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2 95th General Assembly
3 Regular Session, 2025
4

As Engrossed: H4/7/25

A Bill

HOUSE BILL 1897

5 By: Representative Painter
6 By: Senator K. Hammer
7

For An Act To Be Entitled

9 AN ACT TO CREATE THE ARKANSAS TOWING AND RECOVERY
10 REFORM AND EFFICIENCY ACT OF 2025; TO AMEND THE LAW
11 CONCERNING THE ARKANSAS TOWING AND RECOVERY BOARD; TO
12 AMEND THE PENALTIES FOR PREDATORY TOWING AND
13 EXCESSIVE PRICING; TO AMEND THE CONSUMER COMPLAINT
14 PROCESS ADMINISTERED BY THE ARKANSAS TOWING AND
15 RECOVERY BOARD; TO AMEND THE QUALIFICATIONS AND
16 MEMBERSHIP OF THE ARKANSAS TOWING AND RECOVERY BOARD;
17 TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
18
19

Subtitle

21 TO CREATE THE ARKANSAS TOWING AND
22 RECOVERY REFORM AND EFFICIENCY ACT OF
23 2025; TO AMEND THE LAW CONCERNING THE
24 ARKANSAS TOWING AND RECOVERY BOARD; AND
25 TO DECLARE AN EMERGENCY.
26

27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
28

29 SECTION 1. DO NOT CODIFY. Title.

30 This act shall be known and may be cited as the "Arkansas Towing and
31 Recovery Reform and Efficiency Act of 2025".
32

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

34 (a) The General Assembly finds that enacting towing industry reforms
35 designed to prevent predatory towing and excessive pricing, revising the
36 qualifications and membership of the Arkansas Towing and Recovery Board, and



1 designating and delineating additional duties of the board will improve
2 towing industry regulation and enforcement, support the mission of the board,
3 and provide increased statewide efficiency to state and local law
4 enforcement.

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

11
12 SECTION 3. Arkansas Code § 27-50-1101(a)(1)(A), concerning the
13 nonconsensual towing of a vehicle, implement, or a piece of machinery, is
14 amended to read as follows:

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

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

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

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

30 (ii) This section does not authorize an individual
31 or an entity to:

32 (a) Employ a device, artifice, or scheme to
33 self-authorize towing or otherwise engage in predatory towing, including
34 without limitation by:

35 (1) Obtaining employment from an
36 affiliated or associated lessee, property manager, or other agent of the

1 property owner to perform towing or storage services;

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

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

8 (b) Except as provided under this section or §
9 27-50-1201 et seq. or as directed by a law enforcement officer, boot or tow a
10 vehicle, implement, or piece of machinery that is not an abandoned vehicle or
11 is not immobile and unattended.

12
13 SECTION 4. Arkansas Code § 27-50-1101(a)(1)(C), concerning the
14 nonconsensual towing of a vehicle, implement, or piece of machinery, is
15 amended to read as follows:

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

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

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

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

30 (iv) The make, model, and vehicle identification
31 number or serial number of the vehicle, implement, or piece of machinery to
32 be removed;

33 (v) The location to which the vehicle, implement, or
34 piece of machinery will be removed, including the name, address, and
35 telephone number of the towing and storage firm removing the vehicle,
36 implement, or piece of machinery; and

1 (vi) The signature of the property owner or agent
2 requesting removal of the vehicle, implement, or piece of machinery.

3
4 SECTION 5. Arkansas Code § 27-50-1101(a)(1)(F)–(H), concerning the
5 nonconsensual towing of a vehicle, implement, or piece of machinery, are
6 amended to read as follows:

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

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

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

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

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

26
27 SECTION 6. Arkansas Code § 27-50-1101(a)(2)(E), concerning the
28 nonconsensual towing of an abandoned vehicle, is amended to read as follows:

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

35 (ii) For purposes of this subdivision (a)(2)(E), a
36 “good faith search” means that the towing and storage firm checks the

1 abandoned vehicle or unattended ~~or abandoned~~ vehicle, implement, or piece of
2 machinery for any type of license plate, license plate record, temporary
3 permit, inspection sticker, decal, or other evidence that indicates a
4 possible state of registration and title or other information related to the
5 owner.

6
7 SECTION 7. Arkansas Code § 27-50-1101(a)(3)(B), concerning the
8 nonconsensual towing of an abandoned vehicle, is amended to read as follows:

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

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

16 (b) Notice to owners and lienholders; and

17 (c) Procedures for sale.

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

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

28 (iv) If information on the owner or owners of an
29 implement or piece of machinery that is in the possession of a towing and
30 storage company is not available under subdivisions (a)(2)(D) and (E) of this
31 *section, the towing and storage company shall provide notice by publication*
32 *in a newspaper of general circulation in the region from where the implement*
33 *or piece of machinery was removed* ~~and~~ or posting on the website that is
34 sponsored and managed by the ~~Arkansas Towing and Recovery Board~~ board for
35 that purpose within three (3) business days after the date that the towing
36 and storage company received the implement or piece of machinery.

1
2 SECTION 8. Arkansas Code § 27-50-1101(c), concerning the nonconsensual
3 towing of a vehicle, implement, or piece of machinery, is amended to read as
4 follows:

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

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

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

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

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

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

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

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

26 (ii) If a towing and storage company or an officer,
27 director, member, or manager of a towing and storage company pleads guilty or
28 nolo contendere to or is found guilty of a violation of this section or of §
29 27-50-1201 et seq. at any time during the probation period provided under
30 subdivision (c)(2)(B)(i)(b) of this section, the board, after providing
31 written notice and a hearing before the board under the Arkansas
32 Administrative Procedure Act, § 25-15-201 et seq., to the towing and storage
33 company, shall:

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

36 (b) Place the towing and storage company on

1 probation for an additional one (1) year from the end of the previous
2 probation period.

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

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

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

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

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

28
29 SECTION 9. Arkansas Code § 27-50-1202(11), concerning definitions
30 related to the removal or immobilization of unattended or abandoned vehicles,
31 is amended to read as follows:

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

33 (A) A corporation or a business entity with an alternate
34 DBA name, filed with the Secretary of State and regulated by the board to be
35 used exclusively for the operation of a tow facility, vehicle immobilization
36 company, or a storage facility, including without limitation a business that:

1 ~~(A)(i)~~ Dispatches tow vehicles for nonconsent towing
2 or repossession;
3 ~~(B)(ii)~~ Stores vehicles; and
4 ~~(C)(iii)~~ Conducts business with the general public;
5 or
6 (B) A licensed or unlicensed person that engages in towing
7 services;

8
9 SECTION 10. Arkansas Code § 27-50-1202(15) and (16), concerning
10 definitions related to the removal or immobilization of unattended or
11 abandoned vehicles, are amended to read as follows:

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

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

18 (B) “Wheel clamp” does not include a gladhand lock;

19
20 SECTION 11. Arkansas Code § 27-50-1202, concerning definitions related
21 to the removal or immobilization of unattended or abandoned vehicles, is
22 amended to add additional subdivisions to read as follows:

23 (17) “Cargo” means goods and materials transported by a motor
24 carrier, as defined under 49 C.F.R. § 390.5, as it existed on January 1,
25 2025, including without limitation :

26 (A) A pallet;

27 (B) A container;

28 (C) Bracing;

29 (D) An air pillow;

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

31 (F) A cradle;

32 (G) A chock; and

33 (H) Any other dunnage or packing; and

34 (18)(A) “Towing services” means to tow, recover, upright,
35 transport, repossess, immobilize, store, or otherwise facilitate the movement
36 or storage of vehicles on or off of a road, street, or highway.

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

5
6 SECTION 12. Arkansas Code § 27-50-1203(a) and (b), concerning the
7 creation of the Arkansas Towing and Recovery Board, are amended to read as
8 follows:

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

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

16 ~~(i) Licensed by the board to engage in nonconsent~~
17 ~~towing; and~~

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

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

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

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

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

32 (E) One (1) member shall be appointed from the trucking
33 industry.

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

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

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

6 (2)(A) A member appointed under subdivision (a)(2)(A) of this
 7 section shall remain licensed and engaged in the business of ~~nonconsent~~
 8 towing.

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

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

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

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

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

26
 27 SECTION 13. Arkansas Code § 27-50-1203(e), concerning the promulgation
 28 of rules by the Arkansas Towing and Recovery Board, is amended to read as
 29 follows:

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

33 (A) Establishing reasonable licensing, insurance, and
 34 equipment requirements for any person engaging in towing and related services
 35 for safety purposes or vehicle immobilization services under this subchapter;

36 (B) Establishing reasonable tow truck safety requirements

1 for any tow vehicle as defined in this subchapter;

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

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

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

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

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

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

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

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

32 ~~(iii)~~ The board may assess a fine of ~~between~~ not
33 less than fifty dollars (\$50.00) and not more than two hundred fifty dollars
34 (\$250) for failure to comply with the provisions of this subdivision
35 (e)(1)(I) or § 27-50-1218(e);

36 (J)(i) Setting a minimum standard for the structure of the

1 place of business and storage facility located in Arkansas and utilized for
2 the daily operation of a towing company licensed and regulated under this
3 subsection.

4 (ii) The place of business shall utilize:

5 (a) A location easily accessible by the
6 public;

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

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

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

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

16 (K) Adopting rules for the:

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

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

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

23 (L) Establishing a website that is sponsored and managed
24 by the board for a towing business to post the notice required by § 27-50-
25 1101 and this subchapter.

26 (2) The promulgation and adoption of rules shall in all respects
27 be in the manner provided by the Arkansas Administrative Procedure Act, § 25-
28 15-201 et seq.

29 ~~(3) After the promulgation and adoption of rules, any proposed~~
30 ~~change to add to, amend, repeal, or change any of the rules shall not have~~
31 ~~effect until reviewed and approved by the Administrative Rules Subcommittee~~
32 ~~of the Legislative Council subsequent to the time that the General Assembly~~
33 ~~next meets in regular session unless a finding exists that imminent peril to~~
34 ~~the public health, safety, or welfare requires immediate adoption, amendment,~~
35 ~~or repeal of the rules.~~

36

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

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

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

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

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

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

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

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

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

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

32 (2)(A) The board shall employ investigators to investigate ~~consumer~~
33 complaints related to overcharging for ~~nonconsent~~ towing, recovery,
34 repossession, storage fees, fees associated with the use of wheel clamps,
35 administrative expenses, and violations of § 27-50-1101, this subchapter, and
36 ~~violations of~~ the rules promulgated by the board under this subchapter.

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

3
4 SECTION 16. Arkansas Code § 27-50-1203, concerning the creation of the
5 Arkansas Towing and Recovery Board, is amended to add an additional
6 subsection to read as follows:

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

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

12 (2) The applicant is under suspension, revocation, or other
13 disciplinary action by the board.

14
15 SECTION 17. Arkansas Code § 27-50-1208(a)(2), concerning a possessory
16 lien on an unattended or abandoned vehicle held by a towing and storage firm,
17 is amended to read as follows:

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

25 (B) A lien under this section shall not extend to:

26 (i) A vehicle or trailer on which no towing services
27 were performed; or the

28 (ii) The following items, without limitation if not
29 being transported as commercial cargo:

30 (i)-(a) Personal or legal documents;

31 (ii)-(b) Medications;

32 (iii)-(c) Child-restraint seating or childcare
33 items;

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

36 (v)-(e) Prescription eyeglasses and sunglasses;

1 ~~(vi)~~(f) Prosthetics and other medical devices
2 and equipment;

3 ~~(vii)~~(g) Cell phones, laptops, and computers;
4 ~~(viii)~~(h) Photographs, books, and other items

5 of personal value; and

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

8 (j) Other similar items.

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

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

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

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

22 (b) One hundred dollars (\$100) for the storage
23 capacity of a commercial motor vehicle defined in § 27-23-103(8)(A), § 27-23-
24 103(8)(B), or § 27-23-103(8)(C)(i).

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

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

32 (E)(i) A lien under this section shall not extend to
33 cargo, as defined in § 27-50-1202, if the owner of the cargo or his or her
34 authorized representative pays a fee not to exceed thirty-five percent (35%)
35 of the invoice for the towing and storing services to the towing and storage
36 firm.

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

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

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

14
 15 SECTION 18. Arkansas Code § 27-50-1208(b) and (c), concerning a
 16 possessory lien on an unattended or abandoned vehicle held by a towing and
 17 storage firm, are amended to read as follows:

18 (b) The lien shall be perfected by:

19 (1) Maintaining possession; and

20 (2) Either:

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

24 ~~(B)~~ In the case of a vehicle removed pursuant to § 27-
 25 50-1101, giving notice to the last known registered owner or owners and
 26 lienholders as provided from the records of the:

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

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

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

33 (c)(1) The notice shall be ~~mandatory and by certified mail, return~~
 34 ~~receipt requested;~~

35 (A) Mandatory;

36 (B) Sent by certified mail, return receipt requested and

1 postmarked not sooner than two (2) business days but within eight (8)
2 business days after the date that the towing and storage firm receives the
3 vehicle; and

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

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

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

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

17 (a) Until the notice required under this
18 section is sent and posted on the website as required under § 27-50-
19 1208(c)(1)(C); or

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

22 (B)(i) A clerical fee that exceeds twenty-five dollars
23 (\$25.00).

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

29 (C) A storage fee if the notice required under this
30 subsection:

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

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

36

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

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

14
15 SECTION 20. Arkansas Code § 27-50-1209(e)(1), concerning the
16 foreclosure of a possessory lien upon an unattended or abandoned vehicle by a
17 towing and storage firm, is amended to read as follows:

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

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

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

30
31 SECTION 22. Arkansas Code § 27-50-1212(a), concerning criminal
32 penalties related to the removal or immobilization of an unattended or
33 abandoned vehicle, is amended to read as follows:

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

35 (1) Operate a tow vehicle; ~~in~~

36 (A) In violation of this subchapter; or

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

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

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

10 (3) Operate a business engaging in ~~nonconsent~~ towing, recovery,
11 repossession, or storage of vehicles without first obtaining the proper tow
12 business license ~~as required by the rules of the board;~~

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

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

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

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

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

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

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

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

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

33 (9) With respect to the sale or other disposition of an
34 abandoned vehicle or other property subject to a towing lien under this
35 subchapter or § 27-50-1101:

36 (A) Fail to provide notice as required under this

1 subchapter;

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

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

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

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

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

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

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

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

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

29 ~~(6)(11)~~ Violate or aid or abet any violation of this subchapter.

30

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

34 (c)(1) A Except as provided in subdivision (c)(2) of this section, a
35 person who pleads guilty or nolo contendere to or is found guilty of any
36 violation under this section upon conviction shall be guilty of a misdemeanor

1 and shall be sentenced to pay a fine of not less than fifty dollars (\$50.00)
2 nor more than five hundred dollars (\$500) or to be imprisoned for a period
3 not exceeding ninety (90) days, or both.

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

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

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

12
13 SECTION 24. Arkansas Code § 27-50-1215(a), concerning a summons,
14 citation, or subpoena issued by the Arkansas Towing and Recovery Board, is
15 amended to read as follows:

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

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

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

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

32 (B) For good cause, the board may authorize a subpoena issued
33 under this subsection to be served fewer than two (2) days before the hearing
34 at which the documents are required to be produced.

35
36 SECTION 25. Arkansas Code § 27-50-1217, concerning the reporting of

1 towing rates by a towing and storage firm, is amended to add an additional
2 subsection to read as follows:

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

5
6 SECTION 26. Arkansas Code § 27-50-1218(c)(1), concerning the consumer
7 complaint process with the Arkansas Towing and Recovery Board, is amended to
8 read as follows:

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

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

16
17 SECTION 27. Arkansas Code § 27-50-1218, concerning the consumer
18 complaint process with the Arkansas Towing and Recovery Board, is amended to
19 add an additional subsection to read as follows:

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

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

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

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

33 (C) Beginning thirty (30) days after the effective date of
34 this act, prominently displayed on the website sponsored and managed by the
35 board with a link to file an online complaint.

36 (3) Notice of the complaint process provided for under this

1 section shall:

2 (A) Include without limitation:

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

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

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

7 (B) Be substantially in the following form:

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

11

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

14 27-50-1225. Payment methods,

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

17 (1) Cash;

18 (2) Credit or debit card; or

19 (3) A mobile payment service.

20

21 SECTION 29. TEMPORARY LANGUAGE. DO NOT CODIFY. Transition provisions
22 - Appointment of members of the Arkansas Towing and Recovery Board.

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

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

33

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

36 (a) The initial term of the three (3) members of the Arkansas Towing

1 and Recovery Board who are actively engaged in business in the towing
2 industry, licensed by the board, and appointed from the state at large shall
3 expire on July 1 of 2026, 2027, and 2028, respectively.

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

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

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

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

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

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

22
23 SECTION 31. TEMPORARY LANGUAGE. DO NOT CODIFY. Towing rate schedule
24 - Effective date.

25 Section 25 of this act is effective on and after July 1, 2026.
26

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

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

1 (2) If the bill is neither approved nor vetoed by the Governor, the
2 expiration of the period of time during which the Governor may veto the bill;
3 or
4 (3) If the bill is vetoed by the Governor and the veto is overridden,
5 the date the last house overrides the veto.

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/s/Painter