

Stricken language would be deleted from and underlined language would be added to present law.

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

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.

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



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

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

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

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

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

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

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

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

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

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

property owner to perform towing or storage services;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(E)(i) In the event that readily available records fail to disclose the name of the owner of the vehicle, implement, or piece of machinery or any lienholder of record, the towing and storage firm shall perform a good faith search to locate documents or other evidence of 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:

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

(b) Place the towing and storage company on

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

(iii)(a) 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 subsequent violation of this section or of § 27-50-1201 et seq. during the remainder of the initial probation period provided under subdivision (c)(2)(B)(i)(b) of this section or the additional probation period provided under (c)(2)(B)(ii)(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 revoke the towing and storage company's license for a period of one (1) year.

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

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

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

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

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

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

(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

(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 12. 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; and

(ii) A member appointed under subdivision (a)(2)(C)(i) 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 ~~nonconsent~~ 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 equipment requirements for any person engaging in towing and related services for safety purposes or vehicle immobilization services under this subchapter;

(B) Establishing reasonable tow truck safety requirements

for any tow vehicle as defined in this subchapter;

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

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

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

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

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

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

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

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

~~(iii)~~ The board may assess a fine of ~~between~~ not 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 the public health, safety, or welfare requires immediate adoption, amendment, or repeal of the rules.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 17. 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 read as follows:

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

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

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

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

~~(i)~~(a) Personal or legal documents;

~~(ii)~~(b) Medications;

~~(iii)~~(c) Child-restraint seating or childcare 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 authorized representative pays a fee not to exceed *thirty-five percent (35%)* of the invoice for the towing and storing services to the towing and storage firm.

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

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

(iv) An owner of the cargo or his or her authorized representative shall ensure that the entity retrieving the cargo from the 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 cargo retrieval.

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

(b) The lien shall be perfected by:

(1) Maintaining possession; and

(2) Either:

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

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

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

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

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

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

(A) Mandatory;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) In violation of this subchapter; or

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

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

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

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

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

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

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

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

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

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

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

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

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

(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:

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

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

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

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

(B) A Class B misdemeanor if otherwise committed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

section shall:

(A) Include without limitation:

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

(ii) The telephone number of the board; and

(iii) The address of 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 28. Arkansas Code Title 27, Chapter 50, Subchapter 12, is amended to add an additional section to read as follows:

27-50-1225. Payment methods,

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

(1) Cash;

(2) Credit or debit card; or

(3) A mobile payment service.

SECTION 29. 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 30. 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 31. TEMPORARY LANGUAGE. DO NOT CODIFY. Towing rate schedule - Effective date.

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

SECTION 32. 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.

/s/Painter