

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 344
Committee Substitute Favorable 4/25/19

Short Title: No Insurance While Driving/Tow Vehicle. (Public)

Sponsors:

Referred to:

March 13, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THE TOWING AND STORAGE OF A VEHICLE BEING
3 OPERATED BY A DRIVER WHO IS CHARGED WITH FAILING TO MAINTAIN
4 FINANCIAL RESPONSIBILITY.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 20-313 reads as rewritten:

7 "§ 20-313. Operation of motor vehicle without financial responsibility a misdemeanor.

8 (a) Punishment. – On or after July 1, 1963, any owner of a motor vehicle registered or
9 required to be registered in this State who shall operate or permit such motor vehicle to be
10 operated in this State without having in full force and effect the financial responsibility required
11 by this Article shall be guilty of a Class 3 misdemeanor.

12 (b) Evidence. – Evidence that the owner of a motor vehicle registered or required to be
13 registered in this State has operated or permitted such motor vehicle to be operated in this State,
14 coupled with proof of records of the Division of Motor Vehicles indicating that the owner did
15 not have financial responsibility applicable to the operation of the motor vehicle in the manner
16 certified by him for purposes of G.S. 20-309, shall be prima facie evidence that such owner did
17 at the time and place alleged operate or permit such motor vehicle to be operated without having
18 in full force and effect the financial responsibility required by the provisions of this Article.

19 (c) Towing and Storage. – At the time the owner of a motor vehicle is charged with a
20 violation of subsection (a) of this section, the charging law enforcement officer shall have the
21 motor vehicle towed and stored utilizing that law enforcement agency's current rotation system
22 and regulations pertaining to towing and storage. A person in custody of a motor vehicle towed
23 and stored pursuant to this subsection shall release the motor vehicle to its owner when both of
24 the following conditions are met:

25 (1) The owner presents proof of financial responsibility required by this Article
26 covering the motor vehicle for a period of at least six months to the charging
27 law enforcement agency or the prosecuting district attorney. The charging law
28 enforcement agency or prosecuting district attorney shall present the owner
29 with documentation acknowledging that the owner has complied with the
30 requirement set forth in this subdivision.

31 (2) The owner submits to the person in custody of the motor vehicle (i) the
32 documentation provided by the charging law enforcement agency or
33 prosecuting district attorney pursuant to subdivision (1) of this subsection and
34 (ii) payment of any towing and storage fees.

35 (d) Notice to the Lienholder and Right to Take Possession. – Notwithstanding any other
36 provision of this section, if a motor vehicle is towed and stored under subsection (c) of this



1 section, the charging law enforcement agency shall contact the Division within one regular
2 business day after the motor vehicle is towed and stored to obtain the name and address of any
3 lienholder who has a perfected security interest in the motor vehicle. The Division shall provide
4 the requested information to the charging law enforcement agency within one regular business
5 day. The charging law enforcement agency must then notify any lienholder by first-class mail of
6 the name and address of where the motor vehicle is stored. The notification to the lienholder must
7 be sent as soon as practical but not later than 24 hours after receipt of the information from the
8 Division.

9 A person in custody of a motor vehicle towed and stored pursuant to subsection (c) of this
10 section shall, upon presentation of a copy of the title or an electronic lien system title to the motor
11 vehicle showing a perfected security interest and without delay during regular business hours,
12 allow a lienholder access to the motor vehicle. Upon payment of any towing and storage fees, a
13 lienholder shall be allowed to take possession of the motor vehicle. The lienholder may thereafter
14 exercise any rights reserved to it under any note, contract, and security agreement.

15 (e) Failure of Owner to Obtain Release. – Notwithstanding G.S. 44A-2(d), if the owner
16 of a motor vehicle towed and stored pursuant to subsection (c) of this section does not obtain
17 release of the motor vehicle that was towed and stored, or a lienholder has not recovered
18 possession of the motor vehicle, the person in custody of the motor vehicle has a lien on the
19 motor vehicle for the full amount of the towing and storage costs incurred since the motor vehicle
20 was towed and stored and may dispose of the motor vehicle pursuant to Article 1 of Chapter 44A
21 of the General Statutes.

22 (f) Release of Motor Vehicle to Innocent Owner. – An owner of a motor vehicle charged
23 with a violation of subsection (a) of this section may file a petition with the clerk of superior
24 court seeking a determination that he or she has not had a lapse in financial responsibility. The
25 clerk shall schedule a hearing before a judge in the Division no later than 10 regular business
26 days or as soon as thereafter may be feasible. Notice of the hearing shall be given to the owner,
27 the charging law enforcement agency, and the prosecuting district attorney. If it is determined
28 that there was no violation of subsection (a) of this section, the clerk of court shall enter an order
29 releasing the motor vehicle to the owner upon payment of all towing and storing charges incurred
30 as a result of the seizure. For purposes of this subsection, an "innocent owner" is an owner of a
31 motor vehicle registered in this State who has maintained financial responsibility as required by
32 G.S. 20-309 and who has not violated subsection (a) of this section.

33 (g) Construction. – If the person charged with a violation of subsection (a) of this section
34 is also charged with a violation of law arising out of the same transaction that requires seizure of
35 the motor vehicle, nothing in this section shall be construed to alter or supersede the law requiring
36 seizure of the motor vehicle."

37 **SECTION 2.** This act becomes effective December 1, 2019, and applies to charges
38 filed on or after that date.