



HOUSE BILL 344: No Insurance While Driving/Tow Vehicle.

2019-2020 General Assembly

Committee:	House Transportation. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 25, 2019
Introduced by:	Reps. Cleveland, Pittman	Prepared by:	Howard Marsilio
Analysis of:	PCS to First Edition H344-CSBG-16		Committee Counsel

OVERVIEW: *The Proposed Committee Substitute (PCS) to House Bill 344 would require the towing and storage of a motor vehicle when the owner is charged with operating or allowing his or her vehicle to be operated without insurance, and outlines various procedures relating to disposing of the motor vehicle.*

The PCS includes an electronic lien system title as sufficient proof under the procedures within this bill to evidence a perfected security interest in the motor vehicle.

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, and a stored vehicle would be released to the owner 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 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 or electronic lien system 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.
- **Subsection (f)** would allow the owner to file a petition with the clerk of court seeking a determination that there was no lapse in financial responsibility. A hearing must be scheduled

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before a Superior Court judge no later than 10 days. If there is a finding that there was not lapse in insurance, the judge shall order the release of the motor vehicle to the owner upon payment of all towing and storing 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, 2019, and applies to charges filed on or after that date.