

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

H.B. 1037
May 2, 2024
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40594-MUa-52

Short Title: End Predatory Towing Fees and Practices.

(Public)

Sponsors: Representative Longest.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO END PREDATORY TOWING FEES AND PRACTICES.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.(a)** The title of Article 7B of Chapter 20 of the General Statutes reads
5 as rewritten:

6 "Notification of ~~Towing~~ Towing and Towing Fees and Practices."

7 **SECTION 1.(b)** Article 7B of Chapter 20 of the General Statutes is amended by
8 adding a new section to read:

9 "**§ 20-219.25. Towing fees and practices.**

10 (a) All fees charged by a towing company shall be reasonable and not excessive and shall
11 be clearly and conspicuously disclosed to the operator of the vehicle. This disclosure shall occur
12 before the towing, if possible, and may be conducted with signage, such as the signage described
13 in G.S. 20-219.2(a).

14 (b) A towing company shall not tow a car to a location that does not offer recovery of the
15 towed vehicle within 24 hours of being towed.

16 (c) A towing company shall not charge a storage fee for days when the company is not
17 open from at least 9:00 A.M. to 4:00 P.M. Unless a towing company is open for the recovery of
18 a towed vehicle 24 hours per day, a towing company shall not charge a storage fee for a towed
19 vehicle until at least one business day has elapsed since the towed vehicle could first be
20 recovered.

21 (d) A towing company shall accept payment with a debit card, credit card, and cash at
22 any time during its operating hours, including at the time of towing. If a towing company charges
23 a payment processing fee greater than two percent (2%) of the owed amount, the payment
24 processing fee shall be equal to the actual cost of processing the payment.

25 (e) The Attorney General may adopt rules to implement this section. The Attorney
26 General may assess a civil penalty against a person that violates this section, not to exceed five
27 thousand dollars (\$5,000) for each violation. The clear proceeds of civil penalties imposed
28 pursuant to this subsection shall be remitted to the Civil Penalty and Forfeiture Fund in
29 accordance with G.S. 115C-457.2. The Attorney General may also take other appropriate
30 enforcement action, including ordering a person to cease and desist from violating this section.

31 (f) In determining whether a fee is reasonable and not excessive under subsection (a) of
32 this section, the Attorney General shall consider all of the following factors:

33 (1) Whether the fee is proportional to the cost of service.

34 (2) The reason for which the towing company charges the fee.

35 (3) Any other factor determined appropriate by the Attorney General.



- 1 (g) A violation of this section is an unfair and deceptive trade practice under Chapter 75
- 2 of the General Statutes."
- 3 **SECTION 1.(c)** This section becomes effective October 1, 2024.
- 4 **SECTION 2.(a)** Beginning with the 2024-2025 fiscal year, there is appropriated
- 5 from the General Fund to the Department of Justice ten thousand dollars (\$10,000) to implement
- 6 this act and the requirements of G.S. 20-219.2.
- 7 **SECTION 2.(b)** This section becomes effective July 1, 2024.
- 8 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes
- 9 law.