

AR TOWING AND RECOVERY BOARD

Enabling Laws

Act 109 of 2012
A.C.A. §27-50-1203(c)(1) et seq.

History and Organization

Arkansas faced losing its Federal highway funds as a result of unfavorable findings by the Commercial Motor Vehicle Safety Regulatory Review Panel created by Congress in 1984. Thereafter, the 77th General Assembly enacted legislation creating the Arkansas Towing and Recovery Board (ATRB) [§27-50-1203(a)(1)], delegating to the Board authority to regulate Arkansas' towing industry [§27-50-1203(c)(1)]. Appropriations legislation was not enacted until 1993; therefore, implementation did not begin to be accomplished until late 1994.

The Towing and Recovery Board promulgates and administers rules and regulations for the towing industry, establishing reasonable licensing, insurance, and safety equipment requirements for businesses providing non-consent towing and related services [§27-50-1203(c)(1)(A)] and establishing reasonable safety equipment requirements for any business providing consent towing or using tow vehicles in any commercial purposes [§27-50-1203(c)(1)(B)].

The Towing and Recovery Board worked diligently in striving to bring more non-consent towing businesses as well as consent only businesses in compliance during FY99 and FY00. The Board issued 1,899 non-consent licenses and 2,934 tow vehicle safety permits. In FY01 and FY02 the Board issued approximately 1,136 non-consent licenses and 3,233 tow vehicle safety permits. In FY03 and FY04 the Board issued approximately 1,075 non-consent licenses and 3,489 tow vehicle safety permits. It is the Board's continued goal to have all tow vehicles operating on Arkansas public roadways in compliance.

During FY01 and FY02, the participation of municipal, county and state law enforcement agencies across the state continued to increase. Office staff continued to work with law enforcement agencies on a daily basis in helping bring and keep tow businesses in compliance.

Fiscal years FY03 and FY04 were years of transition, the Board moved to a new location, established a web site and continued to work with municipal, county and state law enforcement agencies with compliance issues.

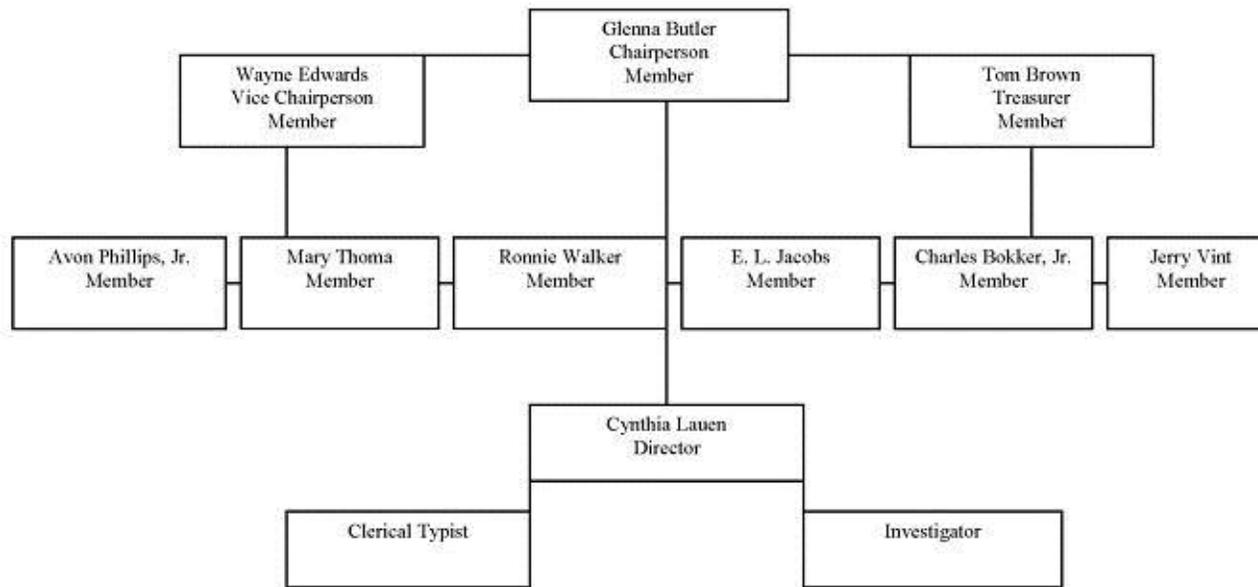
Fiscal years FY05 and FY06 the Board set to the task of regulating and reviewing excessive pricing in the towing industry. A towing investigator was added to the staff to help with the review and investigations for noncompliance and pricing complaints. The Board also

updated the Rules and Regulations to reflect new regulatory authority to be current with the new legislation passed in the 2005 Legislative Session.

Fiscal years FY07 and FY08 the Board set to the task of regulating and reviewing excessive pricing complaints and fining some towing companies for excessive charges. The Board was able to complete more investigations, resulting in several hearings for violations. Fees for the Tow Safety license were raised to \$100.00 and Tow Safety permits were raised to \$36.00 in FY08. Both consent and non-consent tow companies were required to purchase a safety license, as the Board requires verification of minimum state and federal insurance. In January 2008, the Board started working with the Department of Finance & Administration - Revenue Division with regards to the new "tow license plate." To get this license plate, tow operators must provide proof the tow vehicle has a tow vehicle safety permit issued by this agency.

In FY09, the Board raised its Tow Safety Permit Fee to \$48, to help cover the increase in operating expenses. In FY11 and FY 12 the Board reviewed and updated the Rules and Regulations to reflect legislative changes and better address some definitions in relations to the towing industry. In FY12, the agency hired an "Extra Help" person to allow more efficient processing of applications due to the increase in applications and additional clerical duties for Board investigator. In July 2011, the Board lost revenues with the exemption of tow companies who tow only vehicles they own. The Board continues to investigate possible violations and holds hearings to address those companies with violations.

The Arkansas Towing and Recovery Board is a nine-member board appointed by the Governor with a make-up of 4 Non-consent towing representatives, 2 Consent towing representatives, 2 citizen representatives, and 1 insurance representative. The Board has three employment positions: ATRB Director, ATRB Clerical Typist and ATRB Tow Investigator.



Agency Commentary

The Arkansas Towing & Recovery Board is a cash fund agency which receives its revenues from penalties assessed for violations, late filing fees, and fees for the license and vehicle safety permit issued to towing businesses.

The Board's operating expenditures have remained steady with increased cooperation of law enforcement agencies in helping keep members of the towing industry in compliance. The Board will have to reorder year tabs for its safety permit renewals.

With the increased support of law enforcement agencies, the complaints/investigations have considerably increased. The Board is requesting an extra help position to help with the administrative processing of applications and in assisting to help the investigator resolve the current back log of complaints/investigations. Eventually, the Board hopes to employ additional investigators who will be able to conduct tow vehicle safety inspections to help reduce some of the workload of certified law enforcement officers, who currently perform these inspections.

With the statewide accounting system (AASIS), the Board continues the need for an appropriation to upgrade its current program basis as well as acquire new programs to assist in computerizing the current manual processes in the office. In addition, the Board is in the process of updating some of its computers.

The current reserves and the projected revenues generated from the license and permit fees, late filing fees, the penalties from administrative hearings and additional funding from citations issued by the courts for operating in violation of A.C.A. §27-50-1201 et seq. are believed to be sufficient to cover the Towing and Recovery Board's budget requests.

The Board requests an increase of \$4,284 each year of the biennium for Miscellaneous Technical Services and an office server in the Operating Expenses line item to complete the final phase for the office database. The database will allow for more efficient use of personnel and staff time by use of centralized tow company files and automating some manually performed services. It will generate renewal notices for mailing and other correspondence with minimal input from staff. The database will contain information regarding complaints, complaint resolution, hearings and hearings resolutions. The database will allow staff to process more quickly and be more responsive to operators and the general public. The database is referenced in the State IT plan under Major Applications for FY13, FY14, and FY15.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS TOWING AND RECOVERY BOARD
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	1	2	3	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			3	100 %

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
3600000	\$222,032	Checking	Simmons First Bank - Searcy

Statutory/Other Restrictions on use:

Sections of 2, 3, 4, and 5 of Act 1209 of 2007.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 27-50-1203 (f) authorizes the Board to levy applicable towing license fees, safety permit fees, and late filing fees. A.C.A. 27-50-1204 (d) authorizes the Board to prescribe monetary penalties.

Revenue Receipts Cycle:

Funds are collected throughout the year.

Fund Balance Utilization:

Warrants are written as necessary for Board expenditures with the balance remaining on deposit in the interest-bearing account.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012					FY2012 - 2013						
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
3	3	0	3	0	0.00 %	3	2	1	3	0	33.33 %	3	3	0	3	0	0.00 %

Analysis of Budget Request

Appropriation: A28 - Cash Operations

Funding Sources: 360 - Towing & Recovery - Cash

The Towing & Recovery Board was established under Arkansas Code Annotated §27-50-1203 to regulate Arkansas' towing industry. The Board is responsible for promulgating and administering rules and regulations for the industry, establishing licensing, insurance and safety equipment requirements for towing and related services and establishing tow truck safety requirements for vehicles utilized for commercial purposes. The Board issues towing business licenses and tow vehicle safety permits, assesses late filing fees, and investigates allegations of violations. Funding is derived from fees levied on towing businesses.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency requests a change level of \$4,284 each year of the biennium in Operating Expenses for miscellaneous technical services and an office server for completion of final phase of the office database. The database will allow greater efficiency of personnel and staff time through centralized tow company files and automation of some services. It will generate renewal notices and other correspondence with minimal input from staff; complaints, complaint resolutions, and hearings and hearings resolutions will be included in the database. This automation will allow staff to process more quickly and be more responsive to operators and the general public. The database is referenced in the State IT plan under Major Applications for FY13, FY14 and FY15.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: A28 - Cash Operations
Funding Sources: 360 - Towing & Recovery - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	88,288	87,341	91,660	87,441	87,441	87,441	87,441	87,441	87,441
#Positions	3	3	3	3	3	3	3	3	3
Extra Help 5010001	3,739	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	32,359	33,002	32,480	33,797	33,797	33,797	33,797	33,797	33,797
Operating Expenses 5020002	42,667	42,840	42,840	42,840	47,124	47,124	42,840	47,124	47,124
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	6,156	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	173,209	180,383	184,180	181,278	185,562	185,562	181,278	185,562	185,562
Funding Sources									
Fund Balance 4000005	191,793	222,032		230,504	230,504	230,504	214,557	210,273	210,273
Cash Fund 4000045	203,448	188,855		165,331	165,331	165,331	165,331	165,331	165,331
Total Funding	395,241	410,887		395,835	395,835	395,835	379,888	375,604	375,604
Excess Appropriation/(Funding)	(222,032)	(230,504)		(214,557)	(210,273)	(210,273)	(198,610)	(190,042)	(190,042)
Grand Total	173,209	180,383		181,278	185,562	185,562	181,278	185,562	185,562

The FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 biennium.

Change Level by Appropriation

Appropriation: A28 - Cash Operations
Funding Sources: 360 - Towing & Recovery - Cash

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	181,278	3	181,278	100.0	181,278	3	181,278	100.0
C08	Technology	4,284	0	185,562	102.4	4,284	0	185,562	102.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	181,278	3	181,278	100.0	181,278	3	181,278	100.0
C08	Technology	4,284	0	185,562	102.4	4,284	0	185,562	102.4

Justification

C08	The agency requests a change level of \$4,284 each year of the biennium for miscellaneous technical services and an office server for completion of final phase of the office database. The database will allow for more efficient use of personnel and staff time by use of centralized tow company files and automating some manually performed services. The database will generate renewal notices for mailing and other correspondence with minimal input from staff. The database will contain information regarding complaints, complaint resolution, hearings and hearings resolutions. The database will allow staff to process more quickly and be more responsive to operators and the general public. The database is referenced in the State IT plan under Major Applications for FY13, FY14 and FY15.
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