
Transportation Committee

HB 2372

Brief Description: Concerning fees and rates for tow truck services and vehicle storage.

Sponsors: Representatives Pollet, Kenney, Reykdal, Dickerson, Jinkins, Wylie, Hasegawa, Pettigrew, Billig, Pedersen, Ryu, Fitzgibbon, Darneille, Blake, Finn, Eddy and Kagi.

Brief Summary of Bill

- Prohibits registered tow truck operators from charging rates for towing services that exceed those set by the Utilities and Transportation Commission (Commission).
- Requires the Commission to set maximum rates for towing services performed by a registered tow truck operator.
- Requires written disclosure of towing rates during a voluntary tow.

Hearing Date: 1/23/12

Staff: Alison Hellberg (786-7152).

Background:

Regulation of Registered Tow Truck Operators.

State law regulates tow truck operators who impound vehicles from private or public property and/or tow for law enforcement agencies. Impounds, i.e., the taking and holding of a vehicle in legal custody without the consent of the owner, may only be performed by registered tow truck operators (operators). If on public property, the impound is at the direction of a law enforcement officer; if the vehicle is on private property, the impound is at the direction of the property owner or his agent.

Operators are issued a tow truck permit by the Department of Licensing (Department), following payment of a \$100 per company and \$50 per truck fee, plus an inspection by the Washington State Patrol. Operators must also file a surety bond of \$5,000 with the Department and meet certain minimum insurance requirements.

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

An operator is required to file a fee schedule with the Department. An operator may not charge a fee that exceeds those filed with the Department. Fees for tow truck service must be calculated on an hourly basis, and after the first hour must be charged to the nearest quarter hour. Fees for the storage of a vehicle must be calculated on a 24-hour basis and be charged to the nearest half day.

Utilities and Transportation Commission.

The Utilities and Transportation Commission (Commission) is a three-member commission that regulates in the public interest, the rates, services, and practices of certain utilities and transportation companies. By law, the Commission must set rates that are fair, just, reasonable, and sufficient.

Consumer Protection Act.

A violation of the Consumer Protection Act (Act) is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the Act. Under the Act, the Attorney General may bring an action in the name of the state against any person to restrain and prevent an unlawful action. In addition, any person who is injured in his or her business or property by a violation may bring a civil action to stop further violations, to recover the actual damages sustained by him or her, or both. The court may, in its discretion, increase the award of damages to an amount not to exceed three times the actual damages sustained.

Summary of Bill:

Rates for Towing Services and Storing an Impounded Vehicle.

The Commission must make, fix, alter, and amend just, fair, and reasonable maximum rates for tow truck services and for the storage of a vehicle that applies to operators. In setting maximum rates, the Commission must take into account varying costs associated with the towing and storage of a vehicle based on factors including: geographic area, type of vehicle, and costs of providing security for storage. An opportunity for public comment must be provided and the Commission must take those comments into consideration when setting maximum rates.

The Commission may approve rates filed by operators for certain designated services when, in the opinion of the Commission, it is impractical for the Commission to make, fix, or prescribe rates covering the services. The maximum total of charges for an involuntary tow and storage for the first 24 hours following the tow may not exceed \$250. Primary regulatory authority over operators remains with Department, but operators may not charge rates for towing services that exceed those set by the Commission.

The method for calculating fees associated with the storage of an impounded vehicle is changed. Rather than be calculated to the nearest half-day, fees must be calculated by the hour during the first four hours of storage.

The Department, in consultation with the Commission, must set fees to cover the costs of regulation. Expenses and costs of regulation by Department and the Commission may be paid by funds derived from these fees.

Voluntary Tows.

A "voluntary tow" is defined as the tow of a vehicle in which the tow truck is summoned by the owner of the vehicle or by a person who has possession, custody, or control of the vehicle.

For a voluntary tow, the person operating the tow truck must provide a written disclosure statement. The disclosure statement must contain all individual fees and rates and a space for the person who summoned the tow truck to sign or initial indicating that he or she understands the fees and rates. The signed or initialed disclosure statement must be maintained by the tow truck business for three years and be made available to the Department upon request. A copy of the signed or initialed disclosure statement must also be provided to the person who summoned the tow truck.

Consumer Protection Act.

A violation of requirements relating to maximum charges regarding to towing or storage of a vehicle, contracts for towing services, and voluntary tows is a violation of the Act.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.