

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 577
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10273-MWa-26

Short Title: Protect Towers and Truckers Act. (Public)

Sponsors: Representative McNeely.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO ENACT THE PROTECT OUR NORTH CAROLINA TOWERS AND
TRUCKERS ACT.

The General Assembly of North Carolina enacts:

TITLE

SECTION 1. This act shall be known as the "Protect Our North Carolina Towers and Truckers Act."

CREATION OF THE TOWING AND RECOVERY COMMISSION

SECTION 2.1. Article 17 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 4. Towing and Recovery Commission.

"§ 143B-1765. Creation and purpose.

(a) There is created the Towing and Recovery Commission within the State Highway Patrol.

(b) The purpose of the commission is to decide disputes arising from fees charged by a towing service for towing and remediation services provided in response to a request from law enforcement or other government entity that uses the State Highway Patrol rotation system.

"§ 143B-1766. Commission membership and meetings.

(a) The commission shall be comprised of the following members:

(1) One voting member that is a State Highway Patrol Major appointed by the Commander. This member shall be the chair of the commission.

(2) One voting member appointed by the North Carolina Association of Chiefs of Police.

(3) One voting member and one alternate member appointed by the North Carolina Trucking Association. The alternate member may serve as the voting member in the absence of the appointed voting member.

(4) One voting member and one alternate member appointed by the Towing and Recovery Professionals of North Carolina. The alternate member may serve as the voting member in the absence of the appointed voting member.

(5) One voting member with experience in towing recovery and repair appointed by the Commissioner of the Department of Insurance.

(6) One nonvoting member appointed by the Secretary of the Department of Public Safety from the Office of Legal Counsel.



(b) Members shall be appointed for a period of two years with terms expiring on January 1 of the year in which the term expires. Members may serve consecutive terms. The appointing authority may appoint a member to serve out the unexpired term of any member.

(c) The commission shall select a vice-chair from the voting members of the commission. The commission shall meet at least quarterly at times and places the commission may designate and at such other times and places on the call of the chair or, in the absence of the chair, by the vice-chair. A quorum will be a majority of the voting members present. Members shall receive no compensation for serving on the commission, however, members may receive travel and subsistence expenses from funds made available to the commission.

"§ 143B-1767. Commission powers and duties.

(a) The commission shall have the powers and duties necessary to enforce the provisions of this Part. These powers shall include all of the following:

(1) Adoption of rules in accordance with Chapter 150B of the General Statutes.

(2) Determining the reasonableness of fees charged by a towing service that participates in the State Highway Patrol rotation system.

(3) Disqualification of a towing service from participating in the State Highway Patrol rotation system.

(4) Reinstatement of a towing service in the State Highway Patrol rotation system.

(b) The procedure for determining the reasonableness of fees, for disqualification of a towing service, reinstatement, and for any appeal of a determination by the commission shall be in accordance with Chapter 150B of the General Statutes.

"§ 143B-1768. Heavy-duty rates.

(a) Before a towing service may participate in the State Highway Patrol rotation system or provide services under a contract with the Department of Transportation, the towing service must submit to the commission the hourly pricing rates charged by the towing service. Any modification of the rates charged by a towing service shall only be effective 30 days after submission of the rate change to the commission. The commission shall maintain these rates for administrative purposes and will not publicly disclose them.

(b) The zone of operation of a towing service participating in the rotation system shall be determined by the State Highway Patrol and listed on the websites of the State Highway Patrol and the commission. This list shall be updated at least quarterly."

SECTION 2.2. The State Highway Patrol shall publish notice of the requirements set forth in Article 17 of Chapter 143B of the General Statutes, as enacted by this section, within 30 days of the passage of this bill.

SECTION 2.3. Of the funds appropriated to the State Highway Patrol beginning with the 2025-2026 fiscal year, the sum of ten thousand dollars (\$10,000) in recurring funds shall be allocated to pay for administrative costs, stipends, and travel associated with the commission.

TOWING PERMITS AND REGULATIONS

SECTION 3.1. Chapter 20 of the General Statutes is amended by adding a new Article to read:

"Article 7C.

"Tower Permits and Regulation.

"§ 20-219.35. Definitions.

The following definitions apply in this Article:

(1) Reserved for future codification purposes.

(2) Reserved for future codification purposes.

(3) Tow. – As defined in G.S. 20-219.9.

(4) Tower. – As defined in G.S. 20-219.9, including a consensual towing business, private property impound towing business, and tow truck operator.

"§ 20-219.36. Towing permit required.

(a) A tower shall obtain a towing permit from the Division of Motor Vehicles before operating in the State.

(b) A towing permit issued under this Article shall be valid for a period of two years unless sooner revoked or suspended by the Division.

(c) A tower shall pay to the Division a nonrefundable fee for the initial application and for the renewal application of a towing permit. The fee shall not exceed the total direct and indirect costs of administering the issuance of towing permits under this Article.

(d) A tower shall pay the costs associated with any background checks required by this Article for a towing permit.

(e) A towing permit issued under this Article is nontransferable. If a towing business is sold, the new owner must apply for a new towing permit.

"§ 20-219.37. Application requirements.

(a) The Division shall prescribe the form of the application for a towing permit under this Article. The application must require information sufficient to confirm compliance with this Article.

(b) The Division shall not issue a towing permit unless the applicant provides proof of meeting all of the following requirements:

(1) Under the current felony classifications set forth by the State Highway Patrol, a background check shows, if the applicant is a tow truck operator, the applicant has had no felony convictions within the previous five years, and if the applicant is a towing business owner, the applicant has had no felony convictions within the previous 10 years.

(2) The applicant has a valid drivers license.

(3) The applicant has a valid storage yard that complies with the minimum space requirements of the city, county, and State zoning regulations with proper zoning permits.

(4) If the applicant is a towing business owner, the applicant carries the minimum insurance requirements required by the State for on-hook liability and garage keepers insurance.

(5) The applicant has completed an accredited training program, including additional training for heavy-duty drivers as necessary. This training must offer continuing education credits.

(6) If the applicant is a towing business owner, the applicant maintains workers compensation insurance in compliance with State law.

(7) If the applicant is a towing business owner, the owner is a United States citizen, or has a valid visa or proper immigration documentation.

"§ 20-219.38. Permit issuance and renewal.

(a) The Division shall not issue or renew a permit unless:

(1) The application is complete and all required criteria are met.

(2) The applicant demonstrates the ability and intent to comply with this Article and all other applicable laws.

(b) An appeal of a towing permit denied, suspended, or revoked by the Division shall be governed by the provisions of Chapter 150B of the General Statutes.

(c) The DMV may provide temporary registration or authorization effective upon submission of an application. Temporary authorization expires upon issuance or denial of permanent registration.

"§ 20-219.39. Permit requirements.

(a) A person issued a towing permit in accordance with this Article shall report to the Division within 14 days of any felony or misdemeanor conviction.

(b) A tow truck operator issued a towing permit in accordance with this Article shall carry proof of registration while operating a tow truck.

"§ 20-219.40. Commercial booting.

A commercial motor vehicle shall not be immobilized using a device such as a boot. Using an immobilization device on a commercial vehicle will be deemed a misdemeanor.

"§ 20-219.41. Unlawful towing practices.

Engaging in private property impound booting or towing without a valid permit constitutes an unfair trade practice under G.S. 75-1.1."

SECTION 3.2. The Division of Motor Vehicles and the State Highway Patrol shall publish notice of the requirements set forth in Article 7C of Chapter 20 of the General Statutes, as enacted by this section, within 30 days of the passage of this bill.

TOWERS AND POSSESSORY LIENS ON VEHICLES, TRAILERS, AND CONTENTS

SECTION 4. G.S. 44A-2 reads as rewritten:

"§ 44A-2. Persons entitled to lien on personal property.

...

(d) Any person who repairs, services, tows, or stores motor vehicles in the ordinary course of the person's business pursuant to an express or implied contract with an owner or legal possessor of the motor vehicle, except for a motor vehicle seized pursuant to G.S. 20-28.3, has a lien upon the motor vehicle for reasonable charges for such repairs, servicing, towing, storing, or for the rental of one or more substitute vehicles provided during the repair, servicing, or storage. This lien shall have priority over perfected and unperfected security interests. Payment for towing and storing a motor vehicle seized pursuant to G.S. 20-28.3 shall be as provided for in G.S. 20-28.2 through G.S. 20-28.5.

(d1) Any person who is entitled to a lien under subsection (d) of this section for towing a vehicle is also entitled to a lien on the contents of the motor vehicle, any trailer attached to the vehicle at the time of towing, and the contents of the trailer, including other vehicles and boats. A lien under this section shall not extend to personal items, including medications, wallets, purses and their contents, prescription eyeglasses, prosthetics, cell phones, and keys. These items shall be released without charge to the owner or operator of the towed vehicle or an authorized representative of the owner or operator.

(d2) Notwithstanding subsection (d1) of this section, in cases of a dispute of a heavy-duty wrecker rotation tow, cargo shall be returned upon verification of required collision insurance coverage or a rider for towing and remediation for commercial motor vehicles operating in North Carolina. This shall occur via a trailer swap completed by the tower. The swapped trailer must be of equal or better condition than the original towed trailer and owned, leased, or operated by the same company. The insurance requirement does not apply to farm vehicles with farm tags. For purposes of this subsection, "cargo" is freight that is subject to a bill of lading.

...."

EFFECTIVE DATE

SECTION 5. This act is effective when it becomes law. Section 3.1 of this act applies to a tower operating in this State on or after six months from the effective date of this act.