



This Bill Analysis reflects the contents of the bill as it was presented in committee.

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

2017-2018 General Assembly

Committee:	House Judiciary I	Date:	April 22, 2017
Introduced by:	Reps. Cleveland, Clampitt, Collins, Millis	Prepared by:	Bill Patterson
Analysis of:	PCS to Second Edition H308-CSTG-12		Committee Co-Counsel

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

The PCS removed a provision setting the charge for storage of a towed vehicle, rewrote subsection (f) relating to the owner's right to a hearing before the clerk, removed Section 2, and made other technical and conforming corrections.

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:

Section 1 would amend G.S. 20-313 by adding the following new subsections:

- **Subsection (c)** would require a law enforcement officer, at the time an owner is charged for not having insurance, to have the vehicle towed and stored, utilizing that law enforcement agency's current rotation system and regulations pertaining to towing and storage. 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, and the lienholder could take possession of the stored vehicle by presenting to the custodian a copy of the title showing its perfected security interest.
- **Subsection (e)** would allow the person in custody of the stored vehicle to obtain a lien upon the vehicle if it was not claimed either by the owner or the lienholder.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

House PCS 308

Page 2

- **Subsection (f)** would allow the owner to file a petition with the clerk of court seeking a determination that there has been no lapse in financial responsibility. Upon receiving the clerk's decision in the owner's favor, the owner would be entitled to obtain release of the vehicle after paying any towing and storage charges.
- **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.

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

Kristen Harris, counsel to House Insurance, substantially contributed to this summary.