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**Transportation Committee**

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**HB 1800**

**Brief Description:** Providing greater notice to vehicle owners before parking infractions are sent to a collection agency.

**Sponsors:** Representatives Romero, Mielke, Hunt, Bush, Moeller, Quall and Dickerson.

**Brief Summary of Bill**

- Provides additional notice requirements to registered owners of vehicles when parking infractions have been issued on the vehicle.
- Limits the ability of local jurisdictions to forward to collection agencies debts that arise from traffic tickets.
- Limits the ability of collection agencies to report, and credit reports to include, debt arising from parking tickets. Includes within the scope of the state's regulations on collection agency practices that debt which arises from parking tickets.

**Hearing Date:** 2/19/03

**Staff:** Jill Satran (786-7315).

**Background:**

Under current law, if a vehicle is found stopped, standing or parked illegally, the law enforcement officer is required to prepare a notice of the traffic infraction and conspicuously affix the notice to the vehicle. The individual receiving the infraction, presumed to be the registered owner, has 15 days from the date of the notice to respond either with payment, a request for hearing to contest the notice or a request for hearing to explain mitigating circumstances.

If the individual has failed to either pay the fine or request a hearing within 15 days, the court will enter an order assessing the monetary penalties for the infraction, and may assess additional penalties for failing to respond. These penalties are payable to the court immediately. In addition, if the individual has received two or more violations, the local jurisdiction will notify the Department of Licensing (DOL).

The DOL will not renew a vehicle license if the registered owner has two or more parking fines from a single jurisdiction that have been outstanding for 120 days or more.

Courts may use collection agencies for the purpose of collecting on unpaid penalties, and the costs incurred by using the collection agency may be added to existing penalties. Once transferred to the collection agency, if the penalties and other related fees go unpaid, the collection agency may report the unpaid debt to credit reporting agencies. Because these debts are not considered consumer debts, collection agencies are not required to adhere to the Fair Credit Reporting Act when pursuing their payment.

**Summary of Bill:**

The intent section of HB 1800 sets out the following:

- The current system for issuing notices of, and collecting penalties for, for certain parking infractions does not promote due process for owners because it fails to provide adequate notice to the registered owner of the vehicle, and the potential consequences may have a disproportionate affect the owner's life and livelihood;
- The legislature intends to prevent harm to financial interests by requiring further procedural protections.

Law enforcement agencies are required to provide written notice to the registered owner of any vehicle that has received a parking infraction within two days of the infraction. And additional language is required to be added to the notice itself.

Cities and courts may not refer to collection agencies debt that arises through parking tickets unless there are more than two parking tickets in that jurisdiction or the total original penalty for the ticket(s), exclusive of additional penalties and fees, exceeds \$75 and the city has informed the registered owner, via first class mail and given the owner 30 days to respond. Any such referral must state the number of tickets.

Debts resulting from parking tickets are included in the scope of the state's regulations on collection agency practices.

Collection agencies may not report, and credit reports may not include, debts resulting from parking tickets unless either there are more than two parking tickets reported from any one jurisdiction, or the total original penalty for the ticket(s), exclusive of additional penalties and fees, exceeds \$75.

The bill applies to all tickets written on or after July 1, 2003.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on July 1, 2003.