

**SUBJECT:** Disposal of abandoned vehicles held by storage facilities

**COMMITTEE:** Transportation — favorable, without amendment

**VOTE:** 8 ayes — Alexander, Siebert, Finnell, Hartnett, Hawley, Hill, Pickett, Uher  
0 nays  
1 absent — Edwards

**WITNESSES:** For — Larry Cernosek and Jeanette Rash, Texas Towing & Storage Association  
Against — None

**BACKGROUND :** Operators of vehicle storage facilities are required by law to inform the registered owner and primary lienholder when a vehicle is towed to a facility. The notice must include the storage fees and hours when the vehicle can be claimed.

**DIGEST:** HB 1464 would allow vehicle storage facilities to dispose of towed vehicles if the owner or lienholder did not respond to a second notice sent 61 days after the original notice. The second notice would have to contain the same information provided in the original notice and a statement that the facility had the right to dispose of the vehicle.

If the vehicle was not claimed within 30 days after the mailing date of the second notice, the operator of the vehicle storage facility could dispose of it at a public sale or auction without obtaining a release or discharge of any lien on the vehicle. Proceeds from the sale could be applied to storage charges. The facility operator would have to pay the excess proceeds to the person entitled to them.

HB 1464 would take effect September 1, 1997, and would apply to any vehicles stored at a facility on or after that date.

**SUPPORTERS  
SAY:**

HB 1464 would provide vehicle storage facilities with much needed flexibility to dispose of numerous vehicles abandoned to their care. The current process for notifying owners about abandoned vehicles is too slow and cumbersome and does not work. Under this process, police departments are supposed to send out the second notice, but they frequently have other, higher priorities. Furthermore, both owners and lienholders often ignore these notices because the costs of redeeming the vehicle is more than its value. In the meantime, the vehicle storage yards are stuck with abandoned vehicles but no legal means to dispose of them. In addition, the space occupied by abandoned vehicles reduces the yards' storage capacity and their profits.

HB 1464 would clarify and streamline current law, making it simpler for the facilities to dispose of these vehicles, while retaining notification safeguards for the owners and lienholders. Those persons would still have a minimum of 90 days notice before their property could be sold, and they would be entitled to recover any excess proceeds beyond accrued storage costs. HB 1464 also would relieve the police from responsibility for notice in these matters, thus also removing a burden from their departments.

**OPPONENTS  
SAY:**

No apparent opposition.