

# SENATE BILL REPORT

## SB 5735

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As of February 20, 2023

**Title:** An act relating to notice for active duty military owners of impounded vehicles.

**Brief Description:** Concerning notice to active duty military owners of impounded vehicles.

**Sponsors:** Senators Wagoner, Wilson, J., Saldaña, Muzzall, Warnick, Van De Wege, Hunt, Kuderer, Shewmake, Stanford and Valdez.

**Brief History:**

**Committee Activity:** Transportation: 2/20/23.

### Brief Summary of Bill

- Requires the Department of Licensing, upon receiving an abandoned vehicle report from a registered tow truck operator (RTTO), to check whether the registered owner is an active duty service member and report that information back to the RTTO.
- Prohibits an RTTO from selling an abandoned vehicle owned by an active duty service member until all the requirements of the Servicemembers Civil Relief Act (SCRA) have been satisfied.
- Allows an RTTO to store an abandoned vehicle for longer than 90 days if it is subject to the SCRA.

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Brandon Popovac (786-7465)

**Background:** Vehicle Impounds—Abandoned Vehicles. Only a registered tow truck operator (RTTO) may take and hold a vehicle in legal custody without the consent of the owner, also known as an impound. If the vehicle is on public property, the impound is at the direction of a law enforcement officer. If the vehicle is on private property, the impound is

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at the direction of the property owner or the property owner's agent. When a vehicle is impounded, the RTTO must send an impound notice to the legal owner by first class mail within 24 hours, based on information received from law enforcement.

If a vehicle is held in impound for more than 120 consecutive hours, it is considered abandoned, and an RTTO must file an abandoned vehicle report with the Department of Licensing (DOL). In response to the report, DOL provides information to the RTTO regarding the owner of the vehicle, and the RTTO must send, by first class mail, a notice of custody and sale to the owner. If the vehicle remains unclaimed for 15 days, the RTTO must conduct a sale at public auction. Vehicles may be redeemed by their legal owners any time before the start of the auction after paying towing and storage charges. The RTTO may not hold the vehicle more than 90 days, except in the case of a law enforcement or judicial order.

Servicemembers Civil Relief Act . The federal Servicemembers Civil Relief Act and the state analogue, the Washington State Service Member Civil Relief Act, provide certain protections to service members who are called to active duty. One such protection is the requirement that a person or entity holding a lien on the property or effects of an active duty service member, including towing company towing and storage liens against a motor vehicle, must obtain a court order prior to enforcing the lien and selling a motor vehicle at auction.

The Department of Defense operates an online database where, using an individual's date of birth or social security number or both, any person or business can verify a person's military status at no cost.

**Summary of Bill:** Upon receipt of an abandoned vehicle report from an RTTO, DOL must provide information back to the RTTO whether the legal or registered owner of the vehicle is an active duty service member. If the legal or registered owner is an active duty service member, the RTTO may not sell the vehicle until the requirements of the SCRA have been satisfied.

An RTTO may hold the vehicle for longer than 90 days if the vehicle is subject to the SCRA.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: The bill fixes a problem when tow truck

operators are stuck between complying with conflicting federal law and state requirements for vehicle towing and storage. Tow operator yards are always inspected and would violate federal law if certain vehicles were sold at public auction too early. There needs to be a decision on who is responsible for looking up vehicle owner information and checking military status under abandoned vehicle reports. Tow operators need a cushion if forced to not comply with state law. The Attorney General's Office has advised tow operators when they violate federal laws, with the filing of possible lawsuits. Tow operators may auction up to 120 vehicles per month, and now often use third parties to find out registered owner information and active military status.

OTHER: The biggest challenge for DOL is finding out vehicle owner information and active military status for out of state vehicles. The bill costs are significant despite the percentage of abandoned vehicle reports that are for in-state or out of state vehicles. There is no easy access to such data. A private information data broker would be needed to check active military status at a significant costs. The state's liability would likely increase if such a data broker is used.

**Persons Testifying:** PRO: Senator Keith Wagoner, Prime Sponsor; Kris Zachary, Burns Towing.

OTHER: Beau Perschbacher, WA Dept. of Licensing.

**Persons Signed In To Testify But Not Testifying:** No one.