

HOUSE BILL REPORT

SSB 5640

As Reported by House Committee On: Transportation

Title: An act relating to deficiency claims after auction of a private property vehicle impound.

Brief Description: Concerning the limitation on towing and storage deficiency claims after auction of a private property vehicle impound.

Sponsors: Senate Committee on Transportation (originally sponsored by Senator Ericksen).

Brief History:

Committee Activity:

Transportation: 3/25/15, 3/30/15 [DP].

Brief Summary of Substitute Bill

- Removes limitations on deficiency claims against a registered vehicle owner for unpaid towing and storage fees, under certain circumstances.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 18 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Orcutt, Ranking Minority Member; Bergquist, Gregerson, Hayes, Kochmar, McBride, Moeller, Morris, Ortiz-Self, Riccelli, Rodne, Sells, Takko and Tarleton.

Minority Report: Without recommendation. Signed by 5 members: Representatives Hargrove, Assistant Ranking Minority Member; Harmsworth, Shea, Wilson and Zeiger.

Minority Report: Do not pass. Signed by 2 members: Representatives Pike and Young.

Staff: Andrew Russell (786-7143).

Background:

Impounds, which are defined as 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 (RTTOs).

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.

When a vehicle is impounded, an RTTO must send an impound notice to the legal owner, based on information received from law enforcement.

If a vehicle is held in impound for more than 120 hours, it is considered abandoned, and an RTTO must file an abandoned vehicle report (AVR) with the Department of Licensing (DOL). In response to the AVR, the DOL provides information to the RTTO regarding the owner of the vehicle, and the RTTO must send by certified mail a notice of custody and sale to the owner. If the vehicle remains unclaimed, the RTTO must conduct a sale at public auction. Vehicles may be redeemed by their legal owners any time before the start of the auction upon payment of towing and storage charges.

The RTTOs can collect any outstanding towing and storage charges on abandoned vehicles through a lien against the sale of the vehicle at auction. If the vehicle sale proceeds are less than the lien, the remaining charges owed to the RTTO are sent to a collection agency for recovery of the deficient claim. An RTTO is permitted a deficiency lien against the registered owner of an impounded vehicle of up to \$500 after deducting the amount bid at the auction. For vehicles over 10,000 pounds gross vehicle weight, an RTTO is permitted a deficiency lien of up to \$1,000.

Summary of Bill:

The maximum limits for deficiency claims for an RTTO are removed for tow and impound services that are covered by the statutory rate cap.

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) Modern towing regulation was established in 1984, 30 years ago. A safety valve was put into the code—for a tow that was not regulated on the hourly rate, a cap was placed on deficiency judgment. These caps have not been updated in 20 years. When the rates were capped in statute, it was deemed that these rates were reasonable. If they are reasonable, then it is reasonable that they be paid. With these limitations, towers may be paid only half the storage rate and none of the tow rate that they would otherwise earn.

One unintentional consequence of rate caps is that the towers are now unable to keep or retain the same amount of money for an impound. In this case, for rate-capped tow operations, it is only fair that the amount of the deficiency be able to be increased.

(Opposed) None.

Persons Testifying: Stu Halsan, Towing and Recovery Association; and Al Runte, Ibsen Towing.

Persons Signed In To Testify But Not Testifying: None.