SENATE BILL REPORT
SB 5484

As of February 6, 2025

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: Senators Chapman, King and Wilson, J..

Brief History:
Committee Activity: Transportation: 2/06/25.

Brief Summary of Bill

- Directs the Department of Licensing to create a program to compensate registered tow truck operators 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.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Kelly Simpson (786-7403)

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

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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 DOL. In response to the abandoned vehicle report, 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 the owner's 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 the vehicle remains unclaimed, 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 upon payment of towing and storage charges. All surplus moneys derived from the auction after satisfaction of the registered tow truck operator's lien are deposited in the state motor vehicle fund. If DOL subsequently receives a valid claim from the registered vehicle owner of record within one year from the date of the auction, the surplus moneys must be remitted to the owner.

Summary of Bill: DOL must 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. 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 they have verified:

- 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 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, 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 surplus auction proceeds that are no longer subject to a valid claim. Any request for payment is not an entitlement. If 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.

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.

Appropriation: None.

Fiscal Note: Partial 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: This bill provides a sense of fairness to tow operators. The lack of compensation for towing vehicles owned by indigent people often serves as a deterrent to towing vehicles when warranted. Tow operators often see victims of vehicle theft suffer when tow operators can't provide a tow due to lack of compensation for the work. This bill is a win for consumers of tow services and vehicle owners both.

Running a tow operation comes with significant costs, due to insurance costs and other expenses. No one benefits from the current system. The bill also helps those who are using their vehicles as shelter. Tow costs can run from $500 to $1,200 per tow. Often times vehicle owners using their vehicle as shelter must choose between tow costs and groceries. This bill allows tow operators to do their work more efficiently. Excess funds from impounded vehicle auctions are a good source of funding for this program, as opposed to using general tax revenues. The bill also provides a faster and more efficient method of

reclaiming vehicles that were legally towed.

Persons Testifying: PRO: Senator Mike Chapman, Prime Sponsor; Emily Wade , Towing & Recovery Association of WA (TRAW); Holly Crowley, Gene Meyer Towing; Peter Lukevich, Towing & Recovery Association of WA (TRAW).

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