

HOUSE BILL REPORT

HB 1688

As Reported by House Committee On:
Transportation

Title: An act relating to payments to tow truck operators for the release of vehicles to indigent citizens.

Brief Description: Concerning payments to tow truck operators for the release of vehicles to indigent citizens.

Sponsors: Representatives Hackney and Barkis.

Brief History:

Committee Activity:

Transportation: 2/15/23, 2/23/23 [DP].

Brief Summary of Bill

- Directs the Department of Licensing (DOL) to create a program to compensate registered tow truck operators (RTTOs) for the cost of towing, storage, and other services incurred during the towing of an indigent person's vehicle when the tow was done at the direction of law enforcement not following an arrest.
- Requires the eligibility of the program to be based on self-certification of eligibility by both the individual seeking the release of a vehicle from impound and the RTTO on a form to be provided by the DOL.
- States that a RTTO must release the vehicle upon the completion of the form by the RTTO.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 28 members: Representatives Fey, Chair; Donaghy, Vice Chair; Timmons, Vice Chair; Barkis, Ranking Minority Member; Hutchins,

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Assistant Ranking Minority Member; Low, Assistant Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Berry, Bronoske, Chapman, Cortes, Dent, Doglio, Duerr, Entenman, Goehner, Griffey, Hackney, Klicker, Mena, Orcutt, Ramel, Ramos, Schmidt, Taylor, Volz, Walsh and Wylie.

Staff: Michael Hirsch (786-7195).

Background:

Towing and Impounds.

Registered tow truck operators (RTTOs) who impound vehicles from private or public property, or tow for law enforcement agencies, are regulated by the Department of Licensing (DOL). Impoundment is defined as the taking and holding of a vehicle in legal custody without the consent of the owner, and may only be performed by RTTOs.

Registered tow truck operators may impound, transport, and store unauthorized vehicles and dispose of abandoned vehicles.

Registered Tow Truck Operator's Lien.

An RTTO who has a valid and signed impoundment authorization has a lien upon the impounded vehicle for services provided in the towing and storage of the vehicle, unless the impoundment is determined to have been invalid.

Notice of Impound and Redemption.

When an unauthorized vehicle is impounded, within 24 hours the RTTO must send an impound notice to the legal owner, based on information received from law enforcement. After being held for 120 consecutive hours, a vehicle is considered abandoned and the RTTO must file an abandoned vehicle report with the DOL. In response to the abandoned vehicle report, the DOL provides information to the RTTO regarding the owner of the vehicle. Within 24 hours of receipt of this information, the RTTO must send, by certified mail, a notice of custody and sale to the owner. The RTTO must give written notice of their right of redemption and opportunity for a hearing as well as the form for requesting a hearing, information on the person or agency that authorized the impound, and the towing and storage costs to any person who seeks to redeem an impounded vehicle. A vehicle may be redeemed by the legal owners any time before the start of the auction upon payment of towing and storage charges.

Abandoned Vehicle Auction.

If a vehicle remains unclaimed, the RTTO must conduct a sale of the vehicle at public auction. The RTTO may not hold a vehicle for longer than 90 days without holding an auction on the vehicle, except in the case of a law enforcement or judicial order.

If the monies from the sale of a vehicle at auction is more than the RTTO's lien on the vehicle, any monies in excess of the lien must be remitted to the DOL. The remitted monies from the sale of a vehicle may be claimed by the registered owner of record for up to one

year from the date of the auction. If the amount bid at auction is less than the RTTO's lien on the vehicle, the RTTO is allowed a deficiency claim against the registered owner of an impounded vehicle of up to \$500 for vehicles less than or equal to 10,000 pounds gross vehicle weight. For vehicles over 10,000 pounds gross vehicle weight, an RTTO is allowed a deficiency claim of up to \$1,000. If an RTTO receives no bid at auction, or if the RTTO is the successful bidder at auction, the RTTO must either sell the vehicle to a licensed vehicle wrecker, hulk hauler, or scrap processor, or apply for title to the vehicle within 45 days.

Summary of Bill:

The DOL is required to create a program to compensate the RTTOs for the cost of towing, storage, and other services incurred by an RTTO for the towing of the vehicles of indigent persons in some circumstances. The DOL must provide a form to RTTOs on which an individual seeking the release of the vehicle self-certifies that they are eligible under the program and the RTTO self-certifies that the impound is eligible under the program.

Vehicle Owner Eligibility.

The individual must fill out the first part of the form on which they must self-certify under penalty of perjury that they:

- are the legal or registered owner of the vehicle;
- are indigent;
- do not have the ability to pay for the towing service or that making such payment would be a severe hardship; and
- have not applied for the release of a vehicle under this program more than once in the preceding year.

The individual submits the form to the RTTO.

Impound Eligibility.

The RTTO fills out the second part of the form. Operators must self-certify under penalty of perjury that they have verified that:

- the impound was ordered by a law enforcement agency;
- the impound was not ordered following an arrest; and
- the individual seeking the release of a vehicle is the owner of the vehicle registered or titled with the DOL.

Process.

Once the form is completed by the RTTO, the RTTO must release the vehicle to the applicant and no longer has a lien or deficiency claim on the vehicle.

Following submission of the form by the RTTO and subject to the availability of funds, the DOL is required to disburse funds to the eligible RTTO in an amount equal to the cost of

the tow, storage, or other services incurred by the RTTO during the course of the law enforcement directed impound. Available funds are the remitted monies that all RTTOs send to the DOL following a vehicle auction where a vehicle was sold for a price greater than the RTTO's lien on the vehicle and which the DOL has had for more than a year. Any request for payment is not an entitlement. If, at any time, funds do not exist to reimburse claims that have been submitted under this new provision, the DOL must create a waitlist for claims. The DOL is not civilly or criminally liable and may not have any penalty or cause of action of any nature arise against it regarding the provision or lack of provision of funds for reimbursement. The DOL must provide an annual report to the appropriate committees of the Legislature each year on the activities of the program.

Notice of Impound and Redemption.

If a vehicle may be eligible under this program, the RTTO must:

- include information about this program in the initial impound notice, and
- provide to individuals seeking to redeem an impounded vehicle written notice of this program along with the form for the release of the vehicle under this program.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill allows RTTOs to be compensated for their work. Registered tow truck operators are called at the direction of law enforcement to clear safety hazards. Towers are not compensated by law enforcement for their work, but must seek payment from the owner for the cost to remove and store the vehicle with fees regulated by the Washington State Patrol and the DOL. If the vehicle owner does not pay the fees, the RTTO must sell the vehicle at auction, typically for a loss to the tower. If the sale price is above the cost the RTTO incurs, the RTTO must transmit the money to the DOL. Registered tow truck operators should be compensated for the public service they provide. This bill compensates RTTOs with the funds they are required to send in to the DOL.

Registered tow truck operators want people to be able to get their cars back. People need their vehicles, but are often unaware that the cost of towing is not covered under liability insurance. People who cannot afford the cost of the tow are unable to get their vehicles back. This bill helps vehicle owners who do not have funds to recover their vehicles and supports their ability to keep their jobs and homes.

(Opposed) This bill is not in line with the *Seattle v. Long* decision and does not address the

recommendations of the *Seattle v. Long* stakeholder work group convened by the Legislature. A vehicle someone lives in is a homestead and cannot be sold. There are limits on the relief in this bill and the bill does not match a court's consideration of a person's ability to pay.

Persons Testifying: (In support) Representative David Hackney, prime sponsor; Peter Lukevich, Towing Recovery Association of Washington; Kris Zachary, Burns Towing; TJ Redmon, Divines Towing; and Holly Crowley, Gene Meyer Towing.

(Opposed) Sarah Nagy, Columbia Legal Services.

Persons Signed In To Testify But Not Testifying: None.