

# SENATE BILL REPORT

## EHB 1443

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As Reported by Senate Committee On:  
Commerce & Labor, March 30, 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, 3/30/15 [DPA, w/oRec].

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass as amended.

Signed by Senators Baumgartner, Chair; Hasegawa, Ranking Minority Member; Conway, Keiser and Warnick.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Braun, Vice Chair; King.

**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 (Recommended Amendments):** Signage Requirements. A commercial parking business may not charge a parking charge unless signs are posted visible to the customers from the entrance indicating in letters and numbers meeting the requirements of the municipality where the commercial parking lot is located, or if there are no requirements of the municipality then the dollar amounts provided below must be in letters or numbers at least 2 inches in height. The sign must include 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;

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- 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 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.

Late Fees. 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. If the commercial parking business previously included written notice of the late fee on any notice informing the customer of the specific parking charge due, then that written notice meets the requirement and a second written notice is not required. The requirements for the contents of the notice and delivery methods are provided.

Unauthorized Parking. A customer who engages in unauthorized parking is liable for a charge if notice of the amount of the charge is provided to such customer. If an unauthorized parking charge is other than the posted parking charge, then the amount of the parking charge must be stated on a sign visible to customers conspicuously posted at the lot's entrance. 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 by directly handing the notice to the customer on the lot; 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.

State Agencies Excluded. State agencies operating parking facilities for state purposes are not commercial parking businesses under the act.

**EFFECT OF CHANGES MADE BY COMMERCE & LABOR COMMITTEE (Recommended Amendments):** State agencies are excluded from the definition of commercial parking business; the letter size on signs is subject to municipal requirements rather than being 2 inches high; time periods and limits on late fee amounts are removed; the provision for awarding attorneys' fees and cost for court action on parking fees is removed; notice of late fees may be provided by additional methods; limits on the amounts of and the term "reasonable" for unauthorized parking charges are removed; unauthorized parking charges must be on a sign visible to customers rather than be in letters 2 inches high; and notice of unauthorized parking charges may be handed to the customer on the lot.

**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 on Engrossed House Bill:** 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 payment 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.