that such 20 notification was provided.

21 (b) Any person seeking to redeem an impounded vehicle under this 22 section has a right to a hearing in the district or municipal court for 23 the jurisdiction in which the vehicle was impounded to contest the 24 validity of the impoundment or the amount of towing and storage The district court has jurisdiction to determine the issues 25 charges. 26 involving all impoundments including those authorized by the state or 27 its agents. The municipal court has jurisdiction to determine the 28 issues involving impoundments authorized by agents of the municipality. 29 Any request for a hearing shall be made in writing on the form provided 30 for that purpose and must be received by the appropriate court within ten days of the date the opportunity was provided for in subsection 31 32 (2)(a) of this section and ((more than five days)) before the date of 33 the auction. At the time of the filing of the hearing request, the petitioner shall pay to the court clerk a filing fee in the same amount 34 35 required for the filing of a suit in district court. If the hearing 36 request is not received by the court within the ten-day period, the 37 right to a hearing is waived and the registered owner is liable for any towing, storage, or other impoundment charges permitted under this chapter. Upon receipt of a timely hearing request, the court shall proceed to hear and determine the validity of the impoundment.

(3)(a) The court, within five days after the request for a hearing,
shall notify the registered tow truck operator, the person requesting
the hearing if not the owner, the registered and legal owners of the
vehicle or other item of personal property registered or titled with
the department, and the person or agency authorizing the impound in
writing of the hearing date and time.

10 (b) At the hearing, the person or persons requesting the hearing 11 may produce any relevant evidence to show that the impoundment, towing, 12 or storage fees charged were not proper. The court may consider a 13 written report made under oath by the officer who authorized the 14 impoundment in lieu of the officer's personal appearance at the 15 hearing.

16 (c) At the conclusion of the hearing, the court shall determine 17 whether the impoundment was proper, whether the towing or storage fees 18 charged were in compliance with the posted rates, and who is 19 responsible for payment of the fees. The court may not adjust fees or 20 charges that are in compliance with the posted or contracted rates.

(d) If the impoundment is found proper, the impoundment, towing, and storage fees as permitted under this chapter together with court costs shall be assessed against the person or persons requesting the hearing, unless the operator did not have a signed and valid impoundment authorization from a private property owner or an authorized agent.

27 (e) If the impoundment is determined to be in violation of this chapter, then the registered and legal owners of the vehicle or other 28 item of personal property registered or titled with the department 29 30 shall bear no impoundment, towing, or storage fees, and any security shall be returned or discharged as appropriate, and the person or 31 32 agency who authorized the impoundment shall be liable for any towing, storage, or other impoundment fees permitted under this chapter. 33 The court shall enter judgment in favor of the registered tow truck 34 35 operator against the person or agency authorizing the impound for the 36 impoundment, towing, and storage fees paid. In addition, the court 37 shall enter judgment in favor of the registered and legal owners of the vehicle, or other item of personal property registered or titled with 38

the department, for the amount of the filing fee required by law for 1 2 the impound hearing petition as well as reasonable damages for loss of 3 the use of the vehicle during the time the same was impounded against 4 the person or agency authorizing the impound. However, if an impoundment arising from an alleged violation of RCW 46.20.342 or 5 46.20.345 is determined to be in violation of this chapter, then the б 7 law enforcement officer directing the impoundment and the government 8 employing the officer are not liable for damages if the officer relied in good faith and without gross negligence on the records of the 9 10 department in ascertaining that the operator of the vehicle had a suspended or revoked driver's license. If any judgment entered is not 11 12 paid within fifteen days of notice in writing of its entry, the court 13 shall award reasonable attorneys' fees and costs against the defendant 14 in any action to enforce the judgment. Notice of entry of judgment may be made by registered or certified mail, and proof of mailing may be 15 16 made by affidavit of the party mailing the notice. Notice of the entry 17 of the judgment shall read essentially as follows:

18 TO:

19 YOU ARE HEREBY NOTIFIED JUDGMENT was entered against you in the 20 Court located at in the sum of 21 \$., in an action entitled, Case No. 22 . . . YOU ARE FURTHER NOTIFIED that attorneys fees and costs will be awarded against you under RCW . . . if the judgment is 23 not paid within 15 days of the date of this notice. 24 25 DATED this day of , (year) . . . 26 Signature 27 Typed name and address

of party mailing notice

29 (4) Any impounded abandoned vehicle or item of personal property 30 registered or titled with the department that is not redeemed within fifteen days of receipt of the return receipt from the certified 31 mailing of the notice of custody and sale or within fifteen days of the 32 33 operator's final attempt to contact the owner by telephone as required by RCW 46.55.110(3) shall be sold at public auction in accordance with 34 35 all the provisions and subject to all the conditions of RCW 46.55.130. A vehicle or item of personal property registered or titled with the 36 37 department may be redeemed at any time before the start of the auction 38 upon payment of the applicable towing and storage fees.

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1 Sec. 4. RCW 46.55.130 and 2006 c 28 s 1 are each amended to read 2 as follows:

(1) If, after the expiration of fifteen days from either the date 3 4 ((of)) the operator received the return receipt from the mailing of the notice of custody and sale or the date of the operator's final attempt 5 to contact the owner by telephone as required in RCW 46.55.110(3) ((to б the registered and legal owners)), the vehicle remains unclaimed and 7 8 has not been listed as a stolen vehicle, or a suspended license impound 9 has been directed, but no security paid under RCW 46.55.120, then the 10 registered tow truck operator having custody of the vehicle shall 11 conduct a sale of the vehicle at public auction after having first 12 published a notice of the date, place, and time of the auction, and a 13 method to contact the tow truck operator conducting the auction such as a telephone number, electronic mail address, or web site, in a 14 newspaper of general circulation in the county in which the vehicle is 15 located not less than three days and no more than ten days before the 16 17 date of the auction. For the purposes of this section, a newspaper of general circulation may be a commercial, widely circulated, free, 18 classified advertisement circular not affiliated with the registered 19 tow truck operator and the notice may be listed in a classification 20 21 delineating "auctions" or similar language designed to attract 22 potential bidders to the auction. The notice shall contain a notification that a public viewing period will be available before the 23 24 auction and the length of the viewing period. The auction shall be held during daylight hours of a normal business day. 25 The viewing 26 period must be one hour if twenty-five or fewer vehicles are to be 27 auctioned, two hours if more than twenty-five and fewer than fifty vehicles are to be auctioned, and three hours if fifty or more vehicles 28 29 are to be auctioned.

30 (2) The following procedures are required in any public auction of 31 such abandoned vehicles:

32 (a) The auction shall be held in such a manner that all persons33 present are given an equal time and opportunity to bid;

34 (b) All bidders must be present at the time of auction unless they 35 have submitted to the registered tow truck operator, who may or may not 36 choose to use the preauction bid method, a written bid on a specific 37 vehicle. Written bids may be submitted up to five days before the auction and shall clearly state which vehicle is being bid upon, the
 amount of the bid, and who is submitting the bid;

3 (c) The open bid process, including all written bids, shall be used
4 so that everyone knows the dollar value that must be exceeded;

(d) The highest two bids received shall be recorded in written form
and shall include the name, address, and telephone number of each such
bidder;

8 (e) In case the high bidder defaults, the next bidder has the right 9 to purchase the vehicle for the amount of his or her bid;

10 (f) The successful bidder shall apply for title within fifteen
11 days;

(g) The registered tow truck operator shall post a copy of the auction procedure at the bidding site. If the bidding site is different from the licensed office location, the operator shall post a clearly visible sign at the office location that describes in detail where the auction will be held. At the bidding site a copy of the newspaper advertisement that lists the vehicles for sale shall be posted;

(h) All surplus moneys derived from the auction after satisfaction 19 of the registered tow truck operator's lien shall be remitted within 20 21 thirty days to the department for deposit in the state motor vehicle 22 fund. A report identifying the vehicles resulting in any surplus shall 23 accompany the remitted funds. If the director subsequently receives a 24 valid claim from the registered vehicle owner of record as determined by the department within one year from the date of the auction, the 25 26 surplus moneys shall be remitted to such owner;

(i) If an operator receives no bid, or if the operator is the successful bidder at auction, the operator shall, within forty-five days, sell the vehicle to a licensed vehicle wrecker, hulk hauler, or scrap processor by use of the abandoned vehicle report-affidavit of sale, or the operator shall apply for title to the vehicle.

(3) A tow truck operator may refuse to accept a bid at an abandoned vehicle auction under this section for any reason in the operator's posted operating procedures and for any of the following reasons: (a) The bidder is currently indebted to the operator; (b) the operator has knowledge that the bidder has previously abandoned vehicles purchased at auction; or (c) the bidder has purchased, at auction, more than four vehicles in the last calendar year without obtaining title to any or

all of the vehicles. In no case may an operator hold a vehicle for
 longer than ninety days without holding an auction on the vehicle,
 except for vehicles that are under a police or judicial hold.

4 (4)(a) In no case may the accumulation of storage charges exceed
5 fifteen days from the date of receipt of the information by the
6 operator from the department as provided by RCW 46.55.110(3).

(b) The failure of the registered tow truck operator to comply with 7 the time limits provided in this chapter limits the accumulation of 8 9 storage charges to five days except where delay is unavoidable. Providing incorrect or incomplete identifying information to the 10 11 department in the abandoned vehicle report shall be considered a failure to comply with these time limits if correct information is 12 13 available. However, storage charges begin to accrue again on the date the correct and complete information is provided to the department by 14 15 the registered tow truck operator.

16 (5) The registered owner of a vehicle that has been sold at auction 17 may bring a cause of action against and recover damages from the tow 18 truck operator if the impoundment was improper or the operator failed 19 to comply with the notice provisions required under RCW 46.55.110(3). 20 A registered owner whose claim is successful is not liable for any 21 towing, storage, or other charges.

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