

1 State of Arkansas  
2 88th General Assembly  
3 Regular Session, 2011  
4

# A Bill

HOUSE BILL 1997

5 By: Representative Mauch  
6

## For An Act To Be Entitled

8 AN ACT TO SET THE MAXIMUM DAILY AMOUNT THAT A TOWING  
9 AND STORAGE COMPANY CAN CHARGE FOR STORAGE FEES FOR A  
10 VEHICLE, IMPLEMENT, OR PIECE OF MACHINERY; AND FOR  
11 OTHER PURPOSES.  
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## Subtitle

15 TO SET THE MAXIMUM DAILY AMOUNT THAT A  
16 TOWING AND STORAGE COMPANY CAN CHARGE FOR  
17 STORAGE FEES FOR A VEHICLE, IMPLEMENT, OR  
18 PIECE OF MACHINERY.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. DO NOT CODIFY. The General Assembly finds:

24 (1) Storage fees for vehicles, implements, and pieces of  
25 machinery that have been removed or towed have drastically increased in the  
26 last few years in very difficult economic times;

27 (2) The law currently only requires the fees to be "reasonable";

28 (3) If towing and storage companies uniformly raise their fees,  
29 it will appear that the fees are reasonable, when, in fact, the consumers are  
30 not getting a voice in the raising of the fees; and

31 (4) This act is necessary to set a maximum daily amount for  
32 storage fees for a vehicle, implement, or piece of machinery so that the  
33 consumer is not unduly burdened by and adequately protected from overpriced  
34 storage fees for vehicles.  
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36 SECTION 2. Arkansas Code § 27-50-1101(a)(3)(B)(ii), regarding



1 nonconsensual towing of a vehicle, implement, or piece of machinery, is  
2 amended to read as follows:

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

7 (b) The towing and storage company shall have  
8 a first priority possessory lien on the implement or piece of machinery and  
9 its contents for storage charges subject to the limitation under § 27-50-  
10 1204(a)(2).

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12 SECTION 3. Arkansas Code § 27-50-1204(a), regarding penalties related  
13 to towing and storage, is amended to read as follows:

14 (a)(1)(A) Except as provided under subdivision (a)(2) of this section,  
15 ~~The~~ the owner of a vehicle and the person who left the vehicle unattended or  
16 abandoned or any owner or operator waiving an owner's preference shall be  
17 liable for all reasonable costs of towing, recovery, ~~storage,~~ and other  
18 incidental costs related to such a removal.

19 ~~(2)(B)~~ If the vehicle is sold by foreclosure under § 27-  
20 50-1209, the owner or operator shall be liable for ~~such~~ the costs in excess  
21 of the proceeds of the sale of the vehicle.

22 (2)(A) Except as provided under subdivision (a)(2)(B) of this  
23 section, the maximum daily storage fee for a motor vehicle is thirty-five  
24 dollars (\$35.00) for each day that the vehicle is stored at the towing and  
25 storage business if:

26 (i) The unladen weight of the motor vehicle is six  
27 thousand pounds (6,000 lbs.) or less; and

28 (ii) The motor vehicle is stored as a result of a  
29 nonconsent tow or removal.

30 (B) If a motor vehicle is subject to the storage fee  
31 limitation under subdivision (a)(2)(A) of this section, the towing and  
32 storage business shall only charge one-half (1/2) of its daily storage fee  
33 for the motor vehicle to the owner for any day that the towing company's  
34 business office is not open for business and the owner cannot retrieve his or  
35 her vehicle.

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1 SECTION 4. Arkansas Code § 27-50-1207(g), concerning removal of  
2 vehicles, is amended to read as follows:

3 (g) Upon determining the respective rights of the parties, the final  
4 order of the administrative decision maker, commission, or court, as the case  
5 may be, shall provide for immediate payment in full of the reasonable  
6 recovery, and towing, ~~and storage~~ fees by the owner or lienholder of the  
7 unattended or abandoned property or by the respective law enforcement agency,  
8 with storage fees subject to the limitation under § 27-50-1204(a)(2).

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10 SECTION 5. Arkansas Code § 27-50-1207(h), concerning removal of  
11 vehicles, is amended to read as follows:

12 (h) In cases where the owner or lienholder has posted a cash or surety  
13 bond to obtain immediate release and the owner or lienholder is found to be  
14 responsible for reasonable recovery, and towing, ~~and storage~~ fees and storage  
15 fees not to exceed the limitation under § 27-50-1204(a)(2), the  
16 administrative decision maker, commission, or court, as the case may be,  
17 shall declare the bond to be forfeited, with the amount paid to the towing  
18 and storage firm to cover reasonable recovery, towing, and storage fees.

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20 SECTION 6. Arkansas Code § 27-50-1208(a)(1), regarding possessory  
21 liens and notice to owners and lienholders of towed vehicles, is amended to  
22 read as follows:

23 (a)(1)(A) The towing and storage firm shall have a first priority  
24 possessory lien on the vehicle and its contents for all reasonable charges  
25 for towing, and recovery, ~~and storage~~ for which the owner is liable.

26 (B) The towing and storage firm shall have a first  
27 priority possessory lien on the vehicle and its contents for storage charges  
28 subject to the limitation under § 27-50-1204(a)(2).

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30 SECTION 7. DO NOT CODIFY. EFFECTIVE DATE. The limitation on storage  
31 fees for motor vehicles, vehicles, implements, and pieces of machinery under  
32 this act applies to storage fees incurred on and after October 1, 2011.