

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 86th General Assembly  
3 Regular Session, 2007  
4

# A Bill

HOUSE BILL 1472

5 By: Representative Davenport  
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7

## For An Act To Be Entitled

9 AN ACT TO AMEND CURRENT LAW TO LIMIT THE  
10 POSSESSORY LIEN OF A TOWING AND STORAGE FIRM TO  
11 THE VEHICLE ONLY; AND FOR OTHER PURPOSES.  
12

## Subtitle

14 TO AMEND CURRENT LAW TO LIMIT THE  
15 POSSESSORY LIEN OF A TOWING AND STORAGE  
16 FIRM TO THE VEHICLE ONLY.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 27-50-1208(a), regarding a possessory lien  
22 and notice to owners and lienholders of vehicles that are towed and stored,  
23 is amended to read as follows:

24 (a) The towing and storage firm shall have a first priority possessory  
25 lien on the vehicle ~~and its contents~~ for all reasonable charges for towing,  
26 recovery, and storage for which the owner is liable.  
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28 SECTION 2. Arkansas Code § 27-50-1208(e), regarding a possessory lien  
29 and notice to owners and lienholders of vehicles that are towed and stored,  
30 is amended to read as follows:

31 (e) The notice shall contain the following information:

32 (1) The year, make, model, and vehicle identification number of  
33 the vehicle towed;

34 (2) The name, address, and telephone number of the storage  
35 facility;

36 (3) That the vehicle is in the possession of that towing and



1 storage firm under police order, describing the general circumstances of any  
 2 law enforcement or other official hold on the vehicle;

3 (4) That towing, storage, and administrative costs are accruing  
 4 as a legal liability of the owner;

5 (5) That the towing and storage firm claims a first priority  
 6 possessory lien on the vehicle ~~and its contents~~ for all such charges;

7 (6) That unless claimed within forty-five (45) days, the vehicle  
 8 and its contents will be dismantled, destroyed, or sold at public sale to the  
 9 highest bidder;

10 (7) That the failure to exercise their right to reclaim the  
 11 vehicle and its contents within the time prescribed by this section  
 12 constitutes a waiver by the owners and lienholders of all right, title, and  
 13 interest in the vehicle and its contents and constitutes their consent to the  
 14 sale, dismantling, or destruction of the vehicle and its contents;

15 (8) That the owner or lienholder may retake possession at any  
 16 time during business hours by appearing, proving ownership, and releasing the  
 17 law enforcement or other official hold, if any, and by paying all charges or  
 18 by other written arrangement between the owner or lienholder and the towing  
 19 and storage firm;

20 (9) That should the owner consider that the original taking was  
 21 not legally justified, he or she has a right for twenty (20) days to contest  
 22 the original taking as defined by § 27-50-1207; ~~and~~

23 (10) That the owner may recover possession of the contents of  
 24 the vehicle during the normal business hours of the towing and storage firm  
 25 by providing the towing and storage firm with proof within forty-five (45)  
 26 days that the claiming owner is the registered owner of the vehicle; and

27 ~~(10)~~(11) Notices to owners of vehicles deemed abandoned on the  
 28 premises of automobile repair facilities pursuant to § 27-50-1101 shall also  
 29 advise that the automobile repair person holds an absolute lien on the  
 30 vehicle pursuant to § 18-45-201 et seq.

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 32 SECTION 3. Arkansas Code § 27-50-1209(b), regarding foreclosure of  
 33 liens on vehicles related to towing and storage, is amended to read as  
 34 follows:

35 (b)(1) Except as provided in subsection (c) of this section, the  
 36 towing and storage firm, municipality, or county that holds a perfected

1 possessory lien on any vehicle ~~and its contents~~ not redeemed by its owner or  
2 security lienholder within the forty-five (45) days provided by this  
3 subchapter shall sell the vehicle and its contents at a nonjudicial public  
4 sale for cash.

5 (2) The sale shall not occur later than ninety (90) days after  
6 perfection of the lien.

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8 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the  
9 General Assembly of the State of Arkansas that current law regarding towing  
10 and storage, resulting possessory liens, and notice to owners and lienholders  
11 of the towed and stored vehicle is unclear; that the law has been interpreted  
12 to allow liens on vehicle contents; that people are not being given adequate  
13 notice of their rights to recover possession of the contents of their  
14 vehicles or access to recover the contents of their vehicles; and that this  
15 act is necessary because it was never the intention of the law to allow a  
16 possessory lien on the contents or to deny an owner access to the vehicle to  
17 recover its contents. Therefore, an emergency is declared to exist and this  
18 act being necessary for the preservation of the public peace, health, and  
19 safety shall become effective on:

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

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

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

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