

# HOUSE BILL REPORT

## SHB 2343

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### As Passed Legislature

**Title:** An act relating to the redemption of vehicles through credit cards and checks drawn on financial institutions.

**Brief Description:** Allowing the redemption of vehicles by payments from financial institutions.

**Sponsors:** By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Hatfield, Benson and Esser).

### Brief History:

#### Committee Activity:

Financial Institutions & Insurance: 1/18/00, 2/1/00 [DPS].

#### Floor Activity:

Passed House: 2/9/00, 97-0.

Senate Amended.

Passed Senate: 3/1/00, 45-0.

House Concurred.

Passed House: 3/6/00, 96-1.

Passed Legislature.

### Brief Summary of Substitute Bill

- Towing firms must accept major bank credit cards issued by financial institutions and accept checks drawn on in-state branches of financial institutions if the firm can verify the check is good.

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### HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Benson, Republican Co-Chair; Hatfield, Democratic Co-Chair; Bush, Republican Vice Chair; McIntire, Democratic Vice Chair; Barlean; Cairnes; DeBolt; Keiser; Quall; Santos and Talcott.

**Minority Report:** Do not pass. Signed by 1 member: Representative Sullivan.

**Staff:** Charlie Gavigan (786-7340).

**Background:**

Law enforcement officers are authorized to impound a vehicle in a variety of circumstances, such as when the officer arrests the driver, the person operating the vehicle does not have a valid driver's license, or when the person operating the vehicle is driving with a suspended or revoked license. A vehicle impounded by a law enforcement officer may be redeemed only by the owner of the vehicle or a person who has the permission of the owner and upon payment of all costs associated with the impound using commercially reasonable tender.

The process and circumstances regarding the sale of unclaimed impounded vehicles are described in current law. Allowable storage charges can be rendered under specific conditions.

Commercially reasonable tender includes cash, major bank credit cards, and personal checks drawn on in-state banks if accompanied by two pieces of valid identification.

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**Summary of Bill:**

Commercially reasonable tender is modified to include major bank credit cards issued by financial institutions and checks drawn on Washington branches of financial institutions. A towing firm does not have to accept a check the towing firm cannot verify to be good. A towing firm must accept a check it cannot verify to be a bad check.

Current law related to the storage and sale of impounded vehicles includes vehicles impounded as a result of a suspended license. Storage charges stop accruing because of an error in an abandoned vehicle report to the Department of Licensing can be resumed when the error is corrected.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill will enable major credit cards and checks issued by credit unions to be used to reclaim impounded vehicles. The bill should be amended to require that the checks be drawn on in-state branches of financial institutions, and

towing firms should not have to release the vehicle unless the firm can verify that the check is good.

**Testimony Against:** None.

**Testified:** Mark Gjurasic, Washington Credit Union League; Mark Minickiello, Washington Credit Union League; and Stu Holsan, Washington Tow Truck Association.