

# HOUSE BILL REPORT

## HB 1653

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**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 Donaghy, Barkis, Low, Parshley, Ramel, Obras, Kloba, Shavers, Fosse, Berg, Taylor, Eslick, Ormsby, Gregerson and Simmons.

**Brief History:**

**Committee Activity:**

Transportation: 2/3/25, 2/12/25 [DPS].

**Brief Summary of Substitute 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 on private property or 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.

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**HOUSE COMMITTEE ON TRANSPORTATION**

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

Signed by 24 members: Representatives Fey, Chair; Donaghy, Vice Chair; Reed, Vice Chair; Barkis, Ranking Minority Member; Low, Assistant Ranking Minority Member; Mendoza, Assistant Ranking Minority Member; Schmidt, Assistant Ranking Minority Member; Bronoske, Dent, Entenman, Griffey, Hunt, Klicker, Ley, Nance, Orcutt, Paul, Ramel, Richards, Stuebe, Timmons, Volz, Wylie and Zahn.

**Staff:** David Munnecke (786-7315).

**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 is determined to have 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, the RTTO must send an impound notice to the legal owner within 24 hours, 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.

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### **Summary of Substitute Bill:**

The DOL is required to create a program to compensate RTTOs for the cost of towing, storage, and other services incurred by an RTTO for the towing of the vehicles of indigent persons in certain 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.

After receiving the completed form from the individual, the RTTO then fills out the second part of the form. Operators must self-certify under penalty of perjury that they have verified that:

- the impound was a private property impound or 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 private property impound or 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 one year. Any request for payment is not an entitlement. If, at any time, funds do not exist to reimburse claims that have been submitted by RTTOs 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.

**Substitute Bill Compared to Original Bill:**

The substitute bill requires the DOL to adopt rules regarding the maximum rates of reimbursement under the program for towing, storage, and other services, after stakeholder consultation. The DOL is also required to convene stakeholder groups every two years thereafter to make recommendations regarding amendments to those rules, with the first meeting of the work group to be held within 12 months of rule adoption.

The substitute bill has an effective date of February 1, 2026.

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**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on February 13, 2025.

**Effective Date of Substitute Bill:** The bill takes effect on February 1, 2026.

**Staff Summary of Public Testimony:**

(In support) Tow truck operators are required to tow vehicles, and they don't know, when they do that, whether or not they're going to actually be paid for their services. This bill simply ensures that when the funds are available, they can be paid for the services they provide, and that means workers are paid and working.

One of the reasons people support this bill is it creates an easier, clearer, and quicker process for folks who are living in their vehicles and find themselves having their vehicles towed. This bill tracks very closely to recommendations from the Vehicle Residency Task Force that has been underway for the last couple of years, that the Association of Washington Cities participated in.

The Towing Recovery Association of Washington supports this bill. It will permit people that are otherwise financially unable to recover their impounded vehicles from our storage yards, to do so more quickly and at a lower cost. The bill will provide a quicker recovery of a vehicle that is being used for personal shelter. This will help lower the number of people living outdoors and on the streets.

The RTTOs of Washington have been working with the Legislature for a couple of years on this legislation. The right rules will be put in place in this bill, and very appropriate funding mechanisms, which will not require new taxes or state revenues. This bill will help consumers in a positive way. They need their vehicles to be able to get to work, school, daycare, and a variety of other places, to manage their everyday lives.

Tow bills run between \$300 and \$900 for a typical impound. Towers take credit cards and cash for payment. For some of our customers, either form of payment means that person may have to choose between recovering their car, and buying groceries. That should not happen.

This bill helps consumers in tough times, and tow yards do not have unlimited storage space. Being able to release a vehicle quickly means more storage room for other vehicles, and the ability to conduct business every day.

The funds that have been identified from this program in the bill are paid to the state by RTTOs across the state. This is a good way of using the excess funds that have been have raised by towing by tow operators at their auctions.

Every day the owner of a vehicle will come to an office and not have the money to pay their towing and storage fees. Towers try when they can to help, but in most cases financial hardships do not allow the owner to pay their bill or towers to cover every bill on their behalf. This means that eventually their cars will be declared abandoned; they will lose their car when it is auctioned, often at a loss; and leave them in a position to face collections as well.

Running a towing business is 24 hours a day, 7 days a week, 365 days a year. It is an expensive operation, and towers must pay for equipment, wages, fuel, insurance, to name a few fixed costs.

If the consumer loses their abandoned car at auction, it is a losing proposition for everyone.

Those cars are sold at a significant loss. The consumer loses their way to manage getting from point A to point B, and the tow operator gets paid pennies on the dollar in compensation for the towing and storage fees that are due, which are set by state regulation.

No one benefits from the current version, and the system could use some updates. Transportation is very important for getting kids to and from school, the owners to work, and for travel to and from medical appointments and treatment visits. This bill will make it possible for more people to maintain the rhythm of their lives.

This bill affects what would happen if someone comes to the counter to pay their tow bill, and if they're unable to, would give them the opportunity to possibly resolve that debt. This bill requires no new taxes, and while it would be a good thing if there was more money for the program, there is an ongoing surplus from the unclaimed funds from towers across the state, which would be used to help fund the program without the need for any new funds.

(Opposed) None.

**Persons Testifying:** Representative Brandy Donaghy, prime sponsor; Paul Bressi, Nisqually Towing; Kris Zachary, Burns Towing; Emily Wade, Towing and Recovery Association of WA (TRAW); Peter Lukevich, Towing and Recovery Association of WA (TRAW); and Carl Schroeder, Association of Washington Cities.

**Persons Signed In To Testify But Not Testifying:** None.