

SENATE BILL REPORT

EHB 1443

As of March 24, 2015

Title: An act relating to limiting fees charged by commercial parking businesses and requiring notice to customers.

Brief Description: Concerning fees charged by commercial parking businesses and requiring notice to customers.

Sponsors: Representatives G. Hunt, S. Hunt, Condotta, Shea, Taylor, Scott, Riccelli and Jinkins.

Brief History: Passed House: 3/03/15, 94-0.

Committee Activity: Commerce & Labor: 3/20/15.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Susan Jones (786-7404)

Background: Commercial parking facilities are generally unregulated by state law. In some situations, towns and cities may establish methods of operation of off-street parking space and facilities by ordinance.

Summary of Bill: Signage Requirements. A commercial parking business may not charge a parking charge unless a sign is posted at the entrance to the parking lot clearly indicating in letters and numbers at least 2 inches in height the following:

- times and circumstances in which a parking charge will be charged;
- amount of the parking charge, a schedule of hourly or daily rates, or a schedule of parking charges for different circumstances or durations;
- circumstances for a late fee;
- methods of payment accepted; and
- name, telephone number, and address of the commercial parking business.

Exceptions to Signage. A commercial parking business need not comply with the following signage requirements:

- for a specific parking customer when there is an agreement, written or otherwise; or
- for event parking if the charge is clearly disclosed upon entry to the lot by an on-site attendant or by conspicuous signage posted at the entrance to the lot.

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.

Late Fees. If the customer pays the parking charges more than 30 days late, the customer must pay a late fee of up to 50 percent of the original parking charge; and if the customer is more than 60 days late, the customer must also pay a late fee of up to 100 percent of the original parking charge. The customer is not liable for any late fee unless the signage requirements described above are met and a written notice of the late fee was delivered to the customer within 15 days of the date the late fee was incurred. The requirements for the contents of the notice and delivery methods are provided. If court action is required, the court must award statutory costs and reasonable attorneys' fees.

Unauthorized Parking. A customer who engages in unauthorized parking is liable for a reasonable charge if notice of the amount of the charge is provided to such customer. A presumed reasonable charge is as follows:

- the posted parking charge for the actual time the vehicle remains parked at the commercial parking lot; or
- a fee not to exceed 150 percent of the posted parking charge.

If the unauthorized parking charge is other than the regular posted charge, then the amount must be stated in letters and numbers at least 2 inches in height in a sign conspicuously posted at the entrance to the lot. Written notice of the amount and the date of the parking, and other information must be provided by:

- affixing the notice to the windshield; or
- mailing or delivering the notice through any commercially reasonable means within 15 days.

The registered owner is presumed to be liable for parking charges but may assert an affirmative defense, provable by clear and convincing evidence, that the person who parked the vehicle was not authorized by the registered owner to use or drive the vehicle.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is a consumer protection bill and about transparency. It establishes uniform signage requirements to ensure that when patrons are going to utilize parking garages, they understand the terms which they are agreeing to. For example, the method of payment that is authorized and accepted, the parking fees, and the fees if they do not pay. Often when someone goes to park, they learn that only certain methods are accepted. They may be told they can pay online only to discover they cannot do so or they forgot and receive a bill for \$5 parking charge that is then \$65 because of late fees. This is much larger than a single constituent.

CON: This bill as written applies to public colleges and they should be excluded. Maintaining a functioning parking system on college campuses is very important. Some have very urban campuses with many people coming and going each day and this bill

jeopardizes that from running fairly and smoothly. There is a unique and complex nature to running parking on a university campus. The Legislature previously recognized this and gave the universities' boards of regents the authority to establish parking rules, fines, and fees which are responsible to college campus conditions. This bill is in conflict with the previous legislation. The colleges use that authority judiciously and have created programs that are service focused and some have earned international recognition. Often initial infractions received a warning and initial fines are often waived. The success of a parking program is that later fines and fees are set at a level that is an effective deterrent for future infractions. The bill would make this impossible. The signage requirements would result in the construction of many additional signs and some would need to be placed on architecturally significant and historical campuses. With respect to fine payment due dates, colleges may consider special factors such as when student aid payments will arrive, breaks and other factors that would not be considered in the private sector. Universities need an effective deterrent or the lots become overrun. Parking rates should be clearly posted. Sections 3 and 4 are problems because it doubles the amount of time that a violator gets to pay the charge and the late fee is minimal. This reduces the late fees by about 85 percent. This will also reduce state taxes. Companies spend a lot of money on parking enforcement and the penalty amounts will not cover the enforcement costs. People will choose not to pay if the late payment fees are too low. The cities can immobilize vehicles that don't pay parking tickets. Private companies cannot immobilize vehicles, only tow them. There is not a set amount to recommend for late fees as the appropriate late fee depends on the location. Building owners lease out parking lots at a loss to provide for parking in the buildings and to land bank for future building. The income loss to the businesses, the state, and municipalities will be great. Companies must have an effective method of receiving payment for the product. The late fees need to be high enough to encourage people to pay at the time the charge is due and to cover the high cost of collection and enforcement. The bill will make collection of the parking charges economically impossible. People will learn they will not be held accountable and choose not to pay. Some cities regulate the signage but not the amount of the fees.

Persons Testifying: PRO: Representative Hunt, prime sponsor.

CON: Rod Kaufman, Building Owners and Manager's Assn.; Laura Larson, Republic Parking; Shawn Potts, U-Park System; Mark Sundberg, IPM Parking; Genesee Adkins, Josh Kavanagh, University of WA; Chris Mulick, WA State University.

Persons Signed in to Testify But Not Testifying: CON: Ken Kime, Joe Koontz, Diamond Parking.