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## Transportation Committee

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### HB 1219

**Brief Description:** Concerning deficiency claims after auction of a private property vehicle impound.

**Sponsors:** Representatives Orcutt, Fey and Goodman.

#### Brief Summary of Bill

- Increases the limit on a deficiency claim that a registered tow truck operator (RTTO) is allowed against the registered owner of an impounded vehicle to \$800. For vehicles over 10,000 pounds gross vehicle weight, the limit on a deficiency claim is increased to \$2,250.
- Requires the deficiency claim limits to be adjusted every three years to reflect the percentage change in the consumer price index for urban consumers, as measured by the United States Bureau of Labor Statistics, in that time.

**Hearing Date:** 1/23/17

**Staff:** David Munnecke (786-7315).

#### Background:

Tow truck operators who impound vehicles from private or public property, or tow for law enforcement agencies, are regulated under chapter 46.55 RCW. Impoundment, 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). 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 or her agent.

When an unauthorized vehicle is impounded, within 24 hours the towing operator must send an impound notice to the legal owner, based on information received from law enforcement. After being held for 120 consecutive hours, a vehicle is considered abandoned and the RTTO must file

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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.

Within 24 hours of receipt of this information, the RTTO must send by certified mail a notice of custody and sale to the owner. After 15 days from the receipt of information from the DOL, the RTTO may no longer accumulate storage charges. If the vehicle remains unclaimed, the RTTO must conduct a sale at public auction. The RTTO may not hold the vehicle for longer than 90 days, except in the case of a law enforcement or judicial order.

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 collect towing and storage charges on abandoned vehicles via 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 allowed a deficiency claim against the registered owner of an impounded vehicle of up to \$500. For vehicles over 10,000 pounds gross vehicle weight, an RTTO is allowed a deficiency claim of up to \$1,000.

**Summary of Bill:**

The amount that an RTTO is allowed in a deficiency claim against the registered owner of an impounded vehicle is increased to \$800. For vehicles over 10,000 pounds gross vehicle weight, an RTTO is allowed a deficiency claim of up to \$2,250. These two amounts are required to be adjusted every three years to reflect the percentage change in the consumer price index for urban consumers, as measured by the United States Bureau of Labor Statistics, in that time.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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