## HOUSE BILL 1688

State of Washington 68th Legislature 2023 Regular Session

By Representatives Hackney and Barkis

Read first time 01/31/23. Referred to Committee on Transportation.

- 1 AN ACT Relating to payments to tow truck operators for the
- 2 release of vehicles to indigent citizens; amending RCW 46.55.115 and
- 3 46.55.120; and adding a new section to chapter 46.55 RCW.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 46.55 6 RCW to read as follows:
- 7 (1) The department shall create a program to compensate 8 registered tow truck operators for impounds performed at the 9 direction of law enforcement to apply when the owner of the vehicle 10 is indigent, except when the vehicle has been impounded after the 11 vehicle owner has been arrested by a law enforcement officer.
- 12 (2) An individual seeking the release of a vehicle under this 13 program must:
  - (a) Be the legal or registered owner of the vehicle;
- 15 (b) Be indigent;

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- 16 (c) Either not have the ability to pay for the towing service or 17 when making such payment would be a severe hardship;
- 18 (d) Not have applied for the release of a vehicle under this 19 program more than once in the preceding year; and

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(e) Fill out and certify the first part of the form described in subsection (4)(a) of this section and submit it to the registered tow truck operator.

- (3) A registered tow truck operator may seek payment for impounds ordered by a law enforcement agency for vehicles owned by individuals meeting the requirements of subsection (2) of this section when the impound was not ordered following an arrest. The registered tow truck operator applying for payment must fill out the second part of the form described in subsection (4)(b) of this section and must submit the completed form to the department.
- (4) The department shall provide a form to registered tow truck operators that consists of two parts.
- (a) The first part of the form is to be completed by individuals seeking the release of a vehicle and must include a requirement that individuals self-certify under penalty of perjury that they meet the requirements of the program and acknowledge that they understand that the department may verify or audit the information and that perjury is a criminal offense.
- (b)(i) The second part of the form is to be completed by registered tow truck operators and must include a requirement that registered tow truck operators self-certify under penalty of perjury that they have verified that:
  - (A) The impound was ordered by a law enforcement agency;
  - (B) The impound was not ordered following an arrest;
- (C) The individual seeking the release of a vehicle is the owner of the vehicle registered or titled with the department; and
- (ii) The registered tow truck operators must acknowledge that they understand that the department may verify or audit the information and that perjury is a criminal offense.
- (5) Subject to availability of funds, the department shall disburse surplus funds deposited under RCW 46.55.130(2)(h) that are no longer subject to payment for a valid claim under RCW 46.55.130(2)(h) in an amount equal to the cost of the towing, storage, or other services incurred by the registered tow truck operators during the course of the law enforcement directed impound to the eligible registered tow truck operators following submission of the form by the registered tow truck operator. Eligibility for payment under this section does not constitute an entitlement for payment. If eligible applications for payment exceed the funds available, the department must create and maintain a waitlist in the

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order the forms are received pursuant to this section. The department is not civilly or criminally liable and no penalty or cause of action may be brought against it regarding the provision or lack of provision of funds.

- (6) The department shall provide an annual report to the appropriate committees of the legislature by October 1st of each year. The annual report must include the total number of law enforcement directed tows not following an arrest, the number of vehicles released under this program, the number of applicants who received payment under this program, the total funds provided to applicants, the number of applicants on the waitlist who did not receive grants, the total amount of grants unpaid due to lack of funds, and the number of ineligible applicants and the reasons for ineligibility.
- (7) A registered tow truck operator who releases the vehicle under this section does not have a lien or deficiency claim on the released vehicle.
- (8) When an impounding tow truck operator sends notification to the legal and registered owners of a vehicle regarding the impoundment of it as required under RCW 46.55.110 and the vehicle may be eligible under this program, the impounding tow truck operator must include information in the notification about the program established in this section for the release of vehicles to indigent persons.
- (9) The registered tow truck operator shall provide to each person who seeks to redeem an impounded vehicle that may be eligible under this program written notice, in a form and manner specified by the department, of the release of vehicles to indigent individuals. The notice must be accompanied by the form described in subsection (4) of this section.
- Sec. 2. RCW 46.55.115 and 1993 c 121 s 2 are each amended to read as follows:

The Washington state patrol, under its authority to remove vehicles from the highway, may remove the vehicles directly, through towing operators appointed by the state patrol and called on a rotational or other basis, through contracts with towing operators, or by a combination of these methods. When removal is to be accomplished through a towing operator on a noncontractual basis, the state patrol may appoint any towing operator for this purpose upon

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the application of the operator. Each appointment shall be contingent upon the submission of an application to the state patrol and the making of subsequent reports in such form and frequency and compliance with such standards of equipment, performance, pricing, and practices as may be required by rule of the state patrol.

An appointment may be rescinded by the state patrol upon evidence that the appointed towing operator is not complying with the laws or rules relating to the removal and storage of vehicles from the highway. The state patrol may not rescind an appointment merely because a registered tow truck operator negotiates a different rate for voluntary, owner-requested towing than for involuntary towing under this chapter. The costs of removal and storage of vehicles under this section shall be paid by the owner or driver of the vehicle and shall be a lien upon the vehicle until paid, unless the removal is determined to be invalid or the registered tow truck operator releases the vehicle under the program established in section 1 of this act.

Rules promulgated under this section shall be binding only upon those towing operators appointed by the state patrol for the purpose of performing towing services at the request of the Washington state patrol. Any person aggrieved by a decision of the state patrol made under this section may appeal the decision under chapter 34.05 RCW.

- **Sec. 3.** RCW 46.55.120 and 2017 c 152 s 1 are each amended to 24 read as follows:
  - (1) (a) Vehicles or other items of personal property registered or titled with the department that are impounded by registered tow truck operators pursuant to RCW 46.55.080, 46.55.085, 46.55.113, or 9A.88.140 may be redeemed only by the following persons or entities:
    - (i) The legal owner;

- (ii) The registered owner;
- (iii) A person authorized in writing by the registered owner;
- 32 (iv) The vehicle's insurer or a vendor working on behalf of the 33 vehicle's insurer;
  - (v) A third-party insurer that has a duty to repair or replace the vehicle, has obtained consent from the registered owner or the owner's agent to move the vehicle, and has documented that consent in the insurer's claim file, or a vendor working on behalf of a thirdparty insurer that has received such consent; provided, however, that at all times the registered owner must be granted access to and may

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reclaim possession of the vehicle. For the purposes of this subsection, "owner's agent" means the legal owner of the vehicle, a driver in possession of the vehicle with the registered owner's permission, or an adult member of the registered owner's family;

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- (vi) A person who is determined and verified by the operator to have the permission of the registered owner of the vehicle or other item of personal property registered or titled with the department;
- (vii) A person who has purchased a vehicle or item of personal property registered or titled with the department from the registered owner who produces proof of ownership or written authorization and signs a receipt therefor; or
- (viii) If (a)(i) through (vii) of this subsection do not apply, a person, who is known to the registered or legal owner of a motorcycle or moped, as each are defined in chapter 46.04 RCW, that was towed from the scene of an accident, may redeem the motorcycle or moped as a bailment in accordance with RCW 46.55.125 while the registered or legal owner is admitted as a patient in a hospital due to the accident.
- (b) In addition, a vehicle impounded because the operator is in violation of RCW 46.20.342(1)(c) shall not be released until a person eligible to redeem it under (a) of this subsection satisfies the requirements of (f) of this subsection, including paying all towing, removal, and storage fees, notwithstanding the fact that the hold was ordered by a government agency. If the department's records show that the operator has been convicted of a violation of RCW 46.20.342 or a similar local ordinance within the past five years, the vehicle may be held for up to ((thirty)) 30 days at the written direction of the agency ordering the vehicle impounded. A vehicle impounded because the operator is arrested for a violation of RCW 46.20.342 may be released only pursuant to a written order from the agency that ordered the vehicle impounded or from the court having jurisdiction. An agency shall issue a written order to release pursuant to a provision of an applicable state agency rule or local ordinance authorizing release on the basis of the following:
- (i) Economic or personal hardship to the spouse of the operator, taking into consideration public safety factors, including the operator's criminal history and driving record; or
- (ii) The owner of the vehicle was not the driver, the owner did not know that the driver's license was suspended or revoked, and the

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owner has not received a prior release under this subsection or RCW 46.55.113(3).

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In order to avoid discriminatory application, other than for the reasons for release set forth in (b)(i) and (ii) of this subsection, an agency shall, under a provision of an applicable state agency rule or local ordinance, deny release in all other circumstances without discretion.

If a vehicle is impounded because the operator is in violation of RCW 46.20.342(1) (a) or (b), the vehicle may be held for up to ((thirty)) 30 days at the written direction of the agency ordering the vehicle impounded. However, if the department's records show that the operator has been convicted of a violation of RCW 46.20.342(1) (a) or (b) or a similar local ordinance within the past five years, the vehicle may be held at the written direction of the agency ordering the vehicle impounded for up to ((sixty)) 60 days, and for up to ((ninety)) 90 days if the operator has two or more such prior offenses. If a vehicle is impounded because the operator is arrested for a violation of RCW 46.20.342, the vehicle may not be released until a person eligible to redeem it under (a) of this subsection satisfies the requirements of (f) of this subsection, including paying all towing, removal, and storage fees, notwithstanding the fact that the hold was ordered by a government agency.

(c) If the vehicle is directed to be held for a suspended license impound, a person who desires to redeem the vehicle at the end of the period of impound shall within five days of the impound at the request of the tow truck operator pay a security deposit to the tow truck operator of not more than one-half of the applicable impound storage rate for each day of the proposed suspended license impound. The tow truck operator shall credit this amount against the final bill for removal, towing, and storage upon redemption. The tow truck operator may accept other sufficient security in lieu of the security deposit. If the person desiring to redeem the vehicle does not pay the security deposit or provide other security acceptable to the tow truck operator, the tow truck operator may process and sell at auction the vehicle as an abandoned vehicle within the normal time limits set out in RCW 46.55.130(1). The security deposit required by this section may be paid and must be accepted at any time up to ((twenty-four)) 24 hours before the beginning of the auction to sell the vehicle as abandoned. The registered owner is not eligible to purchase the vehicle at the auction, and the tow truck operator shall

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1 sell the vehicle to the highest bidder who is not the registered owner.

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- (d) Notwithstanding (c) of this subsection, a rental car business may immediately redeem a rental vehicle it owns by payment of the costs of removal, towing, and storage, whereupon the vehicle will not be held for a suspended license impound.
- (e) Notwithstanding (c) of this subsection, a motor vehicle 7 dealer or lender with a perfected security interest in the vehicle 8 may redeem or lawfully repossess a vehicle immediately by payment of 9 the costs of removal, towing, and storage, whereupon the vehicle will 10 11 not be held for a suspended license impound. A motor vehicle dealer 12 or lender with a perfected security interest in the vehicle may not knowingly and intentionally engage in collusion with a registered 13 owner to repossess and then return or resell a vehicle to the 14 15 registered owner in an attempt to avoid a suspended license impound. 16 However, this provision does not preclude a vehicle dealer or a 17 lender with a perfected security interest in the vehicle from repossessing the vehicle and then selling, leasing, or otherwise 18 disposing of it in accordance with chapter 62A.9A RCW, including 19 providing redemption rights to the debtor under RCW 62A.9A-623. If 20 21 the debtor is the registered owner of the vehicle, the debtor's right to redeem the vehicle under chapter 62A.9A RCW is conditioned upon 22 23 the debtor obtaining and providing proof from the impounding authority or court having jurisdiction that any fines, penalties, and 24 25 forfeitures owed by the registered owner, as a result of the suspended license impound, have been paid, and proof of the payment 26 27 must be tendered to the vehicle dealer or lender at the time the 28 debtor tenders all other obligations required to redeem the vehicle. Vehicle dealers or lenders are not liable for damages if they rely in 29 30 good faith on an order from the impounding agency or a court in 31 releasing a vehicle held under a suspended license impound.
  - (f) The vehicle or other item of personal property registered or titled with the department shall be released upon the presentation to any person having custody of the vehicle of commercially reasonable tender sufficient to cover the costs of towing, storage, or other services rendered during the course of towing, removing, impounding, or storing any such vehicle, with credit being given for the amount any security deposit paid under (c) of this Alternatively, a vehicle must be released when the registered tow truck operator completes the form described in section 1(4)(a) of

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this act provided that the first part is completed by an individual seeking the release of a vehicle. In addition, if a vehicle is impounded because the operator was arrested for a violation of RCW 46.20.342 or 46.20.345 and was being operated by the registered owner when it was impounded under local ordinance or agency rule, it must not be released to any person until the registered owner establishes with the agency that ordered the vehicle impounded or the court having jurisdiction that any penalties, fines, or forfeitures owed by him or her have been satisfied. Registered tow truck operators are not liable for damages if they rely in good faith on an order from the impounding agency or a court in releasing a vehicle held under a suspended license impound. Commercially reasonable tender shall include, without limitation, cash, major bank credit cards issued by financial institutions, or personal checks drawn on Washington state branches of financial institutions if accompanied by two pieces of valid identification, one of which may be required by the operator to have a photograph. If the towing firm cannot determine through the customer's bank or a check verification service that the presented check would be paid by the bank or guaranteed by the service, the towing firm may refuse to accept the check. Any person who stops payment on a personal check or credit card, or does not make restitution within ((ten)) 10 days from the date a check becomes insufficient due to lack of funds, to a towing firm that has provided a service pursuant to this section or in any other manner defrauds the towing firm in connection with services rendered pursuant to this section shall be liable for damages in the amount of twice the towing and storage fees, plus costs and reasonable attorney's fees.

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- (2) (a) The registered tow truck operator shall give to each person who seeks to redeem an impounded vehicle, or item of personal property registered or titled with the department, written notice of the right of redemption and opportunity for a hearing, which notice shall be accompanied by a form to be used for requesting a hearing, the name of the person or agency authorizing the impound, and a copy of the towing and storage invoice. The registered tow truck operator shall maintain a record evidenced by the redeeming person's signature that such notification was provided.
- (b) Any person seeking to redeem an impounded vehicle under this section has a right to a hearing in the district or municipal court for the jurisdiction in which the vehicle was impounded to contest the validity of the impoundment or the amount of towing and storage

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charges. The district court has jurisdiction to determine the issues 1 involving all impoundments including those authorized by the state or 2 its agents. The municipal court has jurisdiction to determine the 3 involving impoundments authorized by 4 agents municipality. Any request for a hearing shall be made in writing on 5 6 the form provided for that purpose and must be received by the appropriate court within ((ten)) 10 days of the date the opportunity 7 was provided for in (a) of this subsection and more than five days 8 before the date of the auction. At the time of the filing of the 9 hearing request, the petitioner shall pay to the court clerk a filing 10 11 fee in the same amount required for the filing of a suit in district 12 court. If the hearing request is not received by the court within the ((ten-day)) 10-day period, the right to a hearing is waived and the 13 14 registered owner is liable for any towing, storage, or other impoundment charges permitted under this chapter. Upon receipt of a 15 16 timely hearing request, the court shall proceed to hear and determine 17 the validity of the impoundment.

(3)(a) The court, within five days after the request for a hearing, shall notify the registered tow truck operator, the person requesting the hearing if not the owner, the registered and legal owners of the vehicle or other item of personal property registered or titled with the department, and the person or agency authorizing the impound in writing of the hearing date and time.

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- (b) At the hearing, the person or persons requesting the hearing may produce any relevant evidence to show that the impoundment, towing, or storage fees charged were not proper. The court may consider a written report made under oath by the officer who authorized the impoundment in lieu of the officer's personal appearance at the hearing.
- (c) At the conclusion of the hearing, the court shall determine whether the impoundment was proper, whether the towing or storage fees charged were in compliance with the posted rates, and who is responsible for payment of the fees. The court may not adjust fees or charges that are in compliance with the posted or contracted rates.
- (d) If the impoundment is found proper, the impoundment, towing, and storage fees as permitted under this chapter together with court costs shall be assessed against the person or persons requesting the hearing, unless the operator did not have a signed and valid impoundment authorization from a private property owner or an authorized agent.

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(e) If the impoundment is determined to be in violation of this chapter, then the registered and legal owners of the vehicle or other item of personal property registered or titled with the department shall bear no impoundment, towing, or storage fees, and any security shall be returned or discharged as appropriate, and the person or agency who authorized the impoundment shall be liable for any towing, storage, or other impoundment fees permitted under this chapter. The court shall enter judgment in favor of the registered tow truck operator against the person or agency authorizing the impound for the impoundment, towing, and storage fees paid. In addition, the court shall enter judgment in favor of the registered and legal owners of the vehicle, or other item of personal property registered or titled with the department, for the amount of the filing fee required by law for the impound hearing petition as well as reasonable damages for loss of the use of the vehicle during the time the same was impounded against the person or agency authorizing the impound. However, if an impoundment arising from an alleged violation of RCW 46.20.342 or 46.20.345 is determined to be in violation of this chapter, then the law enforcement officer directing the impoundment and the government employing the officer are not liable for damages if the officer relied in good faith and without gross negligence on the records of the department in ascertaining that the operator of the vehicle had a suspended or revoked driver's license. If any judgment entered is not paid within ((fifteen)) 15 days of notice in writing of its entry, the court shall award reasonable attorneys' fees and costs against the defendant in any action to enforce the judgment. Notice of entry of judgment may be made by registered or certified mail, and proof of mailing may be made by affidavit of the party mailing the notice. Notice of the entry of the judgment shall read essentially as follows:

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YOU ARE HEREBY NOTIFIED JUDGMENT was entered against you in the . . . . Court located at . . . . in the sum of \$. . . . , in an action entitled . . . . . , Case No. . . . YOU ARE FURTHER NOTIFIED that attorneys fees and costs will be awarded against you under RCW . . . if the judgment is not paid within 15 days of the date of this notice.

39 DATED this . . . . day of . . . . . , (year) . . .

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1	Signature
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3	of party mailing notice

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- (4) Any impounded abandoned vehicle or item of personal property registered or titled with the department that is not redeemed within ((fifteen)) 15 days of mailing of the notice of custody and sale as required by RCW 46.55.110(3) shall be sold at public auction in accordance with all the provisions and subject to all the conditions of RCW 46.55.130. A vehicle or item of personal property registered or titled with the department may be redeemed at any time before the start of the auction either upon ((payment)):
  - (a) Payment of the applicable towing and storage fees; or
- 13 <u>(b) The completion of the form specified in section 1 of this</u>
  14 <u>act</u>.

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