SENATE BILL 6565

State of Washington 58th Legislature 2004 Regular Session

By Senators Kline, Kastama, Haugen, McCaslin, Esser, Spanel and Jacobsen

Read first time 01/23/2004. Referred to Committee on Highways & Transportation.

- 1 AN ACT Relating to administrative procedures for abandoned
- 2 vehicles; amending RCW 46.12.101, 46.12.102, 46.55.100, 46.55.120, and
- 3 46.55.140; and prescribing penalties.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 46.12.101 and 2003 c 264 s 7 are each amended to read 6 as follows:
- A transfer of ownership in a motor vehicle is perfected by compliance with the requirements of this section.
- 9 (1)(a) If an owner transfers his or her interest in a vehicle, 10 other than by the creation, deletion, or change of a security interest,
- 11 the owner shall, at the time of the delivery of the vehicle, execute an
- 12 assignment to the transferee and provide an odometer disclosure
- 13 statement under RCW 46.12.124 on the certificate of ownership or as the
- 14 department otherwise prescribes, and cause the certificate and
- 15 assignment to be transmitted to the transferee. The owner shall notify
- 16 the department or its agents or subagents, in writing, on the
- appropriate form, of the date of the sale or transfer, the name and address of the owner and of the transferee, the transferee's driver's
- 19 license number if available, and such description of the vehicle,

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including the vehicle identification number, the license plate number, or both, as may be required in the appropriate form provided or approved for that purpose by the department. The form provided or approved by the department must include the statement "Providing false information on a seller's report of sale submitted to the department or its agents is a criminal violation of RCW 9A.76.175." The report of sale will be deemed properly filed if all information required in this section is provided on the form and includes a department-authorized notation that the document was received by the department, its agents, or subagents on or before the fifth day after the sale of the vehicle, excluding Saturdays, Sundays, and state and federal holidays.

- (b) Agents and subagents shall immediately electronically transmit the seller's report of sale to the department. Reports of sale processed and recorded by the department's agents or subagents may be subject to fees as specified in RCW 46.01.140 (4)(a) or (5)(b). By January 1, 2003, the department shall create a system enabling the seller of a vehicle to transmit the report of sale electronically. The system created by the department must immediately indicate on the department's vehicle record that a seller's report of sale has been filed. However, if an abandoned vehicle report has been filed by a tow operator, the electronic submittal must be rejected and the owner must file the report of sale on a form prescribed by the department that includes the signature of the purchaser of the vehicle as evidence that the purchaser is accepting liability for the vehicle.
- (2) The requirements of subsection (1) of this section to provide an odometer disclosure statement apply to the transfer of vehicles held for lease when transferred to a lessee and then to the lessor at the end of the leasehold and to vehicles held in a fleet when transferred to a purchaser.
- (3) Except as provided in RCW 46.55.100 and 46.70.122 the transferee shall within fifteen days after delivery to the transferee of the vehicle, execute the application for a new certificate of ownership in the same space provided therefor on the certificate or as the department prescribes, and cause the certificates and application to be transmitted to the department.
- (4) Upon request of the owner or transferee, a secured party in possession of the certificate of ownership shall, unless the transfer was a breach of its security agreement, either deliver the certificate

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to the transferee for transmission to the department or, when the secured party receives the owner's assignment from the transferee, it shall transmit the transferee's application for a new certificate, the existing certificate, and the required fee to the department. Compliance with this section does not affect the rights of the secured party.

- (5) If a security interest is reserved or created at the time of the transfer, the certificate of ownership shall be retained by or delivered to the person who becomes the secured party, and the parties shall comply with the provisions of RCW 46.12.170.
- (6) If the purchaser or transferee fails or neglects to make application to transfer the certificate of ownership and license registration within fifteen days after the date of delivery of the vehicle, he or she shall on making application for transfer be assessed a twenty-five dollar penalty on the sixteenth day and two dollars additional for each day thereafter, but not to exceed one hundred dollars. The director may by rule establish conditions under which the penalty will not be assessed when an application for transfer is delayed for reasons beyond the control of the purchaser. Conditions for not assessing the penalty may be established for but not limited to delays caused by:
 - (a) The department requesting additional supporting documents;
 - (b) Extended hospitalization or illness of the purchaser;
 - (c) Failure of a legal owner to release his or her interest;
- (d) Failure, negligence, or nonperformance of the department, auditor, or subagent.

Failure or neglect to make application to transfer the certificate of ownership and license registration within forty-five days after the date of delivery of the vehicle is a misdemeanor.

(7) Upon receipt of an application for reissue or replacement of a certificate of ownership and transfer of license registration, accompanied by the endorsed certificate of ownership or other documentary evidence as is deemed necessary, the department shall, if the application is in order and if all provisions relating to the certificate of ownership and license registration have been complied with, issue new certificates of title and license registration as in the case of an original issue and shall transmit the fees together with an itemized detailed report to the state treasurer.

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- 1 (8) Once each quarter the department shall report to the department 2 of revenue a list of those vehicles for which a seller's report has 3 been received but no transfer of title has taken place.
- 4 **Sec. 2.** RCW 46.12.102 and 2002 c 279 s 2 are each amended to read 5 as follows:

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- (1) An owner who has made a bona fide sale or transfer of a vehicle and has delivered possession of it to a purchaser shall not by reason of any of the provisions of this title be deemed the owner of the vehicle so as to be subject to civil liability or criminal liability for the operation of the vehicle thereafter by another person when the owner has also fulfilled both of the following requirements:
- (a) When the owner has made proper endorsement and delivery of the certificate of ownership and has delivered the certificate of registration as provided in this chapter;
 - (b) When the owner has delivered to the department either a properly filed report of sale that includes all of the information required in RCW 46.12.101(1) and is delivered to the department within five days of the sale of the vehicle excluding Saturdays, Sundays, and state and federal holidays, or appropriate documents for registration of the vehicle pursuant to the sale or transfer.
 - (2) When a registered tow truck operator submits an abandoned vehicle report to the department for a vehicle sold at an abandoned vehicle auction, any previous owner is relieved of civil or criminal liability for the operation of the vehicle from the date of sale thereafter, and liability is transferred to the purchaser of the vehicle as listed on the abandoned vehicle report.
- 27 (3) Providing false information on a seller's report of sale 28 submitted to the department or its agents is a violation of RCW 29 9A.76.175.
- 30 **Sec. 3.** RCW 46.55.100 and 2002 c 279 s 9 are each amended to read 31 as follows:
- 32 (1) At the time of impoundment the registered tow truck operator 33 providing the towing service shall give immediate notification, by 34 telephone or radio, to a law enforcement agency having jurisdiction who 35 shall maintain a log of such reports. A law enforcement agency, or a 36 private communication center acting on behalf of a law enforcement

agency, shall within six to twelve hours of the impoundment, provide to a requesting operator the name and address of the legal and registered owners of the vehicle, and the registered owner of any personal property registered or titled with the department that is attached to or contained in or on the impounded vehicle, the vehicle identification number, and any other necessary, pertinent information. notice of impoundment shall be followed by a written or electronic facsimile notice within twenty-four hours. In the case of a vehicle from another state, time requirements of this subsection do not apply until the requesting law enforcement agency in this state receives the information.

- (2) The operator shall immediately send an abandoned vehicle report to the department for any vehicle, and for any items of personal property registered or titled with the department, that are in the operator's possession after the one hundred twenty hour abandonment period. Such report need not be sent when the impoundment is pursuant to a writ, court order, or police hold that is not a suspended license impound. The owner notification and abandonment process shall be initiated by the registered tow truck operator immediately following notification by a court or law enforcement officer that the writ, court order, or police hold that is not a suspended license impound is no longer in effect.
- (3) Following the submittal of an abandoned vehicle report, the department shall provide the registered tow truck operator with owner information within seventy-two hours.
- (4) ((Within fourteen days of)) Upon receiving payment for the sale of an abandoned vehicle at public auction, the towing operator shall send a copy of the abandoned vehicle report showing the disposition of the abandoned vehicle and any other items of personal property registered or titled with the department to the department. The vehicle buyer information sent to the department on the abandoned vehicle report relieves the previous owner of the vehicle from any civil or criminal liability for the operation of the vehicle from the date of sale thereafter and transfers full liability for the vehicle to the buyer. By January 1, 2003, the department shall create a system enabling tow truck operators the option of sending the portion of the abandoned vehicle report that contains the vehicle's buyer information to the department electronically.

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(5) Abandoned vehicles purchased at public auction may not be released to the purchaser until the purchaser has executed an application for a new certificate of ownership or shown evidence that he or she has executed an application for a new certificate of ownership signifying that he or she is the new registered owner. The department shall create a system to enable a tow company to serve as a limited agent for the purposes of registering a vehicle for a new certificate of ownership for vehicles purchased at a public auction held by the same tow company.

- (6) If the operator sends an abandoned vehicle report to the department and the department finds no owner information, an operator may proceed with an inspection of the vehicle and any other items of personal property registered or titled with the department to determine whether owner identification is within the vehicle.
- (((6))) <u>(7)</u> If the operator finds no owner identification, the operator shall immediately notify the appropriate law enforcement agency, which shall search the vehicle and any other items of personal property registered or titled with the department for the vehicle identification number or other appropriate identification numbers and check the necessary records to determine the vehicle's or other property's owners.
- **Sec. 4.** RCW 46.55.120 and 2003 c 177 s 2 are each amended to read 23 as follows:
 - (1) 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 under the following circumstances:
 - (a) Only the legal owner, the registered owner, a person authorized in writing by the registered owner or the vehicle's insurer, 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, or one 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, may redeem an impounded vehicle or items of personal property registered or titled with the department. In addition, a vehicle impounded because

the operator is in violation of RCW 46.20.342(1)(c) shall not be 1 2 released until a person eligible to redeem it under this subsection (1)(a) satisfies the requirements of (e) of this subsection, including 3 paying all towing, removal, and storage fees, notwithstanding the fact 4 5 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 6 7 46.20.342 or a similar local ordinance within the past five years, the vehicle may be held for up to thirty days at the written direction of 8 the agency ordering the vehicle impounded. A vehicle impounded because 9 10 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 11 12 the vehicle impounded or from the court having jurisdiction. An agency 13 may issue a written order to release pursuant to a provision of an 14 applicable state agency rule or local ordinance authorizing release on the basis of the following: 15

(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

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(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 (a)(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 days, and for up to ninety 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

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redeem it under this subsection (1)(a) satisfies the requirements of (e) 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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- (b) If the vehicle is directed to be held for a suspended license impound, a person who desires to redeem the vehicle at the end of the 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 truck operator of not more than one-half of the applicable impound storage rate for each day of the proposed suspended license impound. truck operator shall credit this amount against the final bill for removal, towing, and storage upon redemption. The tow truck operator may accept other sufficient security in lieu of the security deposit. If the person desiring to redeem the vehicle does not pay the security deposit or provide other security acceptable to the tow truck operator, the tow truck operator may process and sell at auction the vehicle as an abandoned vehicle within the normal time limits set out in RCW 46.55.130(1). The security deposit required by this section may be paid and must be accepted at any time up to twenty-four hours before the beginning of the auction to sell the vehicle as abandoned. The registered owner is not eligible to purchase the vehicle at the auction, and the tow truck operator shall sell the vehicle to the highest bidder who is not the registered owner.
- (c) Notwithstanding (b) 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.
- (d) Notwithstanding (b) 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 1 2 chapter 62A.9A RCW, including providing redemption rights to the debtor If the debtor is the registered owner of the under RCW 62A.9A-623. 3 vehicle, the debtor's right to redeem the vehicle under chapter 62A.9A 4 RCW is conditioned upon the debtor obtaining and providing proof from 5 the impounding authority or court having jurisdiction that any fines, 6 7 penalties, and forfeitures owed by the registered owner, as a result of the suspended license impound, have been paid, and proof of the payment 8 must be tendered to the vehicle dealer or lender at the time the debtor 9 10 tenders all other obligations required to redeem the vehicle. Vehicle dealers or lenders are not liable for damages if they rely in good 11 12 faith on an order from the impounding agency or a court in releasing a 13 vehicle held under a suspended license impound.

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(e) 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 (b) of this subsection. In 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

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payment on a personal check or credit card, or does not make restitution within ten days from the date a check becomes insufficient due to lack of funds, to a towing 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 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)) Only a legal or registered owner 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 issues involving impoundments authorized by agents of the 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 days of the date the opportunity was provided for in subsection (2)(a) of this section and 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 period, the right to a hearing is waived and the liable for any towing, storage, or other registered owner is 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.

(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. The court may not adjust fees or charges that are in compliance with the posted or contracted rates.
- (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 shall enter judgment in favor of the registered and legal owners of the vehicle, or other item of personal property registered or titled with the department, for the amount of the filing fee required by law for the impound hearing petition as well as reasonable damages for loss of the use of the vehicle during the time the same was impounded, for not

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less than fifty dollars per day, against the person or agency 1 2 authorizing the impound. However, if an impoundment arising from an alleged violation of RCW 46.20.342 or 46.20.345 is determined to be in 3 violation of this chapter, then the law enforcement officer directing 4 5 the impoundment and the government employing the officer are not liable for damages if the officer relied in good faith and without gross 6 7 negligence on the records of the department in ascertaining that the operator of the vehicle had a suspended or revoked driver's license. 8 9 If any judgment entered is not paid within fifteen days of notice in writing of its entry, the court shall award reasonable attorneys' fees 10 and costs against the defendant in any action to enforce the judgment. 11 12 Notice of entry of judgment may be made by registered or certified 13 mail, and proof of mailing may be made by affidavit of the party 14 mailing the notice. Notice of the entry of the judgment shall read 15 essentially as follows:

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17 YOU ARE HEREBY NOTIFIED JUDGMENT was entered against you in the 18 Court located at in the sum of 19 \$....., in an action entitled, Case No. 20 . . . YOU ARE FURTHER NOTIFIED that attorneys fees and costs will be awarded against you under RCW . . . if the judgment is 21 not paid within 15 days of the date of this notice. 22

23 DATED this . . . day of (year) . . . 24

Signature

25 Typed name and address 26 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 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 start of the auction upon payment of the applicable towing and storage fees.

- **Sec. 5.** RCW 46.55.140 and 1995 c 360 s 8 are each amended to read as follows:
- 37 (1) A registered tow truck operator who has a valid and signed

impoundment authorization has a lien upon the impounded vehicle for 1 2 services provided in the towing and storage of the vehicle, unless the impoundment is determined to have been invalid. The lien does not 3 apply to personal property in or upon the vehicle that is not 4 permanently attached to or is not an integral part of the vehicle 5 except for items of personal property registered or titled with the 6 department. The registered tow truck operator also has a deficiency 7 claim against the registered owner of the vehicle for services provided 8 in the towing and storage of the vehicle not to exceed the sum of five 9 10 hundred dollars after deduction of the amount bid at auction, and for vehicles of over ten thousand pounds gross vehicle weight, the operator 11 12 has a deficiency claim of one thousand dollars after deduction of the 13 amount bid at auction, unless the impound is determined to be invalid. 14 The limitation on towing and storage deficiency claims does not apply to an impound directed by a law enforcement officer. In no case may 15 the cost of the auction or a buyer's fee be added to the amount charged 16 17 for the vehicle at the auction, the vehicle's lien, or the overage due. 18 A registered owner who has completed and filed with the department the seller's report as provided for by RCW 46.12.101 and has timely and 19 properly filed the seller's report is relieved of liability under this 20 21 The person named as the new owner of the vehicle on the 22 timely and properly filed seller's report shall assume liability under Providing false information on a seller's report 23 24 submitted to the department or its agents is a violation of RCW 9A.76.175. 25

(2) Any person who tows, removes, or otherwise disturbs any vehicle parked, stalled, or otherwise left on privately owned or controlled property, and any person owning or controlling the private property, or either of them, are liable to the owner or operator of a vehicle, or each of them, for consequential and incidental damages arising from any interference with the ownership or use of the vehicle which does not comply with the requirements of this chapter.

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