CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2058

Chapter 152, Laws of 2017

65th Legislature 2017 Regular Session

VEHICLES TOWED FROM ACCIDENT SCENES--HOSPITALIZED OWNER--REDEMPTION

EFFECTIVE DATE: 7/23/2017

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is SUBSTITUTE HOUSE BILL 2058 as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

President of the Senate

Approved April 27, 2017 11:09 AM

CYRUS HABIB

Passed by the House March 7, 2017

Yeas 97 Nays 0

FILED

Chief Clerk

April 27, 2017

CERTIFICATE

Secretary of State

JAY INSLEE
State of Washington

SUBSTITUTE HOUSE BILL 2058

Passed Legislature - 2017 Regular Session

State of Washington 65th Legislature 2017 Regular Session

By House Transportation (originally sponsored by Representative Harmsworth)

READ FIRST TIME 02/24/17.

- AN ACT Relating to procedures for the redemption of certain vehicles that are towed from accident scenes by registered tow truck companies when the vehicle owner is admitted as a patient in a hospital due to the accident; amending RCW 46.55.120, 46.55.130, and 46.55.150; adding a new section to chapter 46.55 RCW; and creating a 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:
- (1)(a) Vehicles or other items of personal property registered or titled with the department that are impounded by registered tow truck 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 vehicle's insurer;
- 19 (v) A third-party insurer that has a duty to repair or replace 20 the vehicle, has obtained consent from the registered owner or the 21 owner's agent to move the vehicle, and has documented that consent in

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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;

- (vi) A person who is determined and verified by the operator to have the permission of the registered owner of the vehicle or other item of personal property registered or titled with the department; ((or))
- (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
- (viii) If (a)(i) through (vii) of this subsection do not apply, a person, who is known to the registered or legal owner of a motorcycle or moped, as each are defined in chapter 46.04 RCW, that was towed from the scene of an accident, may redeem the motorcycle or moped as a bailment in accordance with section 4 of this act while the registered or legal owner is admitted as a patient in a hospital due to the accident.
- (b) In addition, a vehicle impounded because the operator is in violation of RCW 46.20.342(1)(c) shall not be released until a person eligible to redeem it under (a) of this subsection satisfies the requirements of (f) of this subsection, including paying all towing, removal, and storage fees, notwithstanding the fact that the hold was ordered by a government agency. If the department's records show that 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 be held for up to thirty days at the written direction of the agency ordering the vehicle impounded. A vehicle impounded because the operator is arrested for a violation of RCW 46.20.342 may be released only pursuant to a written order from the agency that ordered the vehicle impounded or from the court having jurisdiction. An agency shall issue a written order to release pursuant to a provision of an applicable state agency rule or local ordinance authorizing release on the basis of the following:

(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

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

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

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

(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 period of impound shall within five days of the impound at the request of the tow truck operator pay a security deposit to the tow truck operator of not more than one-half of the applicable impound storage rate for each day of the proposed suspended license impound. The tow truck operator shall credit this amount against the final bill for removal, towing, and storage upon redemption. The tow truck operator may accept other sufficient security in lieu of the security deposit. If the person desiring to redeem the vehicle does not pay the security deposit or provide other security acceptable to the tow truck operator, the tow truck operator may process and sell at 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.

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- (d) Notwithstanding (c) of this subsection, a rental car business may immediately redeem a rental vehicle it owns by payment of the costs of removal, towing, and storage, whereupon the vehicle will not be held for a suspended license impound.
- (e) Notwithstanding (c) of this subsection, a motor vehicle dealer or lender with a perfected security interest in the vehicle may redeem or lawfully repossess a vehicle immediately by payment of the costs of removal, towing, and storage, whereupon the vehicle will not be held for a suspended license impound. A motor vehicle dealer or lender with a perfected security interest in the vehicle may not knowingly and intentionally engage in collusion with a registered owner to repossess and then return or resell a vehicle to the registered owner in an attempt to avoid a suspended license impound. However, this provision does not preclude a vehicle dealer or a lender with a perfected security interest in the vehicle from repossessing the vehicle and then selling, leasing, or otherwise disposing of it in accordance with chapter 62A.9A RCW, including 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 to redeem the vehicle under chapter 62A.9A RCW is conditioned upon the debtor obtaining and providing proof from the impounding authority or court having jurisdiction that any fines, penalties, and forfeitures owed by the registered owner, as a result of the suspended license impound, have been paid, and proof of the payment must be tendered to the vehicle dealer or lender at the time the debtor tenders all other obligations required to redeem the vehicle. Vehicle dealers or lenders are not liable for damages if they rely in good faith on an order from the impounding agency or a court in releasing a vehicle held under a suspended license impound.
 - (f) The vehicle or other item of personal property registered or titled with the department shall be released upon the presentation to any person having custody of the vehicle of commercially reasonable tender sufficient to cover the costs of towing, storage, or other

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services rendered during the course of towing, removing, impounding, or storing any such vehicle, with credit being given for the amount of any security deposit paid under (c) of this subsection. addition, if a vehicle is impounded because the operator was arrested for a violation of RCW 46.20.342 or 46.20.345 and was being operated by the registered owner when it was impounded under local ordinance or agency rule, it must not be released to any person until the registered owner establishes with the agency that ordered the vehicle impounded or the court having jurisdiction that any penalties, fines, or forfeitures owed by him or her have been satisfied. Registered tow truck operators are not liable for damages if they rely in good faith on an order from the impounding agency or a court in releasing a vehicle held under a suspended license impound. Commercially reasonable tender shall include, without limitation, cash, major bank credit cards issued by financial institutions, or personal checks drawn on Washington state branches of financial institutions if accompanied by two pieces of valid identification, one of which may be required by the operator to have a photograph. If the towing firm cannot determine through the customer's bank or a check verification service that the presented check would be paid by the bank or guaranteed by the service, the towing firm may refuse to accept the 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 check becomes insufficient due to lack of funds, to a towing firm that has provided a service pursuant to this section or in any other manner defrauds the towing firm in connection with services rendered pursuant to this section shall be liable for damages in the amount of twice the towing and storage fees, plus costs and reasonable attorney's fees.

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

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

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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.

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

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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 chapter, then the registered and legal owners of the vehicle or other item of personal property registered or titled with the department shall bear no impoundment, towing, or storage fees, and any security shall be returned or discharged as appropriate, and the person or agency who authorized the impoundment shall be liable for any towing, storage, or other impoundment fees permitted under this chapter. The court shall enter judgment in favor of the registered tow truck operator against the person or agency authorizing the impound for the impoundment, towing, and storage fees paid. In addition, the court shall enter judgment in favor of the registered and legal owners of the vehicle, or other item of personal property registered or titled with the department, for the amount of the filing fee required by law for the impound hearing petition as well as reasonable damages for loss of the use of the vehicle during the time the same was impounded against the person or agency authorizing the impound. However, if an 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 law enforcement officer directing the impoundment and the government employing the officer are not liable for damages if the officer relied in good faith and without gross negligence on the records of the department in ascertaining that the operator of the vehicle had a suspended or revoked driver's license. If any judgment entered is not paid within fifteen days of notice in writing of its entry, the court shall award reasonable attorneys' fees and costs against the defendant in any action to enforce the judgment. Notice of entry of judgment may be made by registered or certified mail, and proof of mailing may be made by affidavit of the party mailing the notice. Notice of the entry of the judgment shall read essentially as follows:

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YOU ARE HEREBY NOTIFIED JUDGMENT was entered against you in the Court located at in the sum of \$. , in an action entitled Case No. . . . YOU ARE FURTHER NOTIFIED that attorneys fees and costs will be awarded against you under RCW . . . if the

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(4) Any impounded abandoned vehicle or item of personal property registered or titled with the department that is not redeemed within fifteen days of mailing of the notice of custody and sale as required 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 46.55.130. A vehicle or item of personal property registered or titled with the department may be redeemed at any time before the start of the auction upon payment of the applicable towing and storage fees.

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

(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 the registered and legal owners, the vehicle remains unclaimed and has not been listed as a stolen vehicle, ((or)) a suspended license impound has been directed((τ)) but no ((security)) commercially reasonable tender has been paid under RCW 46.55.120, or a person eligible to redeem under RCW 46.55.120(1)(a)(viii) has not come forth providing information that the registered or legal owner of a motorcycle or moped is an admitted patient in a hospital, ((then)) the registered tow truck operator having custody of the vehicle shall conduct a sale of the vehicle at public auction after having first published a notice of the date, place, and time of the auction, and a method to contact the tow truck operator conducting the auction such as a telephone number, ((electronic mail)) email address, or web site, in a newspaper of general circulation in the county in which the vehicle is located not less than three days and no more than ten days before the date of the auction. For the purposes of this section, a newspaper of general circulation may be a commercial, widely circulated, free, classified advertisement circular not affiliated with the registered tow truck operator and the notice may be listed in a classification delineating "auctions" or

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- 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 auction 16 of such abandoned vehicles:

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- (a) The auction shall be held in such a manner that all persons 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 be used 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 the 31 right to purchase the vehicle for the amount of his or her bid;
- 32 (f) The successful bidder shall apply for title within fifteen 33 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;

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(h) All surplus moneys derived from the auction after satisfaction of the registered tow truck operator's lien shall be remitted within thirty days to the department for deposit in the state motor vehicle fund. A report identifying the vehicles resulting in any surplus shall accompany the remitted funds. If the director subsequently receives a valid claim from the registered vehicle owner of record as determined by the department within one year from the date of the auction, the surplus moneys shall be remitted to such owner;

- (i) If an operator receives no bid, or if the operator is the successful bidder at auction, the operator shall, within forty-five days, sell the vehicle to a licensed vehicle wrecker, hulk hauler, or scrap processor by use of the abandoned vehicle report-affidavit of sale, or the operator shall apply for title to the vehicle.
- (3) A tow truck operator may refuse to accept a bid at an abandoned vehicle auction under this section for any reason in the operator's posted operating procedures and for any of the following reasons: (a) The bidder is currently indebted to the operator; (b) the operator has knowledge that the bidder has previously abandoned vehicles purchased at auction; or (c) the bidder has purchased, at auction, more than four vehicles in the last calendar year without obtaining title to any or all of the vehicles. In no case may an operator hold a vehicle for longer than ninety days without holding an auction on the vehicle, except for vehicles that are under a police or judicial hold.
- (4)(a) The accumulation of storage charges applied to the lien at auction under RCW 46.55.140 may not exceed fifteen additional days 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 accumulated prior to the receipt of the information. However, vehicles redeemed pursuant to RCW 46.55.120 prior to their sale at auction are subject to payment of all accumulated storage charges from the time of impoundment up to the time of redemption.
- (b) The failure of the registered tow truck operator to comply with the time limits provided in this chapter limits the accumulation of storage charges to five days except where delay is unavoidable. Providing incorrect or incomplete identifying information to the department in the abandoned vehicle report shall be considered a failure to comply with these time limits if correct information is available. However, storage charges begin to accrue again on the date

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- 1 the correct and complete information is provided to the department by
- 2 the registered tow truck operator.

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- 3 **Sec. 3.** RCW 46.55.150 and 1989 c 111 s 14 are each amended to 4 read as follows:
- The registered tow truck operator shall keep a transaction file on each vehicle. The transaction file shall contain as a minimum those of the following items that are required at the time the vehicle is redeemed or becomes abandoned and is sold at a public 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 a 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;
- 19 (4) A copy of the abandoned vehicle report that was sent to and 20 returned 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;
 - (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;
- 28 (8) A record of the two highest bid offers on the vehicle, with 29 the 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;
 - (10) An itemized invoice of charges against the vehicle; and
- 33 (11) Documentation of a bailment in accordance with section 4 of this act, if applicable.
- The transaction file shall be kept for a minimum of three years.
- NEW SECTION. Sec. 4. A new section is added to chapter 46.55 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:
 - (a) The eligible person must pay the costs of towing, storage, or other services rendered during the course of towing, removal, or storing of the motorcycle or moped.

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- (b) The eligible person must provide a valid government-issued photo identification, such as a current driver's license or state-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:
 - (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;
- 19 (iv) The address of the physical location where the motorcycle or 20 moped will be stored for the registered or legal owner at no 21 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
- (vi) A statement that the person knowingly agrees to become the bailee for the motorcycle or moped.
- 28 (d) The declaration form under (c) of this subsection must be 29 signed under penalty of perjury.
 - (2) The registered tow truck operator may refuse an offer to redeem under this section for good cause, which includes, but is not limited to, competing applications for redemption from persons identified under RCW 46.55.120(1)(a) or the person applying to be the bailee has been convicted of a crime of dishonesty or theft. This section does not require a registered tow truck operator to investigate or otherwise determine the criminal history or the honesty of the bailee.
- 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

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- immune from civil liability arising out of the bailment unless the tow truck operator's act or omission constitutes gross negligence or willful or wanton misconduct.
- 4 (4) In addition to any remedies provided by common law for bailments, a person who becomes the bailee of a motorcycle or moped under this section and fails to return the motorcycle or moped to the registered or legal owner may be charged with possession of a stolen vehicle under RCW 9A.56.068.
- 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.
- NEW SECTION. Sec. 5. This act may be known and cited as the Denise Chew scooter recovery act.

Passed by the House March 7, 2017. Passed by the Senate April 5, 2017. Approved by the Governor April 27, 2017. Filed in Office of Secretary of State April 27, 2017.

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