

HB 1560 / Act 789

AN ACT TO AMEND THE LAW CONCERNING THE REMOVAL OR IMMOBILIZATION OF UNATTENDED OR ABANDONED VEHICLES; Sponsors: Representative Craig Christiansen and Representative Danny Watson.

Originated by the Arkansas Towing & Recovery Board

HIGHLIGHTS

- Requires all tow vehicles used for commercial purposes to be permitted through the Arkansas Towing & Recovery Board.
- Retains a hobbyist right (non-commercial) to tow their own vehicles.
- Takes the repossession of a vehicle out of the definition of a consent tow and defines repossession with a tow vehicle and creates a licensing category for repossession tow companies.
- Deregulates a 'consent only' tow business, eliminating the requirement for a consent only tow business license. Consent Only tow vehicles must be permitted, each company will be required to pay a \$25 registration fee.
- Removes two (2) 'consent only' tow owners from the board, broadens the non-consent category from four (4) to five (5) and adds one (1) member who engages primarily in repossession.

NARRATIVE

This was the only legislation offered by the Arkansas Towing & Recovery Board this past legislative session. The primary goal of the initiative was to require all tow vehicles used for commercial purposes to be permitted through the tow board eliminating illegal tows and reducing the number of renegade tow companies operating in Arkansas.

Currently tow vehicles owned and operated by used car dealers, auctions and salvage yards are exempt, leading to some uncertainty in law enforcement and the proliferation of renegade tow companies. The act will assure that all tow vehicles used for commercial purposes are properly insured

While the legislation was not endorsed by any law enforcement agency, we know from our many work relationships in the field that unpermitted tow vehicles are a problem for officers. A police officer is not inclined to pull over a tow truck and address ownership of the vehicle in tow.

The legislation does preserve the individual's right (non-commercial use) to tow their own vehicles as a hobby.



HB 1811 / Act 794

AN ACT TO AMEND THE LAW CONCERNING THE REQUIREMENTS FOR A TOW BUSINESS TO GIVE PUBLIC NOTICE IN CERTAIN CIRCUMSTANCES; TO ALLOW PUBLIC NOTICE TO BE GIVEN ON A WEBSITE;

Sponsors: Representative Craig Christiansen and Representative Danny Watson.

Originated by the Foundation for Responsible Towing

HIGHLIGHTS

- As a part of the possessory lien law process by law a tow company must offer an abandoned vehicle through a non-judicial public sale. In addition to the newspaper a tow company must also post that vehicle online using a website created and managed by the Arkansas towing & Recovery Board.
- As a part of the notification process by law a tow company must post any vehicle in a newspaper when the owner or lien holder cannot be found through ACIC or the interactive title search process. In addition to the newspaper a tow company must also post that vehicle online using a website created and managed by the Arkansas towing & Recovery Board.
- The new posting requirement applies to vehicles, trucks, trailers, or other pieces of equipment.
- There will be a nominal fee charged for each vehicle posted on the website.
- This is the first step in eliminating the need for placing public notice in a newspaper.

NARRATIVE

The new online posting requirement established by the Act is a precursor to eliminating the obligation to post abandoned vehicles in a newspaper of general circulation. The act also impacts vehicles that must be posted when vehicle ownership, registration or a lien owner cannot be established through normal means, such as the state's Interactive Title, Registration and Lien Report.

As a practical matter it should make it easier for a vehicle owner or lien holder to find their property eliminating the harsh criticism aimed at the tow industry for lack of compliance and ambiguous ads. Too, the online database will serve as a valuable tool for the tow board, allowing the agency to cross-reference non-consent tows with posted vehicles scheduled for nonjudicial public sale, leveling the playing field for those companies that comply.

The original legislative language excluded the posting requirement in newspapers relying solely on the online posting service. Unfortunately, the Arkansas Press Association opposed the bill, then offered amended language that was embraced by the legislature who genuinely liked the bill and what it offered the motoring public and lien holder.

Legislative friends assured the tow industry that once the site was running and fully functional, they would come back and remove the newspaper requirement in the next session, 2023.

