
Transportation Committee

HB 2663

Brief Description: Regulating tow truck operators not regulated under chapter 46.55 RCW.

Sponsors: Representatives Pollet, Kretz, Goodman, Rodne, Gregerson and Freeman.

Brief Summary of Bill

- Creates a new chapter in the RCW to provide laws regarding the operation of tow operators that are otherwise not required to register with the Department of Licensing (DOL).
- Requires such operators to register with the DOL, disclose certain operating information, and provide proof of financial security.
- Requires annual equipment and facility inspections by the Washington State Patrol.

Hearing Date: 2/6/14

Staff: Andrew Russell (786-7143).

Background:

A registered tow truck operator is defined as any person who engages in the impounding, transporting, or storage of unauthorized vehicles or the disposal of abandoned vehicles; however, a tow truck operator need not register with the Department of Licensing (DOL) to tow disabled vehicles at the request of the vehicle owner. To undertake any activity of a registered tow truck operator, a person must first apply for and receive a registration certificate from the DOL. An application for a registration certificate must be accompanied by an inspection certificate from the Washington State Patrol (WSP), the filing of a surety bond, and proof of insurance. A person engaging in the services of a registered tow truck operator without a valid certificate from the DOL is guilty of a gross misdemeanor.

Each tow truck to be used by a registered tow truck operator must have a valid tow truck permit issued by the DOL. In applying for such a permit, the operator must subject each tow truck to a physical inspection by the WSP. Additionally, the WSP may conduct an annual inspection of the

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equipment and facility of a registered tow truck operator. The WSP annual inspections also extend to certain lots to be used for vehicle storage.

Registered tow truck operators must file a fee schedule with the DOL, and fees charged by the operator may not exceed the amount on the filed schedule. Fees for towing services must be calculated on an hourly basis and charged to the nearest quarter hour. On the other hand, fees for the storage of a vehicle must be calculated on a 24-hour basis and charged to the nearest half day. Finally, the fees charged for a private impound may not exceed certain statutory limits.

State law provides rules regarding the redemption of impounded vehicles, including who may redeem such a vehicle, the charges that must be paid upon redemption, and the right to appeal an impound. Additionally, in certain situations, a registered tow truck operator may auction an impounded vehicle 15 days after mailing notice of the impound. The proceeds of such an auction first go to covering the registered tow truck operator's lien on the vehicle; excess proceeds are deposited in the Motor Vehicle Account.

Registered tow truck operators are required to maintain a vehicle transaction file on each vehicle the operator impounds. This file must include certain information, such as an impoundment authorization and a copy of the impoundment notification, and must it must be kept for a minimum of three years.

Summary of Bill:

Persons are required to obtain a license from the DOL in order to tow a vehicle for monetary compensation--doing so without such a license is a gross misdemeanor. In applying for a license, a person must provide certain information regarding the business, including the names of all persons having an interest in the business, names of employees who will serve as tow truck drivers, and information about each tow truck. An applicant must proof of insurance in an amount of not less than \$100,000 for bodily injury or property damage per occurrence and \$50,000 per occurrence to protect against vehicle damage. Additionally, an applicant must file with the DOL a surety bond in the amount of \$5,000 to compensate any person for the tow operator's failure to comply with state laws regarding towing.

Tow operators must have their equipment and facilities inspected upon application to the DOL, and annually thereafter, by the WSP. Upon a satisfactory inspection, the DOL must issue to each tow truck a vehicle permit, which must be display on the front windshield. If a tow truck fails such an inspection, however, it must be taken out of service until it is repaired. Additionally, tow trucks must be classified according to their capabilities, and they must display the tow operator firm's name, address, and telephone number. An operator must also file a fee schedule with the DOL--as with registered tow truck operators, towing fees must be calculated on an hourly basis and charged to the nearest quarter hour.

Several provisions relating to registered tow truck operators are adopted and applied to tow operators, including the availability of records, the forwarding of complaints about the tow operator, the presiding officer at a licensing hearing, the delegation of rulemaking authority to the DOL and the WSP, the issuing of cease and desist orders, and the grounds for the refusal to issue a license.

Finally, an operator's license may be denied, suspended or revoked, or the licensee may face a monetary penalty of no more than \$1,000 for a violation of the laws regarding tow operators.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.