SENATE BILL 5730

State of Washington

68th Legislature

2023 Regular Session

By Senator Fortunato

- AN ACT Relating to impounds of vehicles used as residences;
- 2 amending RCW 46.55.120 and 46.68.175; and adding a new section to
- 3 chapter 46.53 RCW.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 46.55.120 and 2017 c 152 s 1 are each amended to 6 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 9A.88.140 may be redeemed only by the following persons or entities:
 - (i) The legal owner;
- 12 (ii) The registered owner;
- 13 (iii) A person authorized in writing by the registered owner;
- 14 (iv) The vehicle's insurer or a vendor working on behalf of the 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

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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;

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- (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;
- (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 RCW 46.55.125 while the registered or legal owner is admitted as a patient in a hospital due to the accident; or
- 19 (ix) A person who is authorized by a court to redeem the vehicle after an impound hearing or other procedure.
 - (A) A court or administrative hearing officer, for the jurisdiction in which the vehicle was impounded, may order the release of the vehicle to any person meeting the criteria in (a) (i) through (viii) of this subsection after a hearing or legal proceeding.
 - (B) If ownership of the vehicle or authorization from the legal or registered owner to use, reside in, or retrieve the vehicle is disputed, a court or hearing officer may review any additionally presented information and evidence at a court or administrative hearing. If a person is unable to present sufficient evidence that the person meets the criteria in (a)(i) through (viii) of this subsection, a court, with good cause, may set aside the hearing for up to 15 business days, unless extenuating circumstances require additional time, to allow the person an opportunity to file appropriate ownership paperwork with the department or to obtain written authorization from the legal or registered owner to redeem the vehicle. If a claimant files a claim under RCW 46.12.680 during this additional time, a court may grant an additional continuance until that legal proceeding has ended.

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(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)) 30 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)) 60 days, and for up to ((ninety)) 90 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

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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.

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- (c) If the vehicle is directed to be held for a suspended license 4 impound, a person who desires to redeem the vehicle at the end of the 5 6 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 7 truck operator of not more than one-half of the applicable impound 8 storage rate for each day of the proposed suspended license impound. The tow truck operator shall credit this amount against the final 10 bill for removal, towing, and storage upon redemption. The tow truck 11 12 operator may accept other sufficient security in lieu of the security deposit. If the person desiring to redeem the vehicle does not pay 13 the security deposit or provide other security acceptable to the tow 14 truck operator, the tow truck operator may process and sell at 15 16 auction the vehicle as an abandoned vehicle within the normal time 17 limits set out in RCW 46.55.130(1). The security deposit required by 18 this section may be paid and must be accepted at any time up to ((twenty-four)) 24 hours before the beginning of the auction to sell 19 the vehicle as abandoned. The registered owner is not eligible to 20 21 purchase the vehicle at the auction, and the tow truck operator shall sell the vehicle to the highest bidder who is not the registered 22 23 owner.
 - (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

p. 4 SB 5730 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.

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(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 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)) 10 days from the date a check becomes insufficient due to lack of funds, to a towing

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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)) attorneys' 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 for the jurisdiction in which the vehicle was impounded to contest the validity of the impoundment or the amount of towing and storage charges. The district court has jurisdiction to determine the issues involving all impoundments including those authorized by the state or its agents. The municipal court has jurisdiction to determine the involving impoundments authorized by agents municipality. Any request for a hearing shall be made in writing on the form provided for that purpose and must be received by the appropriate court within ((ten)) <u>10</u> days of the date the opportunity was provided for in (a) of this subsection and more than five days before the date of the auction. The court may consider a late request for a hearing for good cause when the vehicle is used as a residence if the request is made in writing on a form provided for that purpose more than five days before the date of the auction. At the time of the filing of the hearing 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. If the hearing request is not received by the court within the ((ten-day)) 10-day period or by the extended deadline authorized for a vehicle used as a residence, the right to a hearing is waived and the registered owner is liable for any towing, storage, or other impoundment charges permitted under this chapter. Upon receipt of a timely hearing request, the court shall proceed to hear and determine the validity of the impoundment.

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(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.
- (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.
- (i) The court may not adjust fees or charges that are in compliance with the posted or contracted rates.
- (ii) If the court finds that a vehicle is used as a residence, the court may consider the person's ability to pay the towing and storage fees charged and may reduce such fees if the court finds the person to be indigent. The department must pay the difference between the reduced fees and the tow truck operator's actual costs for the towing and storage.
- (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 impoundment authorization from a private property owner or an 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

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shall enter judgment in favor of the registered and legal owners of 1 2 the vehicle, or other item of personal property registered or titled with the department, for the amount of the filing fee required by law 3 for the impound hearing petition as well as reasonable damages for 4 loss of the use of the vehicle during the time the same was impounded 5 6 against the person or agency authorizing the impound. However, if an 7 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 8 law enforcement officer directing the impoundment and the government 9 employing the officer are not liable for damages if the officer 10 11 relied in good faith and without gross negligence on the records of 12 the department in ascertaining that the operator of the vehicle had a suspended or revoked driver's license. If any judgment entered is not 13 14 paid within ((fifteen)) 15 days of notice in writing of its entry, the court shall award reasonable attorneys' fees and costs against 15 16 the defendant in any action to enforce the judgment. Notice of entry 17 of judgment may be made by registered or certified mail, and proof of 18 mailing may be made by affidavit of the party mailing the notice. 19 Notice of the entry of the judgment shall read essentially as 20 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 judgment is not paid within 15 days of the date of this notice.

DATED this day of , (year) . . .

31 Typed name and address

32 of party mailing notice

(4) Any impounded abandoned vehicle or item of personal property registered or titled with the department that is not redeemed within ((fifteen)) 15 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

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- 1 start of the auction upon payment of the applicable towing and 2 storage fees.
- 3 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 46.53 4 RCW to read as follows:

- (1) If a court reduces towing and storage fees of a vehicle used as a residence by a person found to be indigent by the court, the registered tow truck operator may apply to the department on a form prescribed by the department for costs reimbursement to pay the difference between any reduced towing and storage fees and the tow truck operator's actual costs for the towing and storage.
- 11 (2) The department may only use funds as authorized under 12 RCW 46.68.175 for costs reimbursement of a vehicle used as a 13 residence.
- **Sec. 3.** RCW 46.68.175 and 2018 c 287 s 6 are each amended to 15 read as follows:
 - (1) The abandoned recreational vehicle disposal account is created in the state treasury. All receipts from the fee imposed in RCW 46.17.380 must be deposited into the account. The account may receive fund transfers and appropriations from the general fund, as well as gifts, grants, and endowments from public or private sources, in trust or otherwise, for the use and benefit of the purposes of chapter 287, Laws of 2018, or section 3, chapter . . ., Laws of 2023 (section 3 of this act), and expend any income according to the terms of the gifts, grants, or endowments, provided that those terms do not conflict with any provisions of this section or any guidelines developed to prioritize reimbursement of removal projects associated with chapter 287, Laws of 2018, or section 3, chapter . . ., Laws of 2023 (section 3 of this act).
- 29 (2) Moneys in the account may be spent only after appropriation.
 30 Expenditures from the account may be used only by the department to reimburse ((registered)):
 - (a) Registered tow truck operators and licensed dismantlers for up to ((one hundred)) 100 percent of the total reasonable and auditable administrative costs for transport, dismantling, and disposal of abandoned recreational vehicles under RCW 46.53.010 when the last registered owner is unknown after a reasonable search effort. Compliance with RCW 46.55.100 is considered a reasonable effort to locate the last registered owner of the abandoned

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recreational vehicle. Any funds received by the registered tow truck operators or licensed dismantlers through collection efforts from the last owner of record shall be turned over to the department for vehicles reimbursed under RCW 46.53.010; or

- (b) A registered tow truck operator for costs related to a vehicle used as a residence to pay the difference between any reduced towing and storage fees and the tow truck operator's actual costs for the towing and storage.
- (3) Funds in the account resulting from transfers from the general fund must be used to reimburse ((one hundred)) 100 percent of eligible costs up to a limit of ten thousand dollars per vehicle for which cost reimbursements are requested.
- (4) In each fiscal biennium, beginning in the 2019-2021 fiscal biennium, up to ((fifteen)) 15 percent of the expenditures from the account may be used for administrative expenses of the department in implementing this chapter.

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