



# HOUSE BILL 1024: Nonconsensual Booting and Towing Reform.

2023-2024 General Assembly

<b>Committee:</b>	House Judiciary 2. If favorable, re-refer to Appropriations. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	June 12, 2024
<b>Introduced by:</b>	Reps. Budd, Carson Smith, Pyrtle, Logan	<b>Prepared by:</b>	Susan Sitze Michael Johnston Staff Attorneys
<b>Analysis of:</b>	PCS to First Edition H1024-CSCNfa-5		

**OVERVIEW:** *The proposed committee substitute (PCS) to House Bill 1024 would do the following:*

- *Create a Towing and Recovery Commission to regulate the practice of booting and towing of motor vehicles in North Carolina.*
- *Require towing businesses to obtain permits from the Commission before operating in North Carolina and renew those permits annually.*
- *Create a nonconsensual towing database for use by the public and nonconsensual towing businesses.*
- *Require private property owners to display certain signage before booting or nonconsensually towing vehicles from their property. Failure to comply with the signage requirements would generally constitute an infraction.*
- *Regulate towing and booting practices in North Carolina.*
- *Regulate fees charged by nonconsensual towing businesses.*
- *Exempt towing pursuant to this act from the requirements of G.S. 20-219.20.*
- *Require motorists to pull over for public service vehicles traveling to the scene of a wrecked or disabled vehicle.*
- *Appropriate five hundred thousand dollars (\$500,000.00) from the Highway Fund to the Department of Public Safety for the 2024-2025 fiscal year to implement the provisions of this act.*

**CURRENT LAW:**

**G.S. 20-219.2**, which only applies to certain counties and cities, authorizes owners of private parking lots to remove unauthorized vehicles, but the owner must display certain signage for 72 hours prior to removing the vehicle. The vehicle owner is responsible for removal and storage charges. The towed vehicle generally may not be stored more than 15 miles from the place of removal. Any violation of this section is an infraction.

Jeffrey Hudson  
Director



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**G.S. 20-219.3** authorizes the operator of a gasoline service station to request removal of a vehicle stored on the station's premises for more than 48 hours. The vehicle owner is responsible for reasonable removal and storage charges.

Article 7A of Chapter 20, which generally governs towing of vehicles from school grounds, state grounds, or at the direction of law enforcement, provides that the owner of a towed vehicle is generally entitled to post-towing notice and a probable cause hearing.

Article 7B of Chapter 20 provides that, whenever a vehicle is towed at the request of someone other than the owner or operator of the vehicle, the tower generally must provide certain information to local law enforcement before moving the vehicle, unless the vehicle is blocking traffic or otherwise jeopardizing public welfare.

## **BILL ANALYSIS:**

### **SECTION 1.**

The PCS for House Bill 1024 would add a new Article to Chapter 20 of the General Statutes governing nonconsensual booting and towing. The PCS would do the following:

- The Towing and Recovery Commission would be established within the Department of Public Safety, which would have the following responsibilities:
  - Issuing permits to towing businesses.
  - Annually establishing the maximum fees that a nonconsensual towing business can charge for booting, towing, storage, and the handling of commercial cargo.
  - Creating a standardized form for use by nonconsensual towing businesses to itemize charges related to booting and towing.
  - Maintaining a nonconsensual towing business database.
  - Recording reports from the public of suspected noncompliance with this Article and any resolution of those complaints.
- The Commission would be required to provide annual reports to the Joint Legislative Oversight Committee on Justice and Public Safety containing information on the implementation of this Article.
- Every towing business would be required to obtain permits from the Commission and renew the permit annually. Engaging in nonconsensual booting or towing without a permit would be an unfair trade practice under G.S. 75-1.1.
- The Commission would develop a statewide database that would:
  - Allow members of the public to report suspected noncompliance with this Article.
  - Allow owners or operators of booted or nonconsensually towed vehicles to search the database. Upon entering certain information, the owner or operator would be shown information about the booted or towed vehicle.
  - Allow nonconsensual towing businesses to enter certain information each time the business boots or tows a vehicle. The business must enter that information within one hour of completing a booting or towing.

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- Private property owners would be required to display a sign containing certain information for at least 24 hours before booting or nonconsensually towing an unauthorized vehicle. Violations of this provision would be punished as follows:
  - A private property owner would be guilty of an infraction and may be ordered to pay restitution to the owner of the vehicle.
  - A nonconsensual tow truck driver would be guilty of:
    - An infraction punishable by a one hundred dollar (\$100.00) penalty for a first offense.
    - An infraction punishable by a two hundred dollar (\$200.00) penalty for a second offense within 12 months of the first offense.
    - A Class 3 misdemeanor for a third offense within 12 months of the first offense.
  - This section would not apply to owners of private residential property that consists of four or fewer residential units.
- The practice of nonconsensual towing would be regulated as follows:
  - A towed vehicle could not be transported for storage more than 25 miles from the place of removal, unless there is no appropriate storage facility within 25 miles of the place of removal.
  - No towing company would be permitted to boot, tow, or attempt to boot or tow an occupied vehicle.
  - A commercial motor vehicle could not be booted.
  - A nonconsensual towing business would not be allowed to stop a vehicle owner from removing the vehicle before the vehicle is booted.
  - A nonconsensual towing business would be required to affix a notice containing certain information to the vehicle's windshield after booting.
  - A violation of this section would be an unfair and deceptive trade practice under Chapter 75 of the General Statutes.
- Nonconsensual towing businesses would be required to charge reasonable fees not exceeding the maximums established by the Commission and would be required to use the standardized itemization form prepared by the Commission.
  - Nonconsensual towing businesses would not be allowed to charge for the storage or handling of cargo in a trailer or semitrailer and would be required to promptly return the cargo upon request.
  - Storage fees for towed vehicles would be limited based on the hours of operation of the nonconsensual towing business.
  - Nonconsensual towing businesses would be required to accept payment with a debit card, credit card, or cash, but payment processing fees may not exceed three percent of the owed amount.
  - A violation of this section would be an unfair and deceptive trade practice under Chapter 75 of the General Statutes.

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- The Commission would be required to create the permit process and issue permits no later than July 1, 2025.

The provisions in this section regarding the creation of the Commission would become effective January 1, 2025. The provisions regarding towing business permits, the nonconsensual towing business database, towing and booting practices, and nonconsensual towing fees would become effective July 1, 2025. The provision regarding required signage for nonconsensual towing would become effective July 1, 2025, and apply to offenses committed on or after that date. The remainder of this section would become effective when it becomes law.

## **SECTION 2.**

**Section 2** would make a conforming change exempting businesses permitted under Section 1 from the law enforcement notification requirements of G.S. 20-219.20.

This section would become effective July 1, 2025.

## **SECTION 3.**

**Section 3** would require drivers to pull over on the side of the road when a public service vehicle traveling to the scene of a wrecked or disabled vehicle gives warning signal by appropriate light and by sound audible under normal conditions from a distance not less than 1000 feet. Violation of this provision would constitute negligence per se and at least a Class 2 misdemeanor.

This section would become effective December 1, 2024, and apply to offenses committed on or after that date.

## **SECTION 4.**

**Section 4** of the PCS would appropriate from the Highway Fund to the Department of Public Safety the sum of five hundred thousand dollars (\$500,000) in nonrecurring funds for the 2024-2025 fiscal year to be used to implement this act.

This section would become effective July 1, 2024.

## **SECTION 5.**

**EFFECTIVE DATE:** Except as otherwise provided, this act would be effective when it becomes law.