



HOUSE BILL 308: No Insurance While Driving/Tow Vehicle.

2017-2018 General Assembly

Committee:	House Insurance. If favorable, re-refer to Judiciary I	Date:	April 11, 2017
Introduced by:	Reps. Cleveland, Clampitt, Collins, Millis	Prepared by:	Jeremy Ray
Analysis of:	PCS to First Edition H308-CSBH-3		Kristen L. Harris Committee Co-Counsel

OVERVIEW: *The Proposed Committee Substitute for House Bill 308 would require the towing and storage of an owner's vehicle when the owner is charged with operating or allowing his or her vehicle to be operated without insurance. It would also require law enforcement to notify any lienholders with a perfected security interest in the vehicle of the location of the seized vehicle and allow the lienholder to take possession of the vehicle.*

[The PCS would revise subsection (c) to allow a vehicle owner to present proof of insurance and obtain documentation from a district attorney, revise the timeline in subsection (d) in which law enforcement has to notify the lienholder of the seizure of the vehicle, and add subsection (f) to allow the owner to seek a pretrial release of the vehicle. The PCS would make other technical and clarifying changes.]

CURRENT LAW: G.S. 20-313 sets forth punishment and evidence requirements for owners of vehicles registered in this State who are operating, or permitting their vehicles to be operated, without insurance. Violators are guilty of a Class 3 misdemeanor.

BILL ANALYSIS:

Subsection (c) in Section 1 would require a law enforcement officer, at the time an owner is charged for not having insurance, to have the vehicle towed and stored. A person who stores the vehicle would be allowed to charge up to ten dollars (\$10.00) per day. A stored vehicle would be released when both of the following conditions were met:

- The owner provides proof of at least six months of insurance coverage to either the charging law enforcement agency or the prosecuting district attorney. Either entity would then provide documentation acknowledging compliance by the owner.
- The owner presents the compliance document to the person in custody of the stored vehicle and pays any towing and storage fees.

Subsection (d) would require the charging law enforcement agency to contact the Division of Motor Vehicles (DMV) within one regular business day of the seizing of the vehicle to obtain the name and address of any lienholder who has a perfected security interest in the vehicle. DMV would be required to provide the requested information within one regular business day. Law enforcement would then be required to provide notification to any lienholder of the location of the vehicle within 24 hours.

Subsection (e) would allow the person in custody of the vehicle to obtain a lien after 90 days if neither the owner nor the lienholder had claimed the vehicle.

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Subsection (f) would allow the owner to file a petition with the clerk of court seeking a pretrial release of the vehicle.

Subsection (g) would provide that if the owner is charged with a violation arising out of the same transaction that also requires seizure of the vehicle, nothing in the bill would alter or supersede that law.

Section 2 would make conforming changes to G.S. 44A-2(d).

EFFECTIVE DATE: This act becomes effective December 1, 2017, and applies to charges filed on or after that date.