

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1579  
Second Edition Engrossed 6/16/94

Short Title: DMV and DOT Technical Changes.

(Public)

Sponsors: Senators Lee, Hoyle, Marshall, Martin of Pitt, Plexico, Simpson, Smith, and Speed.

Referred to: Finance.

May 25, 1994

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE TECHNICAL, CONFORMING, AND ADMINISTRATIVE  
3 CHANGES TO THE MOTOR VEHICLE LAWS AND OTHER LAWS  
4 CONCERNING THE DEPARTMENT OF TRANSPORTATION.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 20-17(2) reads as rewritten:

7 "(2) Either of the following impaired driving offenses:

8 a. Impaired driving under G.S. 20-138.1.

9 b. Impaired driving under G.S. 20-138.2 when the person  
10 convicted did not take a chemical test at the time of the offense  
11 or the person took a chemical test at the time of the offense and  
12 the test revealed that the person had an alcohol concentration at  
13 any relevant time after driving of less than 0.04 or of ~~0.10~~0.08  
14 or more."

15 Sec. 2. G.S. 20-28(a), as amended by Section 320 of Chapter 539 of the 1993  
16 Session Laws, reads as rewritten:

17 "(a) Driving While License Revoked. – Any person whose drivers license has  
18 been ~~revoked, other than permanently, revoked~~ who drives any motor vehicle upon the  
19 highways of the State while the license is revoked is guilty of a Class 1 misdemeanor.  
20 Upon conviction, the person's license shall be revoked for an additional period of one  
21 year for the first offense, two years for the second offense, and permanently for a third  
22 or subsequent offense.

1 The restoree of a revoked drivers license who operates a motor vehicle upon the  
2 highways of the State without maintaining financial responsibility as provided by law  
3 shall be punished as for operating without a drivers license."

4 Sec. 3. G.S. 20-28(b), as amended by Section 321 of the 1993 Session Laws,  
5 is repealed.

6 Sec. 4. G.S. 20-35, as amended by Section 324 of Chapter 539 of the 1993  
7 Session Laws, reads as rewritten:

8 "**§ 20-35. Penalties for ~~misdemeanor-~~violating Article; defense to driving without a**  
9 **license.**

10 (a) Penalty. – A violation of this Article is a Class 2 misdemeanor unless a  
11 statute in the Article sets a different punishment for the violation. If a statute in this  
12 Article sets a different punishment for a violation of the Article, the different  
13 punishment applies. ~~It shall be a Class 2 misdemeanor to violate any of the provisions of this~~  
14 ~~Article unless such violation is by this Article or other law of this State declared to be a felony.~~

15 (b) ~~Unless another penalty is in this Article or by the laws of this State provided,~~  
16 ~~every person convicted of a Class 2 misdemeanor.~~

17 (c) Defenses. – A person may not be convicted of failing to carry a regular  
18 drivers license if, when tried for that offense, the person produces in court a regular  
19 drivers license issued to the person that was valid when the person was charged with the  
20 offense. A person may not be convicted of driving a motor vehicle without a regular  
21 drivers license if, when tried for that offense, the person shows all the following:

22 (1) That, at the time of the offense, the person had an expired license.

23 (2) The person renewed the expired license within 30 days after it expired  
24 and now has a drivers license.

25 (3) The person could not have been charged with driving without a license  
26 if the person had the renewed license when charged with the offense."

27 Sec. 5. G.S. 20-66, as amended by Section 2 of Chapter 467 of the 1993  
28 Session Laws, reads as rewritten:

29 "**§ 20-66. Renewal of vehicle ~~registration; prorated fees-~~registration.**

30 (a) Annual Renewal. – The registration of a vehicle must be renewed annually.  
31 To renew the registration of a vehicle, the owner of the vehicle must file an application  
32 with the Division and pay the required registration fee. The Division may receive and  
33 grant an application for renewal of registration at any time before the registration  
34 expires.

35 (b) Method of Renewal. – When the Division renews the registration of a vehicle,  
36 it must issue a new registration card for the vehicle and either a new registration plate or  
37 a registration renewal sticker. The Division may ~~not~~ renew a registration plate for ~~a~~any  
38 type of vehicle by means of a renewal sticker ~~unless the Division is authorized to use that~~  
39 ~~method of renewal. The Division may renew a registration plate issued for the following types~~  
40 ~~of vehicles by means of a renewal sticker:~~

41 (1) ~~Motoreycles-~~

42 (2) ~~Private passenger vehicles-~~

43 (3) ~~U-drive-it passenger vehicles-~~

44 (4) ~~Property-hauling vehicles licensed for 4,000 pounds gross weight-~~

1           ~~(5) Vehicles registered under the International Registration Plan.~~

2           ~~(6) Trailers-sticker.~~

3           (b1) Repealed by Session Laws 1993, c. 467, s. 2.

4           (c) Renewal Stickers. – A registration renewal sticker issued by the Division  
5 must be displayed on the registration plate that it renews in the place prescribed by the  
6 Commissioner and must indicate the period for which it and the registration plate on  
7 which it is displayed are valid. Except where physical differences between a  
8 registration renewal sticker and a registration plate render a provision of this Chapter  
9 inapplicable, the provisions of this Chapter relating to registration plates apply to  
10 registration renewal stickers.

11          ~~(d) Staggered Expiration.—The Division may issue registration plates for~~  
12 ~~vehicles with expiration dates that vary from month to month so that an approximately~~  
13 ~~equal number will expire during each month of the registration year.~~

14          ~~(e) Prorated Fee.—A vehicle license fee shall be computed by dividing the~~  
15 ~~annual license fee by 12 and multiplying the quotient by the number of months~~  
16 ~~remaining prior to the end of the month of expiration of the registration. Amounts so~~  
17 ~~computed shall be rounded to the nearest multiple of twenty-five cents (25¢).~~

18          (f) Repealed by Session Laws 1993, c. 467, s. 2.

19          (g) When Renewal Sticker Expires. – The registration of a vehicle that is  
20 renewed by means of a registration renewal sticker expires at midnight on the last day  
21 of the month designated on the sticker. It is lawful, however, to operate the vehicle on a  
22 highway until midnight on the fifteenth day of the month following the month in which  
23 the sticker expired. The Division may vary the expiration dates of registration renewal  
24 stickers issued for a type of vehicle so that an approximately equal number expires at  
25 the end of each month, quarter, or other period consisting of one or more months.  
26 When the Division implements registration renewal for a type of vehicle by means of a  
27 renewal sticker, it may issue a registration renewal sticker that expires at the end of any  
28 monthly interval beginning at nine months and ending at eighteen months.

29          (h) When Calendar-Year Plate Expires. – The registration of a vehicle that is not  
30 renewed by means of a registration renewal sticker expires at midnight on December 31  
31 of each year. It is lawful, however, to operate the vehicle on a highway until midnight  
32 on the following February 15.

33          (i) Property Tax Consolidation. – When the Division receives an application  
34 under subsection (a) for the renewal of registration before the current registration  
35 expires, the Division shall grant the application if it is made for the purpose of  
36 consolidating the property taxes payable by the applicant on classified motor vehicles,  
37 as defined in G.S. 105-330. The registration fee for a motor vehicle whose registration  
38 cycle is changed under this subsection shall be reduced by a prorated amount. The  
39 prorated amount is one-twelfth of the registration fee in effect when the motor vehicle's  
40 registration was last renewed multiplied by the number of full months remaining in the  
41 motor vehicle's current registration cycle, rounded to the nearest multiple of twenty-five  
42 cents (25¢)."

43           Sec. 6. Section 343 of Chapter 539 of the 1993 Session Laws is repealed.

44           Sec. 7. G.S. 20-88.1 is amended by adding a new subsection to read:

1       "(d) The Division shall prepare a driver license handbook that explains the traffic  
 2 laws of the State and shall periodically revise the handbook to reflect changes in these  
 3 laws. At the request of the Department of Education, the Division shall provide free  
 4 copies of the handbook to that Department for use in the program of driver education  
 5 offered at public high schools."

6               Sec. 8. G.S. 20-95 reads as rewritten:

7       "**§ 20-95. Licenses Prorated fee for license plate issued for less other than a year.**

8       (a) Calendar-Year Plate. ~~Except as provided in subsection (b) of this section,~~  
 9 licenses ~~The fee for a calendar-year license plate issued on or after April 1 and before~~  
 10 July 1 of each a year shall be three fourths of the annual fee; licenses issued on or after  
 11 July 1 and before October 1 shall be one half of the annual fee; and licenses issued on or  
 12 after October 1 shall be one fourth of the annual fee. is a percentage of the annual fee  
 13 determined in accordance with the following table:

<u>Date Plate Issued</u>	<u>Percentage of Annual Fee</u>
<u>April 1 through June 30</u>	<u>75%</u>
<u>July 1 through September 30</u>	<u>50</u>
<u>October 1 through December 31</u>	<u>25.</u>

14       (a1) Plate With Renewal Sticker. – The fee for a license plate whose registration is  
 15 renewed by means of a registration renewal sticker for a period of other than 12 months  
 16 is a prorated amount of the annual fee. The prorated amount is one-twelfth of the  
 17 annual fee multiplied by the number of full months in the period beginning the date the  
 18 renewal sticker becomes effective until the date the renewal sticker expires, rounded to  
 19 the nearest multiple of twenty-five cents (25¢).

20       (b) Scope. – This section does not apply to license plates issued pursuant to G.S.  
 21 20-79.1, 20-79.2, 20-84, 20-84.1, 20-87(9) or (10), and 20-88(c)."

22               Sec. 9. G.S. 20-97(a), as rewritten by Section 1.1 of Chapter 456 of the 1993  
 23 Session Laws, reads as rewritten:

24       "(a) All taxes levied under the provisions of this Article are intended as  
 25 compensatory taxes for the use and privileges of the public highways of this State, and  
 26 shall be paid by the Commissioner to the State Treasurer, to be credited by him to the  
 27 State Highway Fund; and no county or ~~municipality, other than Alleghany County,~~  
 28 municipality shall levy any license or privilege tax upon any motor vehicle licensed by  
 29 the State of North Carolina, except that cities and towns may levy not more than five  
 30 dollars (\$5.00) per year upon any vehicle ~~resident, resident therein,~~ and except that  
 31 Alleghany County may levy not more than ten dollars (\$10.00) per year upon any  
 32 vehicle ~~resident, resident therein.~~ Provided, further, that cities and towns may levy, in  
 33 addition to the amounts hereinabove provided for, a sum not to exceed fifteen dollars  
 34 (\$15.00) per year upon each vehicle operated in such city or town as a taxicab."

35               Sec. 10. G.S. 20-118(c)(1) reads as rewritten:

36       "(1) Two consecutive sets of tandem axles may carry a gross weight of  
 37 34,000 pounds each without penalty provided the overall distance  
 38 between the first and last axles of ~~such the~~ consecutive sets of tandem  
 39 axles is 36 feet or more. ~~Tank trailers, dump trailers, and ocean going~~  
 40 ~~transport containers on two consecutive sets of tandem axles may carry a~~

gross weight of 34,000 pounds each without penalty provided the overall distance between the second and the fifth axles of such consecutive sets of tandem axles is 30 feet or more. The exception for tank trailers, dump trailers, and ocean transport containers shall expire August 31, 1988."

Sec. 11. G.S. 20-118(c)(5), as amended by Chapter 426 of the 1993 Session Laws, reads as rewritten:

"(5) ~~A truck or other motor vehicle shall be exempt from such~~ The light-traffic road limitations provided for pursuant to G.S. 20-118(b)(4), when transporting processed and subdivision (b)(4) of this section do not apply to a vehicle while that vehicle is transporting only the following from its point of origin on a light-traffic road to the nearest highway that is not a light-traffic road:

a. Processed or unprocessed seafood from boats or any other point of origin, meats and origin to a processing plant or a point of further distribution.

b. Meats or agricultural crop products originating from a farm, or farm to first market.

c. Unprocessed forest products originating from a farm or from woodlands, or livestock woodlands to first market.

d. Livestock or poultry from their point of origin to first market.

e. Livestock by-products or poultry by-products from their point of origin, or recyclable origin to a rendering plant.

f. Recyclable material from its point of origin to a scrap-processing facility for processing. As used in this subpart, the terms 'recyclable' and 'processing' have the same meaning as in G.S. 130A-290(a).

g. Garbage collected by the vehicle from residences or garbage dumpsters if the vehicle is fully enclosed and is designed specifically for collecting, compacting, and hauling garbage from residences or from garbage dumpsters. As used in this subpart, the term 'garbage' does not include hazardous waste as defined in G.S. 130A-290(a), spent nuclear fuel regulated under G.S. 20-167.1, low-level radioactive waste as defined in G.S. 104E-5, or radioactive material as defined in G.S. 104E-5.

~~material for processing from the point of origin on a light traffic road to the nearest State maintained road which is not posted to prohibit the transportation of statutory load limits. As used in this subdivision, "processing" has the same meaning as defined in G.S. 130A-290(a)(23) and "recyclable material" has the same meaning as defined in G.S. 130A-290(a)(26)."~~

Sec. 12. G.S. 20-118(c)(9) is repealed.

Sec. 13. G.S. 20-118(c)(12), as enacted by Chapter 470 of the 1993 Session Laws, reads as rewritten:

1           "(12) ~~A-Subsections (b) and (e) of this section do not apply to a vehicle that~~  
2           ~~meets one of the following descriptions and descriptions, is hauling~~  
3           ~~agricultural crops within 35 miles of from the farm where they were~~  
4           ~~grown- grown to first market, is within 35 miles of that farm, and does~~  
5           ~~not exceed its registered weight:~~

6           a.     ~~Has-Is a five-axle combination with a gross weight of no more~~  
7           ~~than 88,000 pounds, a single axle-single-axle weight of no more~~  
8           ~~than 22,000 pounds, and a tandem axle-tandem-axle weight of no~~  
9           ~~more than 42,000 pounds- pounds, and a length of at least 51~~  
10          ~~feet between the first and last axles of the combination.~~

11          b.     ~~Is a five-axle combination with a gross weight of no more than~~  
12          ~~88,000 pounds.~~

13          c.     ~~Is a four-axle combination with a tandem axle-gross weight that~~  
14          ~~does not exceed the limit set in subdivision (b)(3) of this~~  
15          ~~section, a single-axle weight of no more than 22,000 pounds,~~  
16          ~~and a tandem-axle weight of no more than 42,000 pounds."~~

17           Sec. 14. G.S. 20-118(e), as amended by Chapters 426 and 533 of the 1993  
18 Session Laws, reads as rewritten:

19           "(e) Penalties. –

20           (1) Except as provided in subdivision (2) of this subsection, for each  
21           violation of the single-axle or tandem-axle weight limits set in  
22           subdivision (b)(1), (b)(2), or (b)(4) of this section, the Department of  
23           Transportation shall assess a civil penalty against the owner or  
24           registrant of the vehicle in accordance with the following schedule: for  
25           the first 1,000 pounds or any part thereof, four cents (4¢) per pound;  
26           for the next 1,000 pounds or any part thereof, six cents (6¢) per pound;  
27           and for each additional pound, ten cents (10¢) per pound. These  
28           penalties apply separately to each weight limit violated. In all cases of  
29           violation of the weight limitation, the penalty shall be computed and  
30           assessed on each pound of weight in excess of the maximum  
31           permitted.

32           (2) ~~For-The penalty for a violation of the single-axle or tandem-axle~~  
33           ~~weight limits set in subdivision (b)(1) or (b)(2) of this section by a motor~~  
34           ~~vehicle that is transporting an item listed in subdivision (c)(5) of this~~  
35           ~~section is one-half of the amount it would otherwise be under~~  
36           ~~subdivision (1) of this subsection. processed or unprocessed seafood from~~  
37           ~~boats or any other point of origin to a processing plant or a point of further~~  
38           ~~distribution, meats or agricultural crop products originating from a farm to~~  
39           ~~first market, unprocessed forest products originating from a farm or from~~  
40           ~~woodlands to first market, or livestock or poultry by products from their~~  
41           ~~point of origin to a rendering plant, recyclable material for processing from a~~  
42           ~~point of origin to a scrap processing facility, or that is fully enclosed, is~~  
43           ~~designed specifically for collecting, compacting, and hauling garbage from~~  
44           ~~residences or from garbage dumpsters, and is being operated for that~~  
45           ~~purpose, the Department of Transportation shall assess a civil penalty~~

1           ~~against the owner or registrant of the vehicle equal to the amount produced~~  
 2           ~~by applying one half of the rate indicated in the schedule in subdivision (1)~~  
 3           ~~of this subsection to the weight in pounds on each axle in excess of the~~  
 4           ~~maximum weight in pounds allowed. As used in this subdivision,~~  
 5           ~~"processing" has the same meaning as defined in G.S.130A-290(a)(23) and~~  
 6           ~~"recyclable material" has the same meaning as defined in G.S. 130A-~~  
 7           ~~290(a)(26).~~

8           (3) Except as provided in subdivision (4) of this subsection, for a violation  
 9           of an axle-group weight limit set in subdivision (b)(3) of this section,  
 10          the Department of Transportation shall assess a civil penalty against  
 11          the owner or registrant of the motor vehicle in accordance with the  
 12          following schedule: for the first 2,000 pounds or any part thereof, two  
 13          cents (2¢) per pound; for the next 3,000 pounds or any part thereof,  
 14          four cents (4¢) per pound; for each pound in excess of 5,000 pounds,  
 15          ten cents (10¢) per pound. These penalties apply separately to each  
 16          axle-group weight limit violated. The penalty shall be assessed on each  
 17          pound of weight in excess of the maximum permitted.

18          (4) ~~For The penalty for a violation of any an axle-group weight limit set in~~  
 19          ~~subdivision (b)(3) of this section by a motor vehicle described in~~  
 20          ~~subdivision (2) of this subsection, the Department of Transportation~~  
 21          ~~shall assess a civil penalty against the owner or registrant of the motor~~  
 22          ~~vehicle equal to the amount produced by applying one half of the rate~~  
 23          ~~indicated in the schedule in subdivision (3) of this subsection to the~~  
 24          ~~weight in pounds on each axle group in excess of the maximum weight~~  
 25          ~~in pounds allowed. recyclable material for processing from point of~~  
 26          ~~origin to a scrap processing facility, As used in this subdivision,~~  
 27          ~~"processing" has the same meaning as defined in G.S.130A-290(a)(23)~~  
 28          ~~and "recyclable material" has the same meaning as defined in G.S.~~  
 29          ~~130A-290(a)(26). that is transporting an item listed in subdivision~~  
 30          ~~(c)(5) of this section is one-half of the amount it would otherwise be~~  
 31          ~~under subdivision (3) of this subsection.~~

32          (5) ~~The civil penalties provided in this section shall constitute the sole~~  
 33          ~~penalty for violations of the weight limits in this section and violators~~  
 34          ~~thereof shall not be subject to criminal action except as provided in~~  
 35          ~~G.S. 20-96 and as provided in G.S. 136-72 for any vehicle or~~  
 36          ~~combination of vehicles exceeding the safe load carrying capacity for~~  
 37          ~~bridges on the State Highway System as established and posted by the~~  
 38          ~~Department of Transportation. A violation of a weight limit in this~~  
 39          ~~section is not punishable under G.S. 20-176."~~

40          Sec. 15. G.S. 20-118(f) is repealed.

41          Sec. 16. G.S. 20-118(i) is repealed.

42          Sec. 17. G.S. 20-174.1(b) reads as rewritten:

43          "(b) Any person convicted of violating this section shall be punished by a fine not  
 44          ~~exceeding five hundred dollars (\$500.00) or by imprisonment not exceeding six~~

1 ~~months, or both, in the discretion of the court. Violation of this section is a Class 2~~  
2 ~~misdemeanor."~~

3 Sec. 18. G.S. 20-193 is repealed.

4 Sec. 19. Article 6 of Chapter 20 of the General Statutes is repealed.

5 Sec. 20. G.S. 20-218, as amended by Chapter 217 of the 1993 Session Laws,  
6 reads as rewritten:

7 "**§ 20-218. Standard qualifications for school bus drivers; speed ~~limit.~~ limit for**  
8 **school buses and school activity buses.**

9 (a) Qualifications. – No person shall drive a school bus over the highways or  
10 public vehicular areas of North Carolina while it is occupied by children unless the  
11 person furnishes to the superintendent of the schools of the county in which the bus  
12 shall be operated a certificate from any representative duly designated by the  
13 Commissioner and from the Director of Transportation or a designee of the Director in  
14 charge of school buses in the county showing that the person has been examined by  
15 them and is fit and competent to drive a school bus over the highways and public  
16 vehicular areas of the State. The driver of a school bus must be at least 18 years of age  
17 and hold a Class A, B, or C commercial drivers license and a school bus driver's  
18 certificate. The driver of a school activity bus must meet the same qualifications as a  
19 school bus driver or must have a license appropriate for the class of vehicle being  
20 driven.

21 (b) Speed Limits. – ~~It shall be is unlawful for any person to operate or drive a~~  
22 ~~school bus loaded with children over the highways or public vehicular areas of North~~  
23 ~~Carolina the State at a greater rate of speed than 45 miles per hour, except for school~~  
24 ~~activity buses which are painted a different color from regular school buses and which are~~  
25 ~~being used for transportation of students or others to or from places for participation in events~~  
26 ~~other than regular classroom work, it shall be hour. It is unlawful to operate such drive a~~  
27 school activity bus loaded with children over the highways or public vehicular areas of  
28 North Carolina at a greater rate of speed than 55 miles per hour.

29 (c) Punishment. – ~~Any person violating this section shall, upon conviction, be~~  
30 ~~fined not more than fifty dollars (\$50.00) or imprisoned for not more than 30 days. A~~  
31 person who violates this section commits a Class 3 misdemeanor."

32 Sec. 21. G.S. 20-218.1 is repealed.

33 Sec. 22. G.S. 20-4.01(27) is amended by adding two new subparts to read:

34 "d3. School activity bus. – A vehicle, generally painted a different  
35 color from a school bus, whose primary purpose is to transport  
36 school students and others to or from a place for participation in  
37 an event other than regular classroom work. The term includes  
38 a public, private, or parochial vehicle that meets this  
39 description.

40 d4. School bus. – A vehicle whose primary purpose is to transport  
41 school students over an established route to and from school for  
42 the regularly scheduled school day, that is equipped with  
43 alternately flashing red lights on the front and rear and a  
44 mechanical stop signal, and that bears the words 'School Bus'



1 on the front and rear in letters at least 8 inches in height. The  
2 term includes a public, private, or parochial vehicle that meets  
3 this description."

4 Sec. 23. G.S. 20-218.2 reads as rewritten:

5 "**§ 20-218.2. Speed limit for ~~activity buses for nonprofit purpose.~~ nonprofit activity**  
6 **buses.**

7 It shall be is unlawful for any person to operate to drive an activity bus for that is  
8 owned by a nonprofit organization for a nonprofit purpose which is being used for  
9 transportation of and is transporting persons in connection with nonprofit activities in  
10 excess of over the highways or public vehicular areas of North Carolina at a greater rate  
11 of speed than 55 miles per hour. A person who violates this section commits a Class 3  
12 misdemeanor.

13 Any person violating this section shall, upon conviction, be fined not more than fifty  
14 dollars (\$50.00) or imprisoned for not more than 30 days."

15 Sec. 24. G.S. 20-219 is repealed.

16 Sec. 25. Article 8A of Chapter 20 of the General Statutes is repealed.

17 Sec. 26. G.S. 20-279.7A reads as rewritten:

18 "**§ 20-279.7A. Forms to carry statement concerning perjury.**

19 The Division of Motor Vehicles shall print on all forms provided to drivers covered  
20 by G.S. 20-279.5, 20-279.6, or 20-279.7 that a A person who makes a false affidavit or  
21 falsely sworn or affirmed statement constitutes perjury and may be punished by  
22 imprisonment for up to 10 years or a fine or both. concerning information required to be  
23 submitted under this Article commits a Class I felony. The Division shall include a  
24 statement of this offense on a form that it provides under this Article and that must be  
25 completed under oath."

26 Sec. 27. G.S. 20-279.34 is repealed.

27 Sec. 28. G.S. 20-309.1 is repealed.

28 Sec. 29. G.S. 20-310 is repealed.

29 Sec. 30. Article 36 of Chapter 58 of the General Statutes is amended by  
30 adding a new section to read:

31 "**§ 58-36-85. Termination of a nonfleet private passenger motor vehicle insurance**  
32 **policy.**

33 (a) Definitions. The following definitions apply in this section:

34 (1) Policy. – A nonfleet private passenger motor vehicle liability insurance  
35 policy, including a policy that provides medical payments, uninsured  
36 motorist, or underinsured motorist coverage, whose named insured is  
37 one individual or a husband and wife who reside in the same  
38 household.

39 (2) Terminate. – To cancel or refuse to renew a policy.

40 (b) Termination Restrictions. – An insurer shall not terminate a policy for a  
41 reason that is not specified in G.S. 58-37-50(1) through (5) or G.S. 58-36-65(g). A  
42 termination of a policy is not effective unless the insurer either has notified a named  
43 insured of the termination by sending a written termination notice by first class mail to  
44 the insured's last known address or is not required by this subsection to send a written

1 termination notice. Proof of mailing of a written termination notice is proof that the  
2 notice was sent.

3 An insurer is not required to send a written termination notice if any of the following  
4 applies:

5 (1) The insurer has manifested its willingness to renew the policy by  
6 issuing or offering to issue a renewal policy, a certificate, or other  
7 evidence of renewal.

8 (2) The insurer has manifested its willingness to renew the policy by any  
9 means not described in subdivision (1) of this subsection, including  
10 mailing a premium notice or expiration notice by first class mail to the  
11 named insured and the failure of the insured to pay the required  
12 premium on or before the premium due date.

13 (3) A named insured has given written notification to the insurer or its  
14 agent that the named insured wants the policy to be terminated.

15 (c) Contents of Notice. – The form of a written termination notice used by an  
16 insurer must be approved by the Commissioner before it is used. A written termination  
17 notice must state the reason for the termination and the date the termination is effective.  
18 If the policy is terminated for nonpayment of the premium, the effective date may be 15  
19 days from the date the notice is mailed. If the policy is terminated for any other reason,  
20 the effective date must be at least 60 days after the notice is mailed. A written  
21 termination notice must include or be accompanied by a statement that advises the  
22 insured of the penalty for driving a vehicle without complying with Article 13 of  
23 Chapter 20 of the General Statutes and that the insured has the right to request the  
24 Department to review the termination.

25 (d) Request for Review. – An insured who receives from an insurer a written  
26 termination notice may obtain review of the termination by filing with the Department a  
27 written request for review within 10 days after receiving a termination notice that  
28 complies with subsection (c) of this section. An insured who does not file a request  
29 within the required time waives the right to a review.

30 (e) Administrative Review. – When the Department receives a written request  
31 to review a termination, it must investigate and determine the reason for the termination.  
32 The Department shall enter an order for one of the following upon completing its  
33 review:

34 (1) Approval of the termination, if it finds the termination complies with  
35 the law.

36 (2) Renewal or reinstatement of the policy, if it finds the termination does  
37 not comply with the law.

38 (3) Renewal or reinstatement of the policy and payment by the insurer of  
39 the costs of the Department's review, not to exceed one thousand  
40 dollars (\$1,000), if it finds the termination does not comply with the  
41 law and the insurer willfully violated this section.

42 The Department shall mail a copy of the order to the insured and the insurer. An  
43 insured or an insurer who disagrees with the determination of the Department may file a  
44 petition for a contested case under Article 3A of Chapter 150B of the General Statutes

1 and the rules adopted by the Commissioner to implement that Article. The petition  
2 must be filed within 30 days after receiving the copy of the order.

3 (f) Delegation. – The Commissioner shall designate an employee or a deputy to  
4 conduct the departmental review of a termination. The Commissioner may designate a  
5 deputy to conduct a contested case hearing concerning a termination. The  
6 Commissioner may not designate a deputy who conducted the departmental review of a  
7 termination to conduct a contested case hearing concerning the same termination.

8 (g) Effect of Review on Policy. – A policy shall remain in effect during  
9 administrative and judicial review of an insurer's action to terminate the policy.

10 (h) Liability Limit. – There is no liability on the part of and no cause of action for  
11 defamation or invasion of privacy arises against an insurer, an insurer's authorized  
12 representatives, agents, or employees, or a licensed insurance agent or broker for a  
13 communication or statement made concerning a written notice of termination.

14 (i) Records. – An insurer shall keep a record of a termination for three years."

15 Sec. 31. G.S. 20-310.2 is repealed.

16 Sec. 32. The title to Article 12E of Chapter 120 of the General Statutes reads  
17 as rewritten:

18 **"ARTICLE 12E.**

19 **"JOINT LEGISLATIVE ~~HIGHWAY~~ TRANSPORTATION OVERSIGHT**  
20 **COMMITTEE."**

21 Sec. 33. Section 1 of this act becomes effective October 1, 1994, and applies  
22 to offenses occurring on or after that date. Sections 2 through 4, 17, 20, 23, and 26 of  
23 this act become effective the same date that Chapter 539 of the 1993 Session Laws  
24 becomes effective and apply to offenses committed on or after the effective date of  
25 Chapter 539; prosecutions for, or sentences based on, offenses occurring before the  
26 effective date of Chapter 539 are not abated or affected by these sections. Sections 29  
27 through 31 of this act become effective February 1, 1995, and apply to policies written  
28 on or after that date. The remaining sections of this act are effective upon ratification.