

# HOUSE BILL REPORT

## SB 5649

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### As Passed House:

April 13, 1999

**Title:** An act relating to vehicle impound notices, security, and auctions.

**Brief Description:** Regulating security for long-term impounds.

**Sponsors:** Senators Haugen, Sellar and Goings.

### Brief History:

#### Committee Activity:

Transportation: 3/23/99, 3/30/99 [DPA].

#### Floor Activity:

Passed House: 4/13/99, 95-0.

### Brief Summary of Engrossed Bill (As Amended by House Committee)

- Defines suspended license impound.
- Enables tow truck operators to notify registered or legal owners of the impound before the end of the impound.
- Enables dealers, lenders, and car rental companies to repossess the vehicle before the end of the impound.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass as amended. Signed by 27 members: Representatives Fisher, Democratic Co-Chair; K. Schmidt, Republican Co-Chair; Cooper, Democratic 1st Vice Chair; Ericksen, Republican Vice Chair; Hankins, Republican Vice Chair; Buck; G. Chandler; DeBolt; Fortunato; Haigh; Hatfield; Hurst; Lovick; McDonald; Mielke; Mitchell; Morris; Murray; Ogden; Pflug; Radcliff; Romero; Schindler; Schual-Berke; Scott; Skinner and Wood.

**Staff:** Jennifer Hanlon Ziegler (786-7316).

**Background:**

A vehicle operated by a person with a suspended driver's license is subject to impoundment by a law enforcement officer. If a vehicle is impounded because the operator was driving with a suspended license, the vehicle may be held for up to 30, 60, or 90 days at the written direction of the agency ordering the impound.

When a tow truck operator impounds an abandoned vehicle, the operator must immediately send an abandoned vehicle report to the Department of Licensing. The abandoned vehicle report does not have to be sent when the impoundment is pursuant to a police hold. In the case of a police hold, an abandoned vehicle report does not have to be sent until the police hold is no longer in effect.

When a tow truck operator impounds an unauthorized vehicle, the operator is responsible for notifying the legal and registered owners of the impoundment. Only the legal or registered owner may redeem the vehicle. If the operator of the vehicle was arrested for driving with a suspended license, the vehicle may not be redeemed until the registered or legal owner pays all towing, removal, and storage fees.

When a vehicle has not been redeemed within 15 days from the date the tow truck operator provided notice of custody, the tow truck operator must publish a notice and conduct a sale of the vehicle at public auction.

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**Summary of Amended Bill:**

*Suspended License impound* is defined as an impound for up to 30, 60, or 90 days ordered because the operator of the vehicle was driving with a suspended license.

The tow truck operator may send an abandoned vehicle report prior to the end of the police hold.

If a suspended license impound is ordered, the notice to the legal and registered owners must state the length of the impound, the requirement of posting a security deposit, notice that without the security deposit the vehicle will be sold at auction, and notice that the registered owner is ineligible to purchase the vehicle at auction.

A person who wants to redeem a vehicle at the end of the suspended vehicle impound must pay a security deposit to the tow truck operator within five days of the impound. To redeem the vehicle, the registered owner must establish with the agency ordering the impound or the court having jurisdiction, that all fines have been paid. The tow truck operator may not require a security deposit of more than half of the applicable impound storage rate for each day of the proposed impound.

If the tow truck operator does not receive a security deposit, the operator may sell the vehicle at auction under the current statutory time limits. The registered owner may redeem the vehicle up to 24 hours before the beginning of the auction. If the vehicle is sold at auction for more than the impound costs, the additional money must be returned to the owner of the vehicle. The registered owner may not purchase the vehicle at auction.

A rental car business may immediately redeem a vehicle upon paying the impound and storage costs. A motor vehicle dealer or lender may lawfully repossess a vehicle upon paying the impound and storage costs. The debtor may not redeem the vehicle from the dealer or lender without proof from the impounding authority or court that all fines and penalties have been paid.

It is unlawful for a motor vehicle dealer to knowingly engage in collusion with the registered owner of a vehicle to repossess the vehicle and return or resell it to the registered owner in an attempt to avoid a suspended license impound.

Tow truck operators are not required to have a licensed auctioneer conduct the auction. Auctions must be held on a normal business day or Saturday.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** This legislation assures that a registered or legal owner is notified in a reasonable time that his or her car was impounded. The parties worked together to come to a mutually agreeable solution.

**Testimony Against:** None.

**Testified:** (Support with amendments) Stu Halsan, Washington Tow Truck Association; and Captain Eric Robertson, Washington State Patrol.