

State of Arkansas
95th General Assembly
Regular Session, 2025

As Engrossed: H4/7/25

A Bill

HOUSE BILL 1897

By: Representative Painter
By: Senator K. Hammer

Filed with: House Committee on Public Transportation
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO CREATE THE ARKANSAS TOWING AND RECOVERY
REFORM AND EFFICIENCY ACT OF 2025; TO AMEND THE LAW
CONCERNING THE ARKANSAS TOWING AND RECOVERY BOARD;
TO AMEND THE PENALTIES FOR PREDATORY TOWING AND
EXCESSIVE PRICING; TO AMEND THE CONSUMER COMPLAINT
PROCESS ADMINISTERED BY THE ARKANSAS TOWING AND
RECOVERY BOARD; TO AMEND THE QUALIFICATIONS AND
MEMBERSHIP OF THE ARKANSAS TOWING AND RECOVERY BOARD;
TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE ARKANSAS TOWING AND
RECOVERY REFORM AND EFFICIENCY ACT OF
2025; TO AMEND THE LAW CONCERNING THE
ARKANSAS TOWING AND RECOVERY BOARD; AND
TO DECLARE AN EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. DO NOT CODIFY. Title.

This act shall be known and may be cited as the "Arkansas Towing and
Recovery Reform and Efficiency Act of 2025".

SECTION 2. DO NOT CODIFY. Legislative findings and intent.

1 (a) The General Assembly finds that enacting towing industry reforms
2 designed to prevent predatory towing and excessive pricing, revising the
3 qualifications and membership of the Arkansas Towing and Recovery Board, and
4 designating and delineating additional duties of the board will improve
5 towing industry regulation and enforcement, support the mission of the board,
6 and provide increased statewide efficiency to state and local law
7 enforcement.

8 (b) The General Assembly intends for this act to protect consumers and
9 businesses by improving towing and recovery regulation and enforcement,
10 providing enhanced enforcement for towing industry malfeasance, and revising
11 the makeup of the board to decrease the influence of active market
12 participants, thereby enabling the board to more fairly and efficiently
13 perform the duties and obligations of the board.

14
15 SECTION 3. Arkansas Code § 27-50-1101(a)(1)(A), concerning the
16 nonconsensual towing of a vehicle, implement, or a piece of machinery, is
17 amended to read as follows:

18 (a)(1)(A)(i)(a) When a vehicle of a type subject to registration under
19 the laws of this state, an implement, or a piece of machinery is found to be
20 an abandoned vehicle on private or public property within this state or is
21 parked on private or public property within this state without the
22 authorization of the property owners or other persons controlling the
23 property, the property owner or his or her agent may have the vehicle,
24 implement, or piece of machinery removed from the property by a towing and
25 storage firm licensed by and subject to the rules of the Arkansas Towing and
26 Recovery Board.

27 (b) As used in this section, “abandoned
28 vehicle” means a vehicle, implement, or piece of machinery:

29 (1) To which the owner has overtly
30 manifested the intention not to retake possession; or

31 (2) That meets the definition of an
32 “unattended vehicle” under § 27-50-1202.

33 (ii) This section does not authorize an individual
34 or an entity to:

35 (a) Employ a device, artifice, or scheme to
36 self-authorize towing or otherwise engage in predatory towing, including

1 without limitation by:

2 (1) Obtaining employment from an
 3 affiliated or associated lessee, property manager, or other agent of the
 4 property owner to perform towing or storage services;

5 (2) Forging, backdating, falsifying, or
 6 failing to maintain the documentation required under this section; or

7 (3) Using any other device or
 8 arrangement to obtain a financial or other benefit from the employment of
 9 towing or storage services by an affiliated or associated individual or
 10 entity.

11 (b) Except as provided under this section or §
 12 27-50-1201 et seq. or as directed by a law enforcement officer, boot or tow a
 13 vehicle, implement, or piece of machinery that is not an abandoned vehicle or
 14 is not immobile and unattended.

15
 16 SECTION 4. Arkansas Code § 27-50-1101(a)(1)(C), concerning the
 17 nonconsensual towing of a vehicle, implement, or piece of machinery, is
 18 amended to read as follows:

19 (C) ~~Prior~~ Subject to subdivision (a)(1)(A) of this section,
 20 prior to the removal of an abandoned vehicle, implement, or piece of
 21 machinery or a vehicle, implement, or piece of machinery parked without
 22 authority as provided by this section, the towing and storage firm shall
 23 obtain in writing from the property owner or agent a written statement that
 24 includes at a minimum the following:

25 (i) Identification of the property owner or agent,
 26 including name, address, and telephone number;

27 (ii) A statement that the property from which the
 28 vehicle, implement, or piece of machinery is to be removed is property owned
 29 or otherwise under the control of the agent requesting the removal;

30 (iii) That the vehicle, implement, or piece of
 31 machinery is deemed to be an abandoned vehicle or has been parked on the
 32 property without authorization, as the case may be;

33 (iv) The make, model, and vehicle identification
 34 number or serial number of the vehicle, implement, or piece of machinery to
 35 be removed;

36 (v) The location to which the vehicle, implement, or

1 piece of machinery will be removed, including the name, address, and
2 telephone number of the towing and storage firm removing the vehicle,
3 implement, or piece of machinery; and

4 (vi) The signature of the property owner or agent
5 requesting removal of the vehicle, implement, or piece of machinery.
6

7 SECTION 5. Arkansas Code § 27-50-1101(a)(1)(F)–(H), concerning the
8 nonconsensual towing of a vehicle, implement, or piece of machinery, are
9 amended to read as follows:

10 (F) Unless other arrangements have been made with a repair
11 business, a vehicle, implement, or piece of machinery on the premises of a
12 repair business shall be deemed to be an abandoned vehicle if either:

13 (i) The vehicle, implement, or piece of machinery is
14 unclaimed by the owner within forty-five (45) days; or

15 (ii) The debt is not paid within forty-five (45)
16 days from the time the repair work is complete.

17 (G) A towing and storage firm shall not remove any
18 abandoned vehicle, implement, or piece of machinery or improperly parked
19 vehicle, implement, or piece of machinery without the authorization of the
20 property owner or on-site agent as provided in this section except as may
21 otherwise be authorized by the provisions of § 27-50-1201 et seq. or as
22 directed by any law enforcement officer.

23 (H) A towing and storage firm removing a vehicle,
24 implement, or piece of machinery as provided by this section shall not pay
25 any compensation or provide a financial or other benefit related to the
26 removal of the vehicle, implement, or piece of machinery, whether as a
27 referral fee or otherwise, to the owner or agent requesting the removal of
28 the vehicle, implement, or piece of machinery.
29

30 SECTION 6. Arkansas Code § 27-50-1101(a)(2)(E), concerning the
31 nonconsensual towing of an abandoned vehicle, is amended to read as follows:

32 (E)(i) In the event that readily available records fail to
33 disclose the name of the owner of the vehicle, implement, or piece of
34 machinery or any lienholder of record, the towing and storage firm shall
35 perform a good faith search to locate documents or other evidence of
36 ownership and lienholder information on or within the abandoned vehicle or

unattended ~~or abandoned~~ vehicle, implement, or piece of machinery.

(ii) For purposes of this subdivision (a)(2)(E), a “good faith search” means that the towing and storage firm checks the abandoned vehicle or unattended ~~or abandoned~~ vehicle, implement, or piece of machinery for any type of license plate, license plate record, temporary permit, inspection sticker, decal, or other evidence that indicates a possible state of registration and title or other information related to the owner.

SECTION 7. Arkansas Code § 27-50-1101(a)(3)(B), concerning the nonconsensual towing of an abandoned vehicle, is amended to read as follows:

(B)(i) The following procedures for the sale of an abandoned vehicle or ~~and~~ unattended vehicle that is removed from a property as provided under §§ 27-50-1208 – 27-50-1210 shall apply in the same manner ~~to an abandoned and unattended implement or piece of machinery regardless of whether the abandoned vehicle is a vehicle, implement, or piece of machinery:~~

(a) Possession of the implement or piece of machinery;

(b) Notice to owners and lienholders; and

(c) Procedures for sale.

(ii) The towing and storage company shall have a first priority possessory lien on the implement or piece of machinery and its contents for all reasonable charges for towing, recovery, and storage subject to the limits provided by ordinance if one is in effect.

(iii) Except as provided under subdivision (a)(3)(B)(iv) of this section, the lien against the implement or piece of machinery shall be perfected and all of the procedures related to the implement or piece of machinery shall be handled in the same manner as provided under § 27-50-1208(b)-(e) for ~~abandoned and unattended vehicles~~ an abandoned or unattended vehicle.

(iv) If information on the owner or owners of an implement or piece of machinery that is in the possession of a towing and storage company is not available under subdivisions (a)(2)(D) and (E) of this *section, the towing and storage company shall provide notice by publication in a newspaper of general circulation in the region from where the implement or piece of machinery was removed and or posting on the website that is*

sponsored and managed by the ~~Arkansas Towing and Recovery Board~~ board for that purpose within three (3) business days after the date that the towing and storage company received the implement or piece of machinery.

SECTION 8. Arkansas Code § 27-50-1101(c), concerning the nonconsensual towing of a vehicle, implement, or piece of machinery, is amended to read as follows:

(c)(1) It shall be unlawful for a person to:

(A) Direct the removal of or to remove a vehicle, implement, or piece of machinery in violation of this section; ~~and~~ or

(B) Violate or aid or abet any violation of this section.

(2)(A) A person who pleads guilty or nolo contendere to or is found guilty of any violation of this section is guilty of a Class B misdemeanor.

(B)(i)(a) The information related to a plea of guilty or nolo contendere to or conviction for a violation as provided under subdivision (c)(2)(A) of this section shall be reported to the board.

(b) Upon receipt of information under subdivision (c)(2)(B)(i)(a) of this section, the board, after providing written notice and a hearing before the board under the Arkansas Administrative Procedure Act, § 25-15-201 et seq., to the towing and storage company that employs the person or of which the person is an officer, director, member, or manager, shall:

(1) Suspend the license of the towing and storage company that employs the person or of which the person is an officer, director, member, or manager for a period of thirty (30) days; and

(2) Place the towing and storage company on probation for a period of one (1) year.

(ii) If a towing and storage company or an officer, director, member, or manager of a towing and storage company pleads guilty or nolo contendere to or is found guilty of a violation of this section or of § 27-50-1201 et seq. at any time during the probation period provided under subdivision (c)(2)(B)(i)(b) of this section, the board, after providing written notice and a hearing before the board under the Arkansas Administrative Procedure Act, § 25-15-201 et seq., to the towing and storage company, shall:

1 (a) Suspend the license of the towing and
 2 storage company for a period of sixty (60) days; and

3 (b) Place the towing and storage company on
 4 probation for an additional one (1) year from the end of the previous
 5 probation period.

6 (iii)(a) If a towing and storage company or an
 7 officer, director, member, or manager of a towing and storage company pleads
 8 guilty or nolo contendere to or is found guilty of a subsequent violation of
 9 this section or of § 27-50-1201 et seq. during the remainder of the initial
 10 probation period provided under subdivision (c)(2)(B)(i)(b) of this section
 11 or the additional probation period provided under (c)(2)(B)(ii)(b) of this
 12 section, the board, after providing written notice and a hearing before the
 13 board under the Arkansas Administrative Procedure Act, § 25-15-201 et seq.,
 14 to the towing and storage company, shall revoke the towing and storage
 15 company's license for a period of one (1) year.

16 (b) At any time after the revocation period
 17 provided under (c)(2)(B)(iii)(a) of this section the tow company may petition
 18 the board for licensure.

19 (3) The removal of each vehicle, implement, or piece of
 20 machinery in violation of this section shall constitute a distinct and
 21 separate offense.

22 (4) A violation of this section is a deceptive and
 23 unconscionable trade practice under § 4-88-107 and may be prosecuted
 24 criminally and civilly under the Deceptive Trade Practices Act, § 4-88-101 et
 25 seq.

26 (5) In addition to any other remedy provided by this section, a
 27 person injured as a result of a violation of this section may maintain a
 28 private right of action for injunctive relief and to recover actual damages,
 29 compensatory damages, punitive damages, and reasonable attorney's fees for
 30 the violation.

31
 32 SECTION 9. Arkansas Code § 27-50-1202(11), concerning definitions
 33 related to the removal or immobilization of unattended or abandoned vehicles,
 34 is amended to read as follows:

35 (11) "Tow business" or "towing business" means: a

36 (A) A corporation or a business entity with an alternate

DBA name, filed with the Secretary of State and regulated by the board to be used exclusively for the operation of a tow facility, vehicle immobilization company, or a storage facility, including without limitation a business that:

~~(A)(i)~~ Dispatches tow vehicles for nonconsent towing or repossession;

~~(B)(ii)~~ Stores vehicles; and

~~(C)(iii)~~ Conducts business with the general public;

or

(B) A licensed or unlicensed person that engages in towing services;

SECTION 10. Arkansas Code § 27-50-1202(15) and (16), concerning definitions related to the removal or immobilization of unattended or abandoned vehicles, are amended to read as follows:

(15) "Vehicle immobilization service" means ~~a person~~ operating or directing others to operate a wheel clamp or other industry-recognized device approved by the board that is used to temporarily render a vehicle immobile; and

(16)~~(A)~~ "Wheel clamp" means a device attached to a wheel of a vehicle that renders the vehicle immobile.

(B) "Wheel clamp" does not include a gladhand lock;

SECTION 11. Arkansas Code § 27-50-1202, concerning definitions related to the removal or immobilization of unattended or abandoned vehicles, is amended to add additional subdivisions to read as follows:

(17) "Cargo" means goods and materials transported by a motor carrier, as defined under 49 C.F.R. § 390.5, as it existed on January 1, 2025, including without limitation :

(A) A pallet;

(B) A container;

(C) Bracing;

(D) An air pillow;

(E) A tie-down assembly or other securement system;

(F) A cradle;

(G) A chock; and

(H) Any other dunnage or packing; and

1 (18)(A) "Towing services" means to tow, recover, upright,
 2 transport, repossess, immobilize, store, or otherwise facilitate the movement
 3 or storage of vehicles on or off of a road, street, or highway.

4 (B) "Towing services" includes the solicitation of towing
 5 services and the incidental labor, services, and equipment necessary for on-
 6 road or off-road recovery and cleanup for work actually performed by the tow
 7 business.

8
 9 SECTION 12. Arkansas Code § 27-50-1203(a) and (b), concerning the
 10 creation of the Arkansas Towing and Recovery Board, are amended to read as
 11 follows:

12 (a)(1) There is hereby created the Arkansas Towing and Recovery Board
 13 consisting of nine (9) members appointed by the Governor and confirmed by the
 14 Senate, who shall serve terms of three (3) years.

15 ~~(2)(A) Five (5) members shall be appointed from the towing~~
 16 ~~industry and shall be:~~ Three (3) members shall be actively engaged in
 17 business in the towing industry, licensed by the board, and appointed from
 18 the state at large

19 ~~(i) Licensed by the board to engage in nonconsent~~
 20 ~~towing; and~~

21 ~~(ii) Appointed from the state at large.~~

22 (B) One (1) member ~~who is permitted to engage in~~
 23 ~~repossession of vehicles using a tow vehicle shall be appointed from the~~
 24 ~~state at large shall be the Director of the Division of the Arkansas State~~
 25 ~~Police or his or her designee.~~

26 ~~(C)(i) Two (2) members who are not associated with the~~
 27 ~~towing industry shall be appointed from the state at large~~ One (1) member
 28 shall be a current or former municipal chief of police or current or former
 29 county sheriff with knowledge of the towing industry; and

30 ~~(ii) A member appointed under subdivision~~
 31 ~~(a)(2)(C)(i) may designate a member of his or her staff with knowledge of the~~
 32 ~~towing industry to act on his or her behalf at any meeting of the board.~~

33 (D) One (1) member shall be appointed from the commercial
 34 trucking insurance industry.

35 ~~(E) One (1) member shall be appointed from the trucking~~
 36 industry.

(F) One (1) member shall have no affiliation with the towing industry and shall serve as a representative of consumers of towing services.

(G) One (1) member shall be a currently employed or retired person with at least five (5) years of experience responding to fire and emergency response incidents.

(b)(1) The appointed board members shall be residents of the State of Arkansas at the time of appointment and throughout their terms.

(2)(A) A member appointed under subdivision (a)(2)(A) of this section shall remain licensed and engaged in the business of ~~none~~consent towing.

~~(B) A member appointed under subdivision (a)(2)(B) of this section shall be engaged in the business of vehicle repossession using a tow vehicle.~~

~~(C) A member appointed under subdivision (a)(2)(D) of this section shall remain actively engaged in the insurance industry.~~

~~(D) A member appointed under subdivision (a)(2)(A), subdivision (a)(2)(B), or subdivision (a)(2)(D) of this section who no longer satisfies the requirements for his or her board position under subdivision (b)(2)(A), subdivision (b)(2)(B), or subdivision (b)(2)(C) of this section shall:~~

(i) Provide notification of his or her change of status to the Governor and the Director of the Arkansas Towing and Recovery Board.

(ii) Resign from the board ~~within thirty (30) days of the date upon which the member no longer satisfies the requirements of subdivision (b)(2)(A), subdivision (b)(2)(B), or subdivision (b)(2)(C) of this section~~ immediately.

SECTION 13. Arkansas Code § 27-50-1203(e), concerning the promulgation of rules by the Arkansas Towing and Recovery Board, is amended to read as follows:

(e)(1) The board ~~shall~~ may promulgate rules to carry out the intent of this subchapter and shall regulate the towing industry and vehicle immobilization service industry, including without limitation:

(A) Establishing reasonable licensing, insurance, and

1 equipment requirements for any person engaging in towing and related services
2 for safety purposes or vehicle immobilization services under this subchapter;

3 (B) Establishing reasonable tow truck safety requirements
4 for any tow vehicle as defined in this subchapter;

5 (C) Establishing a procedure to accept and investigate
6 complaints from a consumer who claims that he or she has been overcharged for
7 fees related to ~~nonconsent~~ towing, recovery, storage, or vehicle
8 immobilization services;

9 (D) Determining and sanctioning excessive or unnecessary
10 fees charged to consumers related to ~~nonconsent~~ towing, recovery, storage, or
11 vehicle immobilization services;

12 (E) Requiring all entities permitted, licensed, or
13 regulated under this subchapter to provide to the board all documents in
14 response to information requests by the board pursuant to the investigation
15 of consumer complaints or board complaints against the permittee or licensee;

16 (F) Requiring all entities permitted, licensed, or
17 regulated under this subchapter to provide itemized billing for fees related
18 to towing, storage, or vehicle immobilization services that explains how the
19 charges were calculated;

20 (G) Requiring all entities permitted, licensed, or
21 regulated under this subchapter to maintain a copy of their current maximum
22 rate schedule or fee schedule posted in a conspicuous place and readily
23 accessible to the public;

24 (H) Requiring all entities permitted, licensed, or
25 regulated under this subchapter to allow the owner or agent of the owner of a
26 motor vehicle removed under this subchapter or under § 27-50-1101 to use any
27 other entity permitted, licensed, or regulated under this subchapter when
28 reclaiming the motor vehicle from storage;

29 (I)(i) Requiring all entities permitted, licensed, or
30 regulated under this subchapter to post a sign notifying customers of the
31 consumer complaint process under § 27-50-1218.

32 (ii) ~~The sign shall be in a conspicuous and central~~
33 ~~location in the public area and shall be a minimum of sixteen inches by~~
34 ~~twenty inches (16" x 20") in size.~~

35 (iii) The board may assess a fine of ~~between~~ not
36 less than fifty dollars (\$50.00) and not more than two hundred fifty dollars

(\$250) for failure to comply with the provisions of this subdivision
(e)(1)(I) or § 27-50-1218(e);

(J)(i) Setting a minimum standard for the structure of the
place of business and storage facility located in Arkansas and utilized for
the daily operation of a towing company licensed and regulated under this
subsection.

(ii) The place of business shall utilize:

(a) A location easily accessible by the
public;

(b) An appropriate and secure filing system
for business records; and

(c) Clear and visible signage displaying the
name on the business license issued by the board that:

(1) Is a minimum of four feet by six
feet (4' x 6') in size or meets the criteria established by a municipal zoning
ordinance, subdivision regulation, or building code; and

(2) Displays the name, physical address,
a published telephone number of the towing company, and hours of operation;

(K) Adopting rules for the:

(i) ~~Registration~~ Licensure of a person engaged in a
consent-only towing business;

(ii) Issuance of a ~~certificate of registration~~
license required under subdivision (f)(1)(A)(~~iii~~) of this section; and

(iii) The denial, revocation, or suspension of a
license or permit issued under this subchapter; and

(L) Establishing a website that is sponsored and managed
by the board for a towing business to post the notice required by § 27-50-
1101 and this subchapter.

(2) The promulgation and adoption of rules shall in all respects
be in the manner provided by the Arkansas Administrative Procedure Act, § 25-
15-201 et seq.

~~(3) After the promulgation and adoption of rules, any proposed
change to add to, amend, repeal, or change any of the rules shall not have
effect until reviewed and approved by the Administrative Rules Subcommittee
of the Legislative Council subsequent to the time that the General Assembly
next meets in regular session unless a finding exists that imminent peril to~~

1 ~~the public health, safety, or welfare requires immediate adoption, amendment,~~
 2 ~~or repeal of the rules.~~

3
 4 SECTION 14. Arkansas Code § 27-50-1203(f)(1), concerning fees that the
 5 Arkansas Towing and Recovery Board may charge for licensing, is amended to
 6 read as follows:

7 (f)(1)(A) The board may charge:

8 (i)(a) Towing A fee for a towing business license,
 9 repossession towing license, and vehicle immobilization service license fees
 10 not to exceed two hundred dollars (\$200) per license.

11 (b) The initial consent towing license fee
 12 shall be twenty-five dollars (\$25); and

13 (ii) A fee not to exceed one hundred dollars (\$100)
 14 per tow vehicle safety permit; ~~and~~

15 ~~(iii) A fee for a certificate of registration for~~
 16 ~~consent towing not to exceed twenty-five dollars (\$25.00).~~

17 (B) A person licensed by the board to perform nonconsent
 18 towing services is authorized to perform vehicle immobilization services
 19 without obtaining a separate vehicle immobilization service license.
 20

21 SECTION 15. Arkansas Code § 27-50-1203(g), concerning the authority of
 22 the Arkansas Towing and Recovery Board to employ and discharge personnel, is
 23 amended to read as follows:

24 (g)(1)(A) ~~The board~~ Secretary of the Department of Labor and Licensing
 25 ~~shall have the authority to~~ may employ and discharge a Director of the
 26 Arkansas Towing and Recovery Board and any personnel as may be necessary to
 27 administer and enforce the provisions of this subchapter and the rules and
 28 regulations promulgated ~~hereunder~~ under this chapter.

29 (B) The director employed under subdivision (g)(1)(A) of
 30 this section shall supervise the staff of the board and take any action to
 31 administer and enforce § 27-50-1101, this subchapter, and the rules of the
 32 board, including without limitation the initiation of complaints for
 33 adjudication by the board and the referral of criminal matters to the
 34 appropriate authorities.

35 (2)(A) The board shall employ investigators to investigate ~~consumer~~
 36 complaints related to overcharging for ~~nonconsent~~ towing, recovery,

1 repossession, storage fees, fees associated with the use of wheel clamps,
 2 administrative expenses, and violations of § 27-50-1101, this subchapter, and
 3 ~~violations of the rules promulgated by the board under this subchapter.~~

4 (B) A complaint may be initiated by the board, the staff of the
 5 board, a consumer, or any other interested party.
 6

7 SECTION 16. Arkansas Code § 27-50-1203, concerning the creation of the
 8 Arkansas Towing and Recovery Board, is amended to add an additional
 9 subsection to read as follows:

10 (1) An application for a license or the renewal of a license,
 11 registration, endorsement, enhancement, or tow vehicle safety permit shall
 12 not be approved by the board if:

13 (1) The applicant owes an unpaid civil fine, penalty, or other
 14 indebtedness due and payable to the board; or

15 (2) The applicant is under suspension, revocation, or other
 16 disciplinary action by the board.
 17

18 SECTION 17. Arkansas Code § 27-50-1208(a)(2), concerning a possessory
 19 lien on an unattended or abandoned vehicle held by a towing and storage firm,
 20 is amended to read as follows:

21 (2)(A) A Except as provided in subdivision (a)(2)(B) of this
 22 section, a possessory lien under this section attaches to not only the
 23 vehicle or trailer that was required to be towed but also to the contents of
 24 the vehicle or trailer, including without limitation other vehicles,
 25 equipment, and boats ~~and its contents but also any trailer attached to the~~
 26 ~~vehicle at the time it is towed and any contents of such trailer including,~~
 27 ~~but not limited to, other vehicles or boats.~~

28 (B) A lien under this section shall not extend to:
 29 (i) A vehicle or trailer on which no towing services
 30 were performed; or the

31 (ii) The following items, ~~without limitation if not~~
 32 being transported as commercial cargo:

33 ~~(i)(a)~~ (a) Personal or legal documents;
 34 ~~(ii)(b)~~ (b) Medications;
 35 ~~(iii)(c)~~ (c) Child-restraint seating or childcare
 36 items;

~~(iv)~~(d) Wallets Clothing, wallets, or purses
and the contents of such of the clothing, wallets, or purses;

~~(v)~~(e) Prescription eyeglasses and sunglasses;
~~(vi)~~(f) Prosthetics and other medical devices
and equipment;

~~(vii)~~(g) Cell phones, laptops, and computers;
~~(viii)~~(h) Photographs, books, and other items
of personal value; and

~~(ix)~~(i) Books Tools and equipment necessary
for employment or occupation; and

(j) Other similar items.

(C)(i) The If claimed during normal business hours, the
items described in subdivision (a)(2)(B) of this section shall be released
without charge by the towing and storage firm to the owner or operator of the
motor vehicle or his or her duly authorized representative.

(ii) If claimed after normal business hours, the
towing and storage firm may charge a reasonable after-hours release fee not
to exceed one hundred dollars (\$100) for all items retrieved.

(D)(i) Except as provided in subdivision (a)(2)(D)(ii) of
this section and subject to an increased amount if approved by rule of the
board, a towing and storage firm shall not charge a storage fee that exceeds
the following for each calendar day:

(a) Sixty dollars (\$60) for the storage
capacity of a noncommercial motor vehicle; or

(b) One hundred dollars (\$100) for the storage
capacity of a commercial motor vehicle defined in § 27-23-103(8)(A), § 27-23-
103(8)(B), or § 27-23-103(8)(C)(i).

(ii) The storage fee allowed under subdivision
(a)(2)(D)(i) of this section shall not exceed fifty percent (50%) of the
charge amount of the storage fee under subdivisions (a)(2)(D)(i)(a) and
(a)(2)(D)(i)(b) of this section the first eight (8) hours of the first
calendar day.

(iii) A storage fee shall not be charged for any day
the tow business is not available to release the vehicle.

(E)(i) A lien under this section shall not extend to
cargo, as defined in § 27-50-1202, if the owner of the cargo or his or her

1 authorized representative pays a fee not to exceed *thirty-five percent (35%)*
 2 of the invoice for the towing and storing services to the towing and storage
 3 firm.

4 (ii) An owner of the cargo or his or her authorized
 5 representative who has paid the fee required under subdivision (a)(2)(E)(i)
 6 of this section shall not be required to pay the total invoice for the towing
 7 and storing services before to the release of the cargo.

8 (iii) This subdivision (a)(2)(E) does not prohibit a
 9 towing and storage firm from collecting the total invoice for towing and
 10 storage services from the owner or lienholder or perfecting the lien under
 11 this section.

12 (iv) An owner of the cargo or his or her authorized
 13 representative shall ensure that the entity retrieving the cargo from the
 14 towing and storage firm is insured and is liable for any damage that may
 15 occur at the business location of the towing and storage firm as a result of
 16 the cargo retrieval.

17
 18 SECTION 18. Arkansas Code § 27-50-1208(b) and (c), concerning a
 19 possessory lien on an unattended or abandoned vehicle held by a towing and
 20 storage firm, are amended to read as follows:

21 (b) The lien shall be perfected by:

22 (1) Maintaining possession; and

23 (2) Either:

24 (A) Mailing notice to the owner or owners and lienholders
 25 as shown on the data provided by the law enforcement agency involved as
 26 prescribed by this subchapter; or

27 ~~(3)(B)~~ In the case of a vehicle removed pursuant to § 27-
 28 50-1101, giving notice to the last known registered owner or owners and
 29 lienholders as provided from the records of the:

30 ~~(A)(i)~~ Office of Motor Vehicle;

31 ~~(B)(ii)~~ Arkansas Crime Information Center; or

32 ~~(C)(iii)~~ If known, motor vehicle records of any
 33 other state where the vehicle's registration indicates the name and address
 34 of the last registered owner and the name and address of the holder of any
 35 recorded lien, if any, on the vehicle.

36 (c)(1) The notice shall be ~~mandatory and by certified mail, return~~

1 ~~receipt requested:~~

2 (A) Mandatory;

3 (B) Sent by certified mail, return receipt requested and
 4 postmarked not sooner than two (2) business days but within eight (8)
 5 business days after the date that the towing and storage firm receives the
 6 vehicle; and

7 (C) Posted on the website sponsored and managed by the
 8 Arkansas Towing and Recovery Board for that purpose, which requires a
 9 reasonable fee set by the board, within three (3) business days after the
 10 date that the towing and storage firm receives the vehicle.

11 ~~(2) The notice shall be posted not sooner than two (2) business~~
 12 ~~days but within eight (8) business days after the date that the towing and~~
 13 ~~storage firm receives the vehicle~~ A towing and storage firm shall not
 14 charge:

15 (A)(i) Except as provided in subdivisions (c)(2)(B) and
 16 (c)(2)(C) of this section, an administrative fee that exceeds seventy-five
 17 dollars (\$75.00).

18 (ii) An administrative fee shall not be charged
 19 under subdivision (c)(2)(A)(i) of this section:

20 (a) Until the notice required under this
 21 section is sent and posted on the website as required under § 27-50-
 22 1208(c)(1)(C); or

23 (b) To correct an error or mistake caused by
 24 the towing and storage firm;

25 (B)(i) A clerical fee that exceeds twenty-five dollars
 26 (\$25.00).

27 (ii) A clerical fee shall not be charged under
 28 subdivision (c)(2)(B)(i) of this section until the completion of the intake,
 29 storage, and processing of all vehicles, trailers, equipment, and other
 30 property resulting from a single towing incident or contract regardless of
 31 the size or number of storage spaces required; or

32 (C) A storage fee if the notice required under this
 33 subsection:

34 (i) Has not been sent and posted on the website
 35 within the time and in the manner required under this section; or

36 (ii) If the notice is sent and posted on the website

1 after the time required under subdivision (c)(1)(2) of this section, until
 2 after the notice has been both sent and posted on the website.

3
 4 SECTION 19. Arkansas Code § 27-50-1208(d)(2)(A), concerning a
 5 possessory lien on an unattended or abandoned vehicle held by a towing and
 6 storage firm, is amended to read as follows:

7 (2)(A) For the purpose of notices required by this section, if
 8 the data records of the Office of Motor Vehicle or the office of motor
 9 vehicles for the state where the vehicle is registered, if known, do not
 10 contain any information as to the last known registered owner or owners and
 11 lienholder or lienholders, notice is sufficient under this section if the
 12 *notice is provided by publication one (1) time in one (1) newspaper of*
 13 *general circulation in the county where the vehicle was found unattended,*
 14 *abandoned, or improperly parked ~~and~~ or by posting on the website sponsored*
 15 *and managed by the ~~Arkansas Towing and Recovery Board~~ board for that*
 16 *purpose.*

17
 18 SECTION 20. Arkansas Code § 27-50-1209(e)(1), concerning the
 19 foreclosure of a possessory lien upon an unattended or abandoned vehicle by a
 20 towing and storage firm, is amended to read as follows:

21 (e)(1) Notice of the date and time of the sale shall be sent at least
 22 fifteen (15) days before the date of the sale by certified mail, no return
 23 receipt requested, to the registered owner and lienholder, if any.

24
 25 SECTION 21. Arkansas Code § 27-50-1209(f), concerning the foreclosure
 26 of a possessory lien on a vehicle by a towing and storage firm, is amended to
 27 read as follows:

28 (f) In addition to the notice by mail, notice of the sale, including
 29 the sale date and time, ~~shall be published in a newspaper of general~~
 30 ~~circulation in the county at least one (1) time at least ten (10) days prior~~
 31 ~~to the sale and~~ shall be posted on the website that is sponsored and managed
 32 by the Arkansas Towing and Recovery Board for that purpose.

33
 34 SECTION 22. Arkansas Code § 27-50-1212(a), concerning criminal
 35 penalties related to the removal or immobilization of an unattended or
 36 abandoned vehicle, is amended to read as follows:

1 (a) It shall be unlawful for a person to:

2 (1) Operate a tow vehicle: ~~in~~

3 (A) In violation of this subchapter; or

4 (B) That does not clearly display the name, phone number,
5 and Arkansas Towing and Recovery Board assigned license number of the towing
6 and storage firm on the driver side and passenger side of the tow vehicle;

7 (2)(A) Operate a tow vehicle without obtaining a tow vehicle
8 safety permit as required by the rules of the ~~Arkansas Towing and Recovery~~
9 ~~Board~~ board.

10 (B) A photograph of the driver side and of the passenger
11 side of the tow vehicle evidencing compliance with subdivision (a)(1)(B) of
12 this section shall be included in the tow vehicle safety permit application;

13 (3) Operate a business engaging in ~~noneconsent~~ towing, recovery,
14 repossession, or storage of vehicles without first obtaining the proper tow
15 business license ~~as required by the rules of the board;~~

16 (4) Give false or forged evidence to the board or to any member
17 or an employee thereof for the purpose of obtaining a license or a tow
18 vehicle safety permit;

19 (5) Use or attempt to use an expired, suspended, or revoked
20 license or tow vehicle safety permit; ~~or~~

21 (6) Engage in excessive or discriminatory pricing by charging an
22 amount for towing, recovery, repossession, or storage that exceeds the fair
23 market value of all services rendered by more than:

24 (A) Two thousand dollars (\$2,000) for a noncommercial
25 vehicle; or

26 (B) Five thousand dollars (\$5,000) for a commercial motor
27 vehicle as defined in § 27-23-103;

28 (7) Except as provided in this subchapter, sell, retain,
29 transfer, or dispose of any towed, recovered, or stored property;

30 (8) Fail or refuse to promptly release any towed, recovered, or
31 stored property:

32 (A) After a law enforcement hold has been released
33 following a theft or other reason for issuing the hold; or

34 (B) Due to an unpaid bill for towing services or other
35 outstanding indebtedness unrelated to the current towing services;

36 (9) With respect to the sale or other disposition of an

abandoned vehicle or other property subject to a towing lien under this subchapter or § 27-50-1101:

(A) Fail to provide notice as required under this subchapter;

(B) Sell an abandoned vehicle or other property without the documentation required to transfer marketable title to the purchaser at the sale; or

(C) Fail to promptly and properly provide to the purchaser the documents and information needed to transfer marketable title to the purchaser;

(10)(A) Fail to obtain, accept, or retain a properly executed form adopted and required by the board and posted on the website sponsored and managed by the board, including without limitation:

(i) Authorization and documentation of the terms of the release of an abandoned vehicle, implement, piece of machinery, or contents from storage, and the parties to the release;

(ii) An affidavit authorizing the release of the abandoned vehicle, implement, piece of the machinery, or contents to the authorized representative of an interested party who is deceased or incapacitated; or

(iii) Notification to the board within five (5) business days of:

(a) A tow company's election to inactivate a tow business license; or

(b) The removal of a tow vehicle from the tow company's fleet.

(B) Notice of a form adopted and required by the board under this subdivision (a)(10) shall be sent by email to the email address the licensee has on file with the board and by conspicuously posting the notice on the website sponsored and managed by the board under the heading "Required Forms"; or

~~(6)~~(11) Violate or aid or abet any violation of this subchapter.

SECTION 23. Arkansas Code § 27-50-1212(c), concerning criminal penalties related to the removal or immobilization of an unattended or abandoned vehicle, is amended to read as follows:

1 (c)(1) A Except as provided in subdivision (c)(2) of this section, a
2 person who pleads guilty or nolo contendere to or is found guilty of any
3 violation under this section upon conviction shall be guilty of a misdemeanor
4 and shall be sentenced to pay a fine of not less than fifty dollars (\$50.00)
5 nor more than five hundred dollars (\$500) or to be imprisoned for a period
6 not exceeding ninety (90) days, or both.

7 (2) A person who pleads guilty or nolo contendere to or is found
8 guilty of violating or aiding or abetting a violation of subdivision (a)(6)
9 of this section shall be guilty of:

10 (A) A Class A misdemeanor if the excessive pricing was
11 based on the type of customer, presence of insurance, or cargo involved other
12 than bona fide additional services required due to the quantity, size, or
13 nature of the cargo; or

14 (B) A Class B misdemeanor if otherwise committed.

15
16 SECTION 24. Arkansas Code § 27-50-1215(a), concerning a summons,
17 citation, or subpoena issued by the Arkansas Towing and Recovery Board, is
18 amended to read as follows:

19 (a)(1) It shall be the duty of the sheriffs and constables of the
20 counties of this state and of any employee of the Arkansas Towing and
21 Recovery Board, when so directed by the board, to execute any summons,
22 citation, or subpoena that the board may cause to be issued and to return the
23 summons, citation, or subpoena to the board.

24 (2)(A) At the request of a party to a hearing before the board,
25 the board shall issue a subpoena for the attendance of a witness and the
26 production of documents at the hearing.

27 (B) The party requesting a subpoena under subdivision
28 (a)(2)(A) of this section shall describe the specific documents that the
29 requesting party desires the witness to produce.

30 (3)(A) The party requesting a subpoena under subdivision (a)(2)(A) of
31 this section has the duty to obtain service of the subpoena and tender the
32 appropriate mileage fees and witness fees under Rule 45 of the Arkansas Rules
33 of Civil Procedure at least two (2) days before the hearing at which the
34 documents are required to be produced.

35 (B) For good cause, the board may authorize a subpoena issued
36 under this subsection to be served fewer than two (2) days before the hearing

1 at which the documents are required to be produced.

2
3 SECTION 25. Arkansas Code § 27-50-1217, concerning the reporting of
4 towing rates by a towing and storage firm, is amended to add an additional
5 subsection to read as follows:

6 (c) The Arkansas Towing and Recovery Board shall post the current
7 maximum rate schedule for each towing and storage business on its website.

8
9 SECTION 26. Arkansas Code § 27-50-1218(c)(1), concerning the consumer
10 complaint process with the Arkansas Towing and Recovery Board, is amended to
11 read as follows:

12 (c)(1)(A) ~~Upon receipt of the consumer complaint, the~~ The board shall
13 resolve the a consumer complaint within forty-five (45) calendar days after
14 receiving the consumer complaint submitted to the board under this section as
15 soon as the business of the board permits.

16 (B) Staff of the board shall complete an investigation of a complaint
17 within one hundred eighty (180) days or provide a report to the board
18 concerning the reasons for any delays in the investigation.

19
20 SECTION 27. Arkansas Code § 27-50-1218, concerning the consumer
21 complaint process with the Arkansas Towing and Recovery Board, is amended to
22 add an additional subsection to read as follows:

23 (e)(1) A towing and storage company shall display notice of the
24 complaint process as provided for under subdivision (e)(2) of this section.

25 (2) Notice of the complaint process provided for under this
26 section in the form provided in subdivision (e)(3) of this section or as
27 modified by the board shall be:

28 (A) Beginning thirty (30) days after the effective date of
29 this act, prominently displayed in all capital letters in a conspicuous and
30 central location visible to any customer from a distance of twenty-five feet
31 (25') in the public area at the location of the towing business on a sign no
32 less than sixteen inches by twenty inches (16" x 20") wide in all capital
33 letters;

34 (B) Beginning July 1, 2025, prominently printed in bold
35 letters at the bottom of each invoice for towing services; and

36 (C) Beginning thirty (30) days after the effective date of

1 this act, prominently displayed on the website sponsored and managed by the
 2 board with a link to file an online complaint.

3 (3) Notice of the complaint process provided for under this
 4 section shall:

5 (A) Include without limitation:

6 (i) A statement that a complaint may be filed with
 7 the board under § 27-50-1218;

8 (ii) The telephone number of the board; and

9 (iii) The address of the website of the board; and

10 (B) Be substantially in the following form:

11 "COMPLAINTS: A PERSON DAMAGED OR OVERCHARGED MAY FILE
 12 A COMPLAINT UNDER ARKANSAS CODE § 27-50-1218 WITH THE ARKANSAS TOWING AND
 13 RECOVERY BOARD, (501) 682-3801, www.artowing.arkansas.gov".

14
 15 SECTION 28. Arkansas Code Title 27, Chapter 50, Subchapter 12, is
 16 amended to add an additional section to read as follows:

17 27-50-1225. Payment methods,

18 A tow business shall accept at least two (2) of the following forms of
 19 payment:

20 (1) Cash;

21 (2) Credit or debit card; or

22 (3) A mobile payment service.

23
 24 SECTION 29. TEMPORARY LANGUAGE. DO NOT CODIFY. Transition provisions
 25 – Appointment of members of the Arkansas Towing and Recovery Board.

26 (a) The current members at the time of the effective date of this act
 27 of the Arkansas Towing and Recovery Board are removed and the Governor shall
 28 appoint all board member positions, subject to confirmation by the Senate.

29 (b) Until at least seven (7) members of the board are appointed and
 30 confirmed by the Senate, the Director of the Arkansas Towing and Recovery
 31 Board, in consultation with the Secretary of the Department of Labor and
 32 Licensing, shall exercise the powers and duties assigned to the board, except
 33 that the hearing and adjudication of a complaint filed with the board shall
 34 be continued until a quorum of the newly constituted board is assembled to
 35 hear and adjudicate the complaint.

1 SECTION 30. TEMPORARY LANGUAGE. DO NOT CODIFY. Transition Provisions
2 - Initial terms of members of the Arkansas Towing and Recovery Board.

3 (a) The initial term of the three (3) members of the Arkansas Towing
4 and Recovery Board who are actively engaged in business in the towing
5 industry, licensed by the board, and appointed from the state at large shall
6 expire on July 1 of 2026, 2027, and 2028, respectively.

7 (b) The term of the member of the board who is the Director of the
8 Division of the Arkansas State Police or his or her designee shall be for the
9 duration of time of his or her appointment as Director of the Division of the
10 Arkansas State Police.

11 (c) The initial term of the member of the board who is a current or
12 former municipal chief of police or current or former county sheriff with
13 knowledge of the towing industry shall expire on July 1, 2028.

14 (d) The initial term of the member of the board who is appointed from
15 the commercial trucking insurance industry shall expire on July 1, 2027.

16 (e) The initial term of the member of the board who is appointed from
17 the trucking industry shall expire on July 1, 2028.

18 (f) The initial term of the member of the board who has no affiliation
19 with the towing industry and who serves as a representative of consumers of
20 towing services shall expire on July 1, 2026.

21 (g) The initial term of the member of the board who is a currently
22 employed or retired person with at least five (5) years of experience
23 responding to fire and emergency response incidents shall expire on July 1,
24 2027.

25
26 SECTION 31. TEMPORARY LANGUAGE. DO NOT CODIFY. Towing rate schedule
27 - Effective date.

28 Section 25 of this act is effective on and after July 1, 2026.
29

30 SECTION 32. EMERGENCY CLAUSE. It is found and determined by the
31 General Assembly of the State of Arkansas that an urgent need exists to enact
32 towing industry reforms, improve towing industry regulation and enforcement,
33 and provide statewide efficiencies to state and local law enforcement; and
34 that this act will accomplish these objectives and is immediately necessary
35 to protect consumers from illegal, fraudulent, and unauthorized towing
36 practices. Therefore, an emergency is declared to exist, and this act being

immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/Painter

Referred requested by the Arkansas House of Representatives

Prepared by: ZRC/AMS