

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 2001

By: Representative Painter

By: Senator K. Hammer

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 QUALIFICATIONS AND MEMBERSHIP OF THE ARKANSAS TOWING AND RECOVERY BOARD; TO AMEND THE LAW CONCERNING A LIEN PLACED ON CARGO OR THE CONTENTS OF A PERSONAL VEHICLE; 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. 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

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

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

SECTION 3. Arkansas Code § 27-50-1203(a) and (b), concerning the creation of the Arkansas Towing and Recovery Board, are amended to read as follows:

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

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

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

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

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

~~(C)(i) Two (2) members who are not associated with the towing industry shall be appointed from the state at large~~ One (1) member

shall be a current or former municipal chief of police or current or former county sheriff with knowledge of the towing industry.

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

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

(E) One (1) member shall be appointed from the trucking 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 ~~noneconsent~~ 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; and

~~(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 4. Arkansas Code § 27-50-1208(a)(2), concerning a possessory lien on an unattended or abandoned vehicle held by a towing and storage firm, is amended to add an additional subdivision to read as follows:

(D)(i) A possessory lien under this section shall not extend to:

(a) Cargo, if the owner of the cargo or his or her authorized representative pays a fee not to exceed twenty percent (20%) of the invoice for the towing and storing services to the towing and storage firm; or

(b) Except for items to which a possessory lien under this section shall not extend under subdivision (a)(2)(B) of this section, the contents of a personal vehicle if the owner of the personal vehicle or his or her authorized representative pays a fee not to exceed five percent (5%) of the invoice for the towing and storing services to the towing and storage firm.

(ii) When making a payment of a fee under subdivision (a)(2)(D)(i) of this section, the owner of the cargo or the contents of a personal vehicle or his or her authorized representative shall provide the towing and storage firm with an assurance of future financial responsibility for the total invoice amount for the towing and storage services for the motor vehicle from which the cargo or the contents of a personal vehicle are taken.

(iii)(a) An owner of the cargo or the contents of a personal vehicle or his or her authorized representative who has paid a fee under subdivision (a)(2)(D)(i) of this section shall not be required to pay the total invoice amount for the towing and storing services before the release of the cargo or the contents of a personal vehicle.

(b) This subdivision (a)(2)(D) does not prohibit a towing and storage firm from collecting the total invoice amount for towing and storage services from the owner or lienholder or perfecting the possessory lien under this section.

(c) Upon the payment of a fee under subdivision (a)(2)(D)(i) of this section, the owner of the cargo or the

contents of a personal vehicle shall be credited the amount paid toward the total invoice amount for the towing and storing services.

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

(v) If a motor vehicle is towed due to a police-initiated tow and there is no dispute as to the fees assessed by the authorized towing and storage firm:

(a) The owner or operator of the vehicle or his or her authorized representative shall pay the authorized towing and storage firm's invoice; and

(b) The authorized towing and storage company shall release the motor vehicle and any cargo immediately.

(vi) If a motor vehicle is towed due to a police-initiated tow and there is a genuine dispute as to the reasonableness of amount of the fees assessed by the authorized towing and storage company, the authorized towing and storage company shall release the cargo immediately to the owner or the owner's designee in accordance with this subsection upon the submission of:

(a) If the cargo does not belong to the transportation company, proof of ownership of the cargo; or

(b) If the cargo belongs to the transportation company:

(1) A letter from the vehicle owner's insurance company stating that there is coverage for the relevant claim or accident that includes without limitation a claim number, a policy number, and the policy limits; or

(2) If the transportation company does not have an insurance policy sufficient to cover the cost of the cargo clean-up, a signed letter of guarantee from the transportation company.

SECTION 5. Arkansas Code § 27-50-1218, concerning the consumer complaint process with the Arkansas Towing and Recovery Board, is amended to

add an additional subsection to read as follows:

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

(2) Beginning July 1, 2025, notice of the complaint process provided for under this section shall be:

(A) In the form provided in subdivision (e)(3) of this section or as modified by the board; and

(B) Prominently printed in bold letters at the bottom of each invoice for towing services.

(3) Notice of the complaint process required under this section shall:

(A) Include without limitation:

(i) A statement that a complaint may be filed with the board under this section;

(ii) The telephone number of the board; and

(iii) The website of the board; and

(B) Be substantially in the following form:

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

SECTION 6. TEMPORARY LANGUAGE. DO NOT CODIFY. Transition provisions – Appointment of members of the Arkansas Towing and Recovery Board.

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

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

SECTION 7. TEMPORARY LANGUAGE. DO NOT CODIFY. Transition Provisions - Initial terms of members of the Arkansas Towing and Recovery Board.

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

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

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

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

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

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

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

SECTION 8. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that an urgent need exists to enact towing industry reforms, improve towing industry regulation and enforcement, and provide statewide efficiencies to state and local law enforcement; and that this act will accomplish these objectives and is immediately necessary to protect consumers from illegal, fraudulent, and unauthorized towing 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.

APPROVED: 4/21/25