

SUBJECT: Written and published notice to owner of towed vehicles in storage

COMMITTEE: Transportation — favorable, without amendment

VOTE: 5 ayes — Alexander, Hamric, Hill, Noriega, Uher
0 nays
4 absent — Siebert, Y. Davis, Edwards, Hawley

WITNESSES: None

BACKGROUND: Section 13 of the Vehicle Storage Facility Act (Article 6687-9a, Revised Statutes) requires vehicle storage facility owners to notify automobile owners and lienholders in writing by certified mail of vehicles that have been towed to their facilities.

DIGEST: HB 1376 would allow vehicle storage facility owners to publish notification of impoundment of a towed vehicle in a local newspaper if the identities or addresses of the vehicle owner or any lienholders could not be determined. The general circulation newspaper would have to be located in the area from which the vehicle was towed. The notice would have to contain the same information required in a notice sent by mail. A newspaper notice would not be required if an attempt to contact a vehicle owner was unsuccessful because the certified letter was unclaimed or refused, or because the owner had moved and left no forwarding address. The newspaper notification could contain a list of several vehicles, including water craft or outboard motors.

The bill would reduce the period for the owner to claim the vehicle from 60 days after initial notice to 30 days before the vehicle storage facility operator must send a second notice prior to disposal of the vehicle.

The bill also would establish notification procedures for vehicles from outside Texas. It would extend from five to 14 days the deadline for vehicle storage facility owners to give notice of impoundment to out-of-state or foreign vehicle owners or lienholders. The storage facility owner would have a defense against action by the Texas Department of Transportation if the owner had made a written attempt to contact government entities for

information about the vehicle, but was unsuccessful.

The bill would take effect September 1, 1999, and apply only to vehicles received by storage facilities on or after the effective date of the bill.

**SUPPORTERS
SAY:**

Vehicle storage facility owners cannot dispose of a vehicle in their possession without sending a notice of impoundment to the owner or lienholders. The law requires notice of impoundment to be given by certified mail. When there is no contact name or address for providing notice, this requirement impedes the operation of vehicle storage facilities. Vehicles may take up space for years because the facility owners have no legal authority to get rid of them.

Publication of the notice of impoundment in a newspaper would give facility owners another option for tracking down vehicle owners who cannot be reached by mail.

Facility owners need more time to track down owner information on out-of-state or foreign vehicles. It is important to extend the deadline to allow for the inherent difficulties in seeking such information from outside Texas. Facility owners should not be penalized when their attempts to follow proper notification procedure are impeded by other government entities.

The requirement that storage facilities must hold onto towed vehicles for 90 days leads to unnecessary expenses for facility owners. Reducing the requirement to 60 days would save facility owners considerable expense. Sixty days is sufficient time for vehicle owners to respond to two notices that their vehicle has been impounded.

**OPPONENTS
SAY:**

No apparent opposition

NOTES:

The companion bill, SB 652 by Carona, was reported favorably, without amendment, by the Senate Economic Development Committee and was placed on the Local and Uncontested Calendar for April 8, but was removed by author for procedural reasons.