

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013**

**SENATE BILL 305
RATIFIED BILL**

AN ACT TO IMPROVE THE PUBLIC/PRIVATE PARTNERSHIP BY WHICH THE
DIVISION OF MOTOR VEHICLES ISSUES MOTOR VEHICLE TITLES AND
REGISTRATIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-63.02. Advisory committee of commission contractors.

(a) Committee and Duties. – An advisory committee is established and is designated the License Plate Agent (LPA) Advisory Committee. The Division and the LPA Advisory Committee are directed to work together to ensure excellent and efficient customer service with respect to vehicle titling and registration services provided through commission contracts awarded under G.S. 20-63. As part of this effort, the Division and the Committee must periodically review all forms and instructions used in the vehicle titling and registration process to ensure that they are readily understandable and not duplicative. The Committee must meet at least quarterly.

(b) Membership and Terms. – The LPA Advisory Committee consists of persons who are on the staff of the Division of Motor Vehicles and six persons appointed by the North Carolina Association of Motor Vehicle Registration Contractors. The Commissioner determines the number of Division staff persons to appoint to the Committee and designates the chair of the Committee. Members of the Committee appointed by the Commissioner serve ex officio. Members of the Committee appointed by the Association serve two-year terms beginning on July 1 of an odd-numbered year. A member who serves for a specific term continues to serve after the expiration of the member's term until a successor is appointed.

(c) Expenses. – Members of the LPA Advisory Committee are allowed the per diem, subsistence, and travel allowances established under G.S. 138-5 for service on State boards and commissions."

SECTION 1.(b) The License Plate Agent Advisory Committee, established in subsection (a) of this section, and the Division of Motor Vehicles shall review the standard operating procedures applicable to commission contractors to determine if any changes are needed and shall recommend to the 2013 Regular Session of the General Assembly when it reconvenes in 2014 a process by which the Division is required to give notice of proposed changes and receive comments on proposed changes before they are implemented.

SECTION 1.(c) The terms of the initial appointments by the North Carolina Association of Motor Vehicle Registration Contractors to the License Plate Agent Advisory Committee, established in subsection (a) of this section, begin upon appointment and expire on July 1, 2015.

SECTION 2.(a) G.S. 20-63(h) reads as rewritten:

"(h) Commission Contracts for Issuance of Plates and Certificates. – All registration plates, registration certificates, and certificates of title issued by the Division, outside of those issued from the Charlotte, Fort Bragg and Raleigh offices of the Division and those issued and handled through the United States mail, shall be issued insofar as practicable and possible through commission contracts entered into by the Division for the issuance of the plates and certificates in localities throughout North Carolina, including military installations within this State, with persons, firms, corporations or governmental subdivisions of the State of North Carolina. The Division shall make a reasonable effort in every locality, except as noted above, to enter into a commission contract for the issuance of the plates and certificates and a record of



these efforts shall be maintained in the Division. In the event the Division is unsuccessful in making commission contracts, it shall issue the plates and certificates through the regular employees of the Division. Whenever registration plates, registration certificates, and certificates of title are issued by the Division through commission contract arrangements, the Division shall provide proper supervision of the distribution. Nothing contained in this subsection will allow or permit the operation of fewer outlets in any county in this State than are now being operated.

Commission contracts entered into by the Division under this subsection shall provide for the payment of compensation on a per transaction basis. The collection of the highway use tax ~~shall be~~ is considered a separate transaction for which one dollar and twenty-seven cents (\$1.27) compensation shall be paid. The issuance of a limited registration "T" sticker and the collection of property tax are each considered a separate transaction for which compensation at the rate of one dollar and twenty-seven cents (\$1.27) and seventy-one cents (\$0.71), respectively, shall be paid by counties and municipalities as a cost of the combined motor vehicle registration renewal and property tax collection system. The performance at the same time of one or more of the ~~remaining transactions listed in this subsection shall be~~ below is considered a single transaction for which one dollar and forty-three cents (\$1.43) compensation shall be ~~paid.~~ paid:

~~A transaction is any of the following activities:~~

- (1) Issuance of a registration plate, a registration card ~~issued without collection of property taxes or fees under G.S. 105-330.5,~~ card, a registration renewal sticker, or a certificate of title.
- (2) Issuance of a handicapped placard or handicapped identification card.
- (3) Acceptance of an application for a personalized registration plate.
- (4) Acceptance of a surrendered registration plate, registration card, or registration renewal sticker, or acceptance of an affidavit stating why a person cannot surrender a registration plate, registration card, or registration renewal sticker.
- (5) Cancellation of a title because the vehicle has been junked.
- (6) Acceptance of an application for, or issuance of, a refund for a fee or a tax, other than the highway use tax.
- (7) Receipt of the civil penalty imposed by G.S. 20-311 for a lapse in financial responsibility or receipt of the restoration fee imposed by that statute.
- (8) Acceptance of a notice of failure to maintain financial responsibility for a motor vehicle.
- (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
- ~~(8b) Sale of one or more inspection stickers in a single transaction to a licensed inspection station.~~
- ~~(9) Collection of the highway use tax.~~
- (10) Acceptance of a temporary lien filing."

SECTION 2.(b) G.S. 105-330.5(b) reads as rewritten:

"(b) Distribution and Collection Fees. – The Property Tax Division of the Department of Revenue or a third-party contractor selected by the Property Tax Division must send a copy of the combined tax and registration notice for a registered classified motor vehicle to the motor vehicle owner, as defined in G.S. 20-4.01. The Department must establish a fee equal to the actual cost of preparing, printing, and sending the notice. The Department may receive a fee for each notice generated for a vehicle registered in a county or municipal corporation from the taxes and fees remitted to the county or municipal corporation in which the vehicle is registered. The collecting authority is responsible for collecting county and municipal taxes and fees assessed under this Article and may receive a fee for collecting these taxes and fees. The amount of this fee must equal at least ~~one third of the compensation paid for registration renewals conducted by contract agents~~ the applicable amount set under G.S. 20-63(h). The Property Tax Division must establish procedures to ensure that tax payments and fees received pursuant to this Article and Chapter 20 of the General Statutes are properly accounted for and taxes and fees due other taxing units and the Division of Motor Vehicles are remitted at least once each month."

SECTION 2.(c) Notwithstanding G.S. 20-63(h), as amended by subsection (a) of this section, the transaction rate of one dollar and six cents (\$1.06) applies to the collection of

property tax by commission contractors for vehicles whose registration renewals expire on or between September 30, 2013, and February 28, 2014.

SECTION 3. Implementation by the Division of Motor Vehicles of the Department of Transportation of an integrated computer system that combines vehicle registration with the collection of property tax includes training commission contractors under G.S. 20-63(h) on the use of that integrated computer system. The cost of the system training required of the commission contractors on or after April 1, 2013, and before July 1, 2013, is a cost of the combined motor vehicle registration renewal and property tax collection system and is payable from the Combined Motor Vehicle and Registration Account, established under G.S. 105-330.10.

SECTION 3.1. The Revenue Laws Study Committee is directed to study the per transaction compensation amounts provided in Commission contracts entered into by the Division of Motor Vehicles for the issuance of registration plates, registration certificates, and certificates of title. The Committee shall report its findings and recommendation on the per transaction compensation amounts to the 2014 Regular Session of the 2013 General Assembly.

SECTION 4. Section 2 of this act becomes effective July 1, 2013. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of July, 2013.

s/ Tom Apodaca
Presiding Officer of the Senate

s/ Thom Tillis
Speaker of the House of Representatives

Pat McCrory
Governor

Approved _____m. this _____ day of _____, 2013