

# SENATE BILL REPORT

## SB 5672

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As Reported By Senate Committee On:  
Labor, Commerce, Research & Development, February 25, 2005

**Title:** An act relating to commercial parking businesses.

**Brief Description:** Regulating commercial parking businesses.

**Sponsors:** Senators Jacobsen, Esser, Poulsen, Benson and Swecker.

**Brief History:**

**Committee Activity:** Labor, Commerce, Research & Development: 2/17/05, 2/25/05 [DPS].

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### SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 5672 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Franklin, Vice Chair; Parlette, Ranking Minority Member; Honeyford, Keiser and Prentice.

**Staff:** John Dziedzic (786-7784)

**Background:** Local jurisdictions have authority to regulate off-street parking by ordinance, and may generally choose to do so through a parking commission, a municipal operation, or contract with a private entity. Private businesses may also operate commercial parking facilities.

In July 2003, a federal court in a class-action lawsuit ruled that a collection agent for several unstaffed parking lot operators did not have authority to charge a collection fee in addition to the principal amount owed on parking tickets issued by a commercial parking lot operator.

**Summary of Substitute Bill:** Businesses operating and managing commercial parking lots are regulated; including requirements for signs, parking fee disclosures, limits on unauthorized parking fees, a prohibition against the impounding-in-place of cars parked without authorization, and restrictions on when the business may tow a car that is parked without authorization.

A commercial parking business may charge fees for monthly parking, reserved parking, parking for a given amount of time, or a specific event, unauthorized parking, late payments, and collection costs. Generally, a parking fee may be charged only when a sign is posted in such a manner as to be clearly visible at all times, including after dark, and which conspicuously states the times and circumstances where a fee will be charged, the amount of the charge, or a schedule of different rates or different schedules, and the name, address, and telephone number of the commercial parking business. No sign is required where there is a separate written agreement, or the specified information is provided in a written form when the customer enters the lot.

A fee for unauthorized parking may not exceed \$50, and may not be collected unless notice requirements are met. If a customer fails to pay the reasonable fee within fifteen days after notice is given, the registered owner of the vehicle is liable for the fee, plus up to a \$25 late charge. Additionally, the business may recover collection agency fees, statutory costs, and reasonable attorney fees, if court action is taken, but the business has burden of showing, by a preponderance of the evidence that the business is in compliance with the act, and that the required parking fee was paid, or the car was otherwise not authorized.

A registered owner of a vehicle is presumed liable for all fees for parking and unauthorized parking, unless the owner can prove by a preponderance of the evidence that the person who parked the vehicle in the commercial parking lot was unauthorized to do so.

If a collection fee is assessed, the business must notify the registered vehicle's owner that the debt could be assigned to a collection agency at least fifteen days prior to the assignment. A collection fee of up to \$100 or 50 percent of the debt over \$100 is presumed reasonable.

**Substitute Bill Compared to Original Bill:** Provisions were added that: (1) specify that required signs must be clearly visible at all times, including after dark; (2) prohibit impounding-in-place and clarify when a vehicle may be impounded; and (3) establish equal burdens of proof for businesses and parking patrons.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This bill evens the playing field between public and private parking lot operations, giving private parking lot operators the ability to add collection costs to the fees charged for unauthorized parking. Operators will have a duty to make sure consumers are properly notified, similar to how collectors recover amounts lost because of bad checks. Currently the only enforcement option available to parking lot operators is to have a vehicle towed, which is of no direct monetary benefit to the parking lot operator.

**Testimony Against:** None.

**Who Testified:** PRO: Troy Harris, WA State Parking Association.