

HOUSE BILL REPORT

ESHB 1625

As Passed Legislature

Title: An act relating to consumer protection for tow truck services.

Brief Description: Concerning limitations on certain tow truck operator rates.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Pollet, Clibborn, Kagi, Pedersen, Hunt, Riccelli, Appleton, Hudgins, Moscoso, Fitzgibbon, Morrell, Sells and Bergquist).

Brief History:

Committee Activity:

Transportation: 2/13/13, 2/21/13 [DPS].

Floor Activity:

Passed House: 3/9/13, 91-7.

Passed Senate: 4/12/13, 46-0.

Passed Legislature.

Brief Summary of Engrossed Substitute Bill

- Sets a cap on the rates and fees that tow truck operators may charge for certain towing operations, storage of vehicles, and after-hours releases.
- Provides that certain local limits, if valid under existing law, remain enforceable.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 27 members: Representatives Clibborn, Chair; Fey, Vice Chair; Lias, Vice Chair; Moscoso, Vice Chair; Overstreet, Assistant Ranking Minority Member; Angel, Bergquist, Farrell, Fitzgibbon, Freeman, Habib, Johnson, Klippert, Kochmar, Kretz, Kristiansen, Moeller, O'Ban, Riccelli, Rodne, Ryu, Sells, Shea, Takko, Tarleton, Upthegrove and Zeiger.

Minority Report: Do not pass. Signed by 3 members: Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Hayes.

Staff: Andrew Russell (786-7143).

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.

Background:

Tow trucks are motor vehicles that are equipped for and used in the business of towing vehicles. By rule, tow trucks are divided into several classes, depending upon their size, equipment, and capabilities. Tow truck operators who tow unauthorized vehicles must apply for a license with the Department of Licensing (DOL) and the Washington State Patrol (WSP). Additionally, each tow truck must be inspected by the WSP and issued an annual permit. The WSP must also conduct annual inspections of a tow truck operator's equipment and facilities. Tow truck operators must file a fees schedule with the DOL, and an operator may not charge a fee that exceeds the filed amount. Finally, a tow truck operator must file with the DOL a surety bond in the amount of \$5,000.

Tow truck operators may also seek a letter of appointment from the WSP. This letter authorizes a registered tow truck operator to tow and store vehicles for the WSP. The WSP will refuse to issue a letter of appointment if the applicant, partner, corporate officer involved in daily operations, or any employee who operates a tow truck has been convicted of: (1) a class A felony or sex offense; (2) a class B felony in the last 10 years; (3) a class C felony in the last five years; (4) a Driving Under the Influence two or more times in the last five years; or (5) a gross misdemeanor in the last three years. Additionally, the WSP may choose not to issue a letter of appointment if any such person has been convicted of a misdemeanor in the last year or fails to demonstrate character and general fitness sufficient to command the confidence of the WSP.

There are two kinds of impound procedures. A public impound is directed by a law enforcement officer and may be conducted only by a tow truck operator who has a letter of appointment from the WSP. A private impound, however, is directed by a private property owner upon which the vehicle was located and may be conducted by any registered tow truck operator, whether or not the operator holds a letter of appointment. Every year, the WSP will establish the maximum towing and storage rates that may be charged by an operator who responds to a WSP call. A contractual agreement, signed by the WSP and the operator, then becomes part of the operator's letter of appointment.

Summary of Engrossed Substitute Bill:

The fees charged by Class A, Class D, or Class E tow trucks are subject to a cap. For private impounds, a tow truck operator may not file a fee schedule with an hourly rate that exceeds 135 percent of the maximum rate for a Class A tow truck as negotiated with the WSP. Additionally, the filed fee schedule may not have a storage rate exceeding 135 percent of the maximum daily storage rate as negotiated with the WSP. Finally, a filed schedule's after-hours release fee may not exceed 100 percent of the maximum after-hours release fee as negotiated with the WSP. These limits, however, do not apply to: (1) other classes of tow trucks; (2) private voluntary towing; (3) the towing of a vehicle that is not parked or not upright, does not have all of its wheels or tires, or has a broken axle; or (4) if the vehicle is being towed from a location at which it was involved in an accident.

Finally, certain local laws that limit tow truck operators' fees and rates remain enforceable. These limits can be enforced if the local law was adopted before January 1, 2013, and if the local limits are valid under existing state law.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) People do not expect that parking in the wrong spot might cost them hundreds or thousands of dollars. These charges can be incredible and outrageous, more than the fine for a misdemeanor. Tow truck operators themselves do not like that there can be operators anywhere in the state charging such high rates. Right now, the sky is the limit on what rate a tow truck operator may charge. This bill provides a reasonable, statewide rate that is supported by the industry.

The industry supports this; there needs to be a statewide standard that is fair to the operators and fair to the public. People whose cars are towed are not able to shop around for the lowest rate. It is best for the industry and the consumer to have rates that are reasonable. This is a problem, operators are concerned about their reputations, and this bill is important to operators. Even in rural Washington, this bill will help, while still ensuring a fair rate to operators.

(Opposed) None.

Persons Testifying: Representative Pollet, prime sponsor; Stu Halsan, Towing and Recovery Association of Washington; Jackie Currie, Towing and Recovery Association of Washington and Columbia and Totem Towing; and Jason Hellberg, Hooked Up Towing.

Persons Signed In To Testify But Not Testifying: None.