## HOUSE BILL 2058

State of Washington 65th Legislature 2017 Regular Session

By Representative Harmsworth

Read first time 02/09/17. Referred to Committee on Transportation.

1 AN ACT Relating to procedures for the redemption of certain 2 vehicles that are towed from accident scenes by registered tow truck 3 companies when the vehicle owner is admitted as a patient in a 4 hospital due to the accident; amending RCW 46.55.120, 46.55.130, and 5 46.55.150; adding a new section to chapter 46.55 RCW; and creating a 6 new section.

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

8 Sec. 1. RCW 46.55.120 and 2013 c 150 s 1 are each amended to 9 read as follows:

10 (1)(a) Vehicles or other items of personal property registered or 11 titled with the department that are impounded by registered tow truck 12 operators pursuant to RCW 46.55.080, 46.55.085, 46.55.113, or 13 9A.88.140 may be redeemed only by the following persons or entities:

14 (i) The legal owner;

15 (ii) The registered owner;

16 (iii) A person authorized in writing by the registered owner;

17 (iv) The vehicle's insurer or a vendor working on behalf of the 18 vehicle's insurer;

(v) A third-party insurer that has a duty to repair or replace the vehicle, has obtained consent from the registered owner or the owner's agent to move the vehicle, and has documented that consent in the insurer's claim file, or a vendor working on behalf of a thirdparty insurer that has received such consent; provided, however, that at all times the registered owner must be granted access to and may reclaim possession of the vehicle. For the purposes of this subsection, "owner's agent" means the legal owner of the vehicle, a driver in possession of the vehicle with the registered owner's permission, or an adult member of the registered owner's family;

8 (vi) A person who is determined and verified by the operator to 9 have the permission of the registered owner of the vehicle or other 10 item of personal property registered or titled with the department; 11 ((<del>or</del>))

(vii) A person who has purchased a vehicle or item of personal property registered or titled with the department from the registered owner who produces proof of ownership or written authorization and signs a receipt therefor; or

16 <u>(viii) If (a)(i) through (vii) of this subsection do not apply, a</u> 17 person, who is known to the registered or legal owner of a motorcycle 18 or moped, as each are defined in chapter 46.04 RCW, that was towed 19 from the scene of an accident, may redeem the motorcycle or moped as 20 a bailment in accordance with section 4 of this act while the 21 registered or legal owner is admitted as a patient in a hospital due 22 to the accident.

(b) In addition, a vehicle impounded because the operator is in 23 violation of RCW 46.20.342(1)(c) shall not be released until a person 24 25 eligible to redeem it under (a) of this subsection satisfies the requirements of (f) of this subsection, including paying all towing, 26 removal, and storage fees, notwithstanding the fact that the hold was 27 28 ordered by a government agency. If the department's records show that 29 the operator has been convicted of a violation of RCW 46.20.342 or a similar local ordinance within the past five years, the vehicle may 30 31 be held for up to thirty days at the written direction of the agency 32 ordering the vehicle impounded. A vehicle impounded because the operator is arrested for a violation of RCW 46.20.342 may be released 33 only pursuant to a written order from the agency that ordered the 34 vehicle impounded or from the court having jurisdiction. An agency 35 shall issue a written order to release pursuant to a provision of an 36 applicable state agency rule or local ordinance authorizing release 37 on the basis of the following: 38

(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

4 (ii) The owner of the vehicle was not the driver, the owner did
5 not know that the driver's license was suspended or revoked, and the
6 owner has not received a prior release under this subsection or RCW
7 46.55.113(3).

8 In order to avoid discriminatory application, other than for the 9 reasons for release set forth in (b)(i) and (ii) of this subsection, 10 an agency shall, under a provision of an applicable state agency rule 11 or local ordinance, deny release in all other circumstances without 12 discretion.

If a vehicle is impounded because the operator is in violation of 13 14 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 15 16 impounded. However, if the department's records show that the 17 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 18 vehicle may be held at the written direction of the agency ordering 19 the vehicle impounded for up to sixty days, and for up to ninety days 20 if the operator has two or more such prior offenses. If a vehicle is 21 impounded because the operator is arrested for a violation of RCW 22 46.20.342, the vehicle may not be released until a person eligible to 23 redeem it under (a) of this subsection satisfies the requirements of 24 25 (f) of this subsection, including paying all towing, removal, and 26 storage fees, notwithstanding the fact that the hold was ordered by a 27 government agency.

28 (c) 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 29 period of impound shall within five days of the impound at the 30 request of the tow truck operator pay a security deposit to the tow 31 32 truck operator of not more than one-half of the applicable impound storage rate for each day of the proposed suspended license impound. 33 The tow truck operator shall credit this amount against the final 34 bill for removal, towing, and storage upon redemption. The tow truck 35 operator may accept other sufficient security in lieu of the security 36 deposit. If the person desiring to redeem the vehicle does not pay 37 the security deposit or provide other security acceptable to the tow 38 39 truck operator, the tow truck operator may process and sell at 40 auction the vehicle as an abandoned vehicle within the normal time

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limits set out in RCW 46.55.130(1). The security deposit required by this section may be paid and must be accepted at any time up to twenty-four hours before the beginning of the auction to sell the vehicle as abandoned. The registered owner is not eligible to purchase the vehicle at the auction, and the tow truck operator shall sell the vehicle to the highest bidder who is not the registered owner.

8 (d) Notwithstanding (c) of this subsection, a rental car business 9 may immediately redeem a rental vehicle it owns by payment of the 10 costs of removal, towing, and storage, whereupon the vehicle will not 11 be held for a suspended license impound.

12 (e) Notwithstanding (c) of this subsection, a motor vehicle dealer or lender with a perfected security interest in the vehicle 13 may redeem or lawfully repossess a vehicle immediately by payment of 14 the costs of removal, towing, and storage, whereupon the vehicle will 15 16 not be held for a suspended license impound. A motor vehicle dealer 17 or lender with a perfected security interest in the vehicle may not 18 knowingly and intentionally engage in collusion with a registered 19 owner to repossess and then return or resell a vehicle to the registered owner in an attempt to avoid a suspended license impound. 20 21 However, this provision does not preclude a vehicle dealer or a lender with a perfected security interest in the vehicle from 22 repossessing the vehicle and then selling, leasing, or otherwise 23 disposing of it in accordance with chapter 62A.9A RCW, including 24 25 providing redemption rights to the debtor under RCW 62A.9A-623. If the debtor is the registered owner of the vehicle, the debtor's right 26 to redeem the vehicle under chapter 62A.9A RCW is conditioned upon 27 28 the debtor obtaining and providing proof from the impounding authority or court having jurisdiction that any fines, penalties, and 29 forfeitures owed by the registered owner, as a result of the 30 31 suspended license impound, have been paid, and proof of the payment 32 must be tendered to the vehicle dealer or lender at the time the 33 debtor tenders all other obligations required to redeem the vehicle. Vehicle dealers or lenders are not liable for damages if they rely in 34 good faith on an order from the impounding agency or a court in 35 releasing a vehicle held under a suspended license impound. 36

37 (f) The vehicle or other item of personal property registered or 38 titled with the department shall be released upon the presentation to 39 any person having custody of the vehicle of commercially reasonable 40 tender sufficient to cover the costs of towing, storage, or other

1 services rendered during the course of towing, removing, impounding, or storing any such vehicle, with credit being given for the amount 2 of any security deposit paid under (c) of this subsection. 3 In addition, if a vehicle is impounded because the operator was arrested 4 for a violation of RCW 46.20.342 or 46.20.345 and was being operated 5 б by the registered owner when it was impounded under local ordinance or agency rule, it must not be released to any person until the 7 registered owner establishes with the agency that ordered the vehicle 8 impounded or the court having jurisdiction that any penalties, fines, 9 or forfeitures owed by him or her have been satisfied. Registered tow 10 11 truck operators are not liable for damages if they rely in good faith 12 on an order from the impounding agency or a court in releasing a vehicle held under a suspended license 13 impound. Commercially reasonable tender shall include, without limitation, cash, major bank 14 credit cards issued by financial institutions, or personal checks 15 16 drawn on Washington state branches of financial institutions if 17 accompanied by two pieces of valid identification, one of which may 18 be required by the operator to have a photograph. If the towing firm 19 cannot determine through the customer's bank or a check verification service that the presented check would be paid by the bank or 20 guaranteed by the service, the towing firm may refuse to accept the 21 22 check. Any person who stops payment on a personal check or credit card, or does not make restitution within ten days from the date a 23 check becomes insufficient due to lack of funds, to a towing firm 24 25 that has provided a service pursuant to this section or in any other 26 manner defrauds the towing firm in connection with services rendered pursuant to this section shall be liable for damages in the amount of 27 28 twice the towing and storage fees, plus costs and reasonable 29 attorney's fees.

(2)(a) The registered tow truck operator shall give to each 30 31 person who seeks to redeem an impounded vehicle, or item of personal 32 property registered or titled with the department, written notice of 33 the right of redemption and opportunity for a hearing, which notice shall be accompanied by a form to be used for requesting a hearing, 34 the name of the person or agency authorizing the impound, and a copy 35 of the towing and storage invoice. The registered tow truck operator 36 shall maintain a record evidenced by the redeeming person's signature 37 that such notification was provided. 38

39 (b) Any person seeking to redeem an impounded vehicle under this40 section has a right to a hearing in the district or municipal court

for the jurisdiction in which the vehicle was impounded to contest 1 the validity of the impoundment or the amount of towing and storage 2 charges. The district court has jurisdiction to determine the issues 3 involving all impoundments including those authorized by the state or 4 its agents. The municipal court has jurisdiction to determine the 5 б issues involving impoundments authorized by agents of the 7 municipality. Any request for a hearing shall be made in writing on the form provided for that purpose and must be received by the 8 appropriate court within ten days of the date the opportunity was 9 provided for in (a) of this subsection and more than five days before 10 11 the date of the auction. At the time of the filing of the hearing 12 request, the petitioner shall pay to the court clerk a filing fee in the same amount required for the filing of a suit in district court. 13 14 If the hearing request is not received by the court within the tenday period, the right to a hearing is waived and the registered owner 15 16 is liable for any towing, storage, or other impoundment charges 17 permitted under this chapter. Upon receipt of a timely hearing 18 request, the court shall proceed to hear and determine the validity 19 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.

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

32 (c) At the conclusion of the hearing, the court shall determine 33 whether the impoundment was proper, whether the towing or storage 34 fees charged were in compliance with the posted rates, and who is 35 responsible for payment of the fees. The court may not adjust fees or 36 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

1 impoundment authorization from a private property owner or an 2 authorized agent.

(e) If the impoundment is determined to be in violation of this 3 chapter, then the registered and legal owners of the vehicle or other 4 item of personal property registered or titled with the department 5 б shall bear no impoundment, towing, or storage fees, and any security 7 shall be returned or discharged as appropriate, and the person or agency who authorized the impoundment shall be liable for any towing, 8 storage, or other impoundment fees permitted under this chapter. The 9 court shall enter judgment in favor of the registered tow truck 10 11 operator against the person or agency authorizing the impound for the 12 impoundment, towing, and storage fees paid. In addition, the court shall enter judgment in favor of the registered and legal owners of 13 14 the vehicle, or other item of personal property registered or titled with the department, for the amount of the filing fee required by law 15 16 for the impound hearing petition as well as reasonable damages for 17 loss of the use of the vehicle during the time the same was impounded 18 against the person or agency authorizing the impound. However, if an 19 impoundment arising from an alleged violation of RCW 46.20.342 or 46.20.345 is determined to be in violation of this chapter, then the 20 21 law enforcement officer directing the impoundment and the government employing the officer are not liable for damages if the officer 22 relied in good faith and without gross negligence on the records of 23 the department in ascertaining that the operator of the vehicle had a 24 25 suspended or revoked driver's license. If any judgment entered is not 26 paid within fifteen days of notice in writing of its entry, the court shall award reasonable attorneys' fees and costs against the 27 28 defendant in any action to enforce the judgment. Notice of entry of 29 judgment may be made by registered or certified mail, and proof of mailing may be made by affidavit of the party mailing the notice. 30 31 Notice of the entry of the judgment shall read essentially as 32 follows:

1 judgment is not paid within 15 days of the date of this 2 notice.

7 (4) Any impounded abandoned vehicle or item of personal property registered or titled with the department that is not redeemed within 8 9 fifteen days of mailing of the notice of custody and sale as required 10 by RCW 46.55.110(3) shall be sold at public auction in accordance with all the provisions and subject to all the conditions of RCW 11 46.55.130. A vehicle or item of personal property registered or 12 13 titled with the department may be redeemed at any time before the 14 start of the auction upon payment of the applicable towing and storage fees. 15

16 **Sec. 2.** RCW 46.55.130 and 2011 c 65 s 1 are each amended to read 17 as follows:

18 (1) If, after the expiration of fifteen days from the date of mailing of notice of custody and sale required in RCW 46.55.110(3) to 19 the registered and legal owners, the vehicle remains unclaimed and 20 has not been listed as a stolen vehicle,  $((\Theta r))$  a suspended license 21 impound has been directed((,)) but no ((security)) commercially 22 reasonable tender has been paid under RCW 46.55.120, or a person 23 eligible to redeem under RCW 46.55.120(1)(a)(viii) has not come forth 24 providing information that the registered or legal owner of a 25 motorcycle or moped is an admitted patient in a hospital, ((then)) 26 27 the registered tow truck operator having custody of the vehicle shall conduct a sale of the vehicle at public auction after having first 28 published a notice of the date, place, and time of the auction, and a 29 method to contact the tow truck operator conducting the auction such 30 as a telephone number, ((electronic mail)) email address, or web 31 site, in a newspaper of general circulation in the county in which 32 the vehicle is located not less than three days and no more than ten 33 34 days before the date of the auction. For the purposes of this 35 section, a newspaper of general circulation may be a commercial, widely circulated, free, classified advertisement circular not 36 37 affiliated with the registered tow truck operator and the notice may 38 be listed in a classification delineating "auctions" or similar

1 language designed to attract potential bidders to the auction. The notice shall contain a notification that a public viewing period will 2 be available before the auction and the length of the viewing period. 3 The auction shall be held during daylight hours of a normal business 4 day. The viewing period must be one hour if twenty-five or fewer 5 6 vehicles are to be auctioned, two hours if more than twenty-five and 7 fewer than fifty vehicles are to be auctioned, and three hours if fifty or more vehicles are to be auctioned. If the registered tow 8 truck operator is notified that the registered or legal owner of the 9 moped or motorcycle is an admitted patient in the hospital as 10 evidenced by a declaration on a form authorized by the department, 11 12 the registered tow truck operator may delay the auction of the moped or motorcycle for a reasonable time in a good faith effort to provide 13 additional time for the redemption of the vehicle. 14

15 (2) The following procedures are required in any public auction16 of such abandoned vehicles:

17 (a) The auction shall be held in such a manner that all persons18 present are given an equal time and opportunity to bid;

(b) All bidders must be present at the time of auction unless they have submitted to the registered tow truck operator, who may or may not choose to use the preauction bid method, a written bid on a specific 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;

(c) The open bid process, including all written bids, shall beused 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;

30 (e) In case the high bidder defaults, the next bidder has the31 right to purchase the vehicle for the amount of his or her bid;

32 (f) The successful bidder shall apply for title within fifteen33 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; 1 All surplus moneys derived from the auction after (h) satisfaction of the registered tow truck operator's lien shall be 2 remitted within thirty days to the department for deposit in the 3 state motor vehicle fund. A report identifying the vehicles resulting 4 in any surplus shall accompany the remitted funds. If the director 5 6 subsequently receives a valid claim from the registered vehicle owner of record as determined by the department within one year from the 7 date of the auction, the surplus moneys shall be remitted to such 8 owner; 9

10 (i) If an operator receives no bid, or if the operator is the 11 successful bidder at auction, the operator shall, within forty-five 12 days, sell the vehicle to a licensed vehicle wrecker, hulk hauler, or 13 scrap processor by use of the abandoned vehicle report-affidavit of 14 sale, or the operator shall apply for title to the vehicle.

(3) A tow truck operator may refuse to accept a bid at an 15 16 abandoned vehicle auction under this section for any reason in the 17 operator's posted operating procedures and for any of the following reasons: (a) The bidder is currently indebted to the operator; (b) 18 19 the operator has knowledge that the bidder has previously abandoned vehicles purchased at auction; or (c) the bidder has purchased, at 20 auction, more than four vehicles in the last calendar year without 21 obtaining title to any or all of the vehicles. In no case may an 22 operator hold a vehicle for longer than ninety days without holding 23 an auction on the vehicle, except for vehicles that are under a 24 25 police or judicial hold.

26 (4)(a) The accumulation of storage charges applied to the lien at auction under RCW 46.55.140 may not exceed fifteen additional days 27 28 from the date of receipt of the information by the operator from the department as provided by RCW 46.55.110(3) plus the storage charges 29 accumulated prior to the receipt of the information. However, 30 31 vehicles redeemed pursuant to RCW 46.55.120 prior to their sale at 32 auction are subject to payment of all accumulated storage charges from the time of impoundment up to the time of redemption. 33

34 (b) The failure of the registered tow truck operator to comply 35 with the time limits provided in this chapter limits the accumulation 36 of storage charges to five days except where delay is unavoidable. 37 Providing incorrect or incomplete identifying information to the 38 department in the abandoned vehicle report shall be considered a 39 failure to comply with these time limits if correct information is 40 available. However, storage charges begin to accrue again on the date 1 the correct and complete information is provided to the department by 2 the registered tow truck operator.

3 Sec. 3. RCW 46.55.150 and 1989 c 111 s 14 are each amended to 4 read as follows:

5 The registered tow truck operator shall keep a transaction file 6 on each vehicle. The transaction file shall contain as a minimum 7 those of the following items that are required at the time the 8 vehicle is redeemed or becomes abandoned and is sold at a public 9 auction:

10 (1) A signed impoundment authorization as required by RCW
11 46.55.080;

12 (2) A record of the twenty-four hour written impound notice to a13 law enforcement agency;

14 (3) A copy of the impoundment notification to registered and 15 legal owners, sent within twenty-four hours of impoundment, that 16 advises the owners of the address of the impounding firm, a twenty-17 four hour telephone number, and the name of the person or agency 18 under whose authority the vehicle was impounded;

(4) A copy of the abandoned vehicle report that was sent to andreturned by the department;

(5) A copy and proof of mailing of the notice of custody and sale sent by the registered tow truck operator to the owners advising them they have fifteen days to redeem the vehicle before it is sold at public auction;

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(6) A copy of the published notice of public auction;

26 (7) A copy of the affidavit of sale showing the sales date,27 purchaser, amount of the lien, and sale price;

(8) A record of the two highest bid offers on the vehicle, withthe names, addresses, and telephone numbers of the two bidders;

30 (9) A copy of the notice of opportunity for hearing given to 31 those who redeem vehicles;

32 (10) An itemized invoice of charges against the vehicle; and

33 (11) Documentation of a bailment in accordance with section 4 of 34 this act, if applicable.

35 The transaction file shall be kept for a minimum of three years.

36 <u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 46.55 37 RCW to read as follows:

1 (1) Any person, who is known to the registered or legal owner of 2 a motorcycle or moped that was towed from the scene of an accident, 3 may redeem the motorcycle or moped as a bailment on behalf of the 4 registered or legal owner who is admitted as a patient in a hospital 5 due to the accident subject to the following requirements:

6 (a) The eligible person must pay the costs of towing, storage, or 7 other services rendered during the course of towing, removal, or 8 storing of the motorcycle or moped.

9 (b) The eligible person must provide a valid government-issued 10 photo identification, such as a current driver's license or state-11 issued identification card, military identification, or passport.

12 (c) The eligible person must sign a declaration on a form 13 furnished by the department that provides:

14 (i) The person's name, telephone number, and physical address;

15 (ii) The relationship between the person and the registered or 16 legal owner;

17 (iii) The name and location of the hospital where the registered 18 or legal owner is admitted;

(iv) The address of the physical location where the motorcycle or moped will be stored for the registered or legal owner at no additional cost to the owner;

(v) A statement that the person agrees to protect the motorcycle or moped and return it to the registered or legal owner in the same form it was received when removed from the registered tow truck operator's premises; and

26 (vi) A statement that the person knowingly agrees to become the 27 bailee for the motorcycle or moped.

(d) The declaration form under (c) of this subsection must besigned under penalty of perjury.

(2) The registered tow truck operator may refuse an offer to 30 31 redeem under this section for good cause, which includes, but is not limited to, competing applications for redemption from persons 32 identified under RCW 46.55.120(1)(a) or the person applying to be the 33 bailee has been convicted of a crime of dishonesty or theft. This 34 section does not require a registered tow truck operator 35 to 36 investigate or otherwise determine the criminal history or the honesty of the bailee. 37

38 (3) Any registered tow truck operator acting in good faith in 39 compliance with this section that releases a motorcycle or moped to 40 bailment in accordance with the requirements of this section is 1 immune from civil liability arising out of the bailment unless the 2 tow truck operator's act or omission constitutes gross negligence or 3 willful or wanton misconduct.

4 (4) In addition to any remedies provided by common law for 5 bailments, a person who becomes the bailee of a motorcycle or moped 6 under this section and fails to return the motorcycle or moped to the 7 registered or legal owner may be charged with theft of a motor 8 vehicle without permission.

9 (5) The department must create a declaration form to be completed 10 by individuals that identifies the required information in subsection 11 (1)(b) and (c) of this section. The department must post the form on 12 its web site, and the form must be able to be downloaded from the 13 department's web site.

14 <u>NEW SECTION.</u> Sec. 5. This act may be known and cited as the 15 Denise Chew scooter recovery act.

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