

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 791
Second Edition Engrossed 6/15/16

Short Title: LPA Comm. Contractor Rate Revision & Study. (Public)

Sponsors: Senator Tillman (Primary Sponsor).

Referred to: Rules and Operations of the Senate

May 2, 2016

A BILL TO BE ENTITLED

AN ACT TO INCLUDE PER TRANSACTION RATES PAID TO LICENSE PLATE AGENCY
COMMISSION CONTRACTORS WITHIN THE QUADRENNIAL ADJUSTMENT MADE
BY THE DIVISION OF MOTOR VEHICLES, TO SPECIFY THAT PROCESSING AN
INSPECTION STOP IS A SEPARATE TRANSACTION FOR WHICH COMPENSATION
SHALL BE PAID, AND TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO
STUDY THE PROCEDURE FOR PROCESSING INSPECTION STOPS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-4.02 reads as rewritten:

"§ 20-4.02. Quadrennial adjustment of certain fees, fees and rates.

(a) Adjustment for Inflation. – Beginning July 1, 2020, and every four years thereafter, the
Division shall adjust the fees ~~charged~~ and rates imposed pursuant to the statutes listed in this
subsection for inflation in accordance with the Consumer Price Index computed by the Bureau of
Labor ~~Statistics, Statistics~~. The adjustment for per transaction rates in subdivision (8a) of this
subsection shall be rounded to the nearest cent and all other adjustments under this subsection
shall be rounded to the nearest twenty-five cents (25¢):

- (1) G.S. 20-7.
- (2) G.S. 20-11.
- (3) G.S. 20-14.
- (4) G.S. 20-16.
- (5) G.S. 20-26.
- (6) G.S. 20-37.15.
- (7) G.S. 20-37.16.
- (8) G.S. 20-42(b).
- (8a) G.S. 20-63(h), with respect to the per transaction rates set in that subsection.
- (9) G.S. 20-85(a)(1) through (10).
- (10) G.S. 20-85.1.
- (11) G.S. 20-87, except for the additional fee set forth in G.S. 20-87(6) for private
motorcycles.
- (12) G.S. 20-88.
- (13) G.S. 20-289.
- (14) G.S. 20-385.
- (15) G.S. 44A-4(b)(1).

(b) Computation. – In determining the rate of inflation to use when ~~adjusting the
fees~~ making an adjustment pursuant to subsection (a) of this section, the Division shall base the



1 rate on the percent change in the annual Consumer Price Index over the preceding four-year
2 period.

3 (c) Rules. – The provisions of Chapter 150B of the General Statutes shall not apply to the
4 inflation adjustment of fees required by this section.

5 (d) Consultation and Publication. – At least 90 days prior to ~~adjusting the fees~~making an
6 adjustment pursuant to subsection (a) of this section, and notwithstanding any provision of
7 G.S. 12-3.1 to the contrary, the Division shall (i) consult with the Joint Legislative Commission on
8 Governmental Operations, (ii) provide a report to the chairs of the Senate Appropriations
9 Committee on Department of Transportation and the House of Representatives Appropriations
10 Committee on Transportation, and (iii) publish notice of the fees that will be in effect in the offices
11 of the Division and on the Division's Web site."

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

13 "(h) Commission Contracts for Issuance of Plates and Certificates. – All registration plates,
14 registration certificates, and certificates of title issued by the Division, outside of those issued
15 from the office of the Division located in Wake, Cumberland, or Mecklenburg Counties and those
16 issued and handled through the United States mail, shall be issued insofar as practicable and
17 possible through commission contracts entered into by the Division for the issuance of the plates
18 and certificates in localities throughout North Carolina, including military installations within this
19 State, with persons, firms, corporations or governmental subdivisions of the State of North
20 Carolina. The Division shall make a reasonable effort in every locality, except as noted above, to
21 enter into a commission contract for the issuance of the plates and certificates and a record of
22 these efforts shall be maintained in the Division. In the event the Division is unsuccessful in
23 making commission contracts, it shall issue the plates and certificates through the regular
24 employees of the Division. Whenever registration plates, registration certificates, and certificates
25 of title are issued by the Division through commission contract arrangements, the Division shall
26 provide proper supervision of the distribution. Nothing contained in this subsection allows or
27 permits the operation of fewer outlets in any county in this State than are now being operated.

28 The terms of a commission contract entered under this subsection shall specify the duration of
29 the contract and either include or incorporate by reference standards by which the Division may
30 supervise and evaluate the performance of the commission contractor. The duration of an initial
31 commission contract may not exceed eight years and the duration of a renewal commission
32 contract may not exceed two years. The Division may award monetary performance bonuses, not
33 to exceed an aggregate total of ninety thousand dollars (\$90,000) annually, to commission
34 contractors based on their performance.

35 The amount of compensation payable to a commission contractor is determined on a per
36 transaction basis. The collection of the highway use tax ~~is and the removal of an inspection stop are~~
37 each considered a separate transaction for which one dollar and thirty cents (\$1.30) compensation
38 shall be paid. The issuance of a limited registration "T" sticker and the collection of property tax
39 are each considered a separate transaction for which compensation at the rate of one dollar and
40 thirty cents (\$1.30) and one dollar and eight cents (\$1.08) respectively, shall be paid by counties
41 and municipalities as a cost of the combined motor vehicle registration renewal and property tax
42 collection system. The performance at the same time of one or more of the transactions below is
43 considered a single transaction for which one dollar and forty-six cents (\$1.46) compensation shall
44 be paid:

45"

46 **SECTION 3.** The Division of Motor Vehicles of the Department of Transportation is
47 directed to study the following and to report its findings and recommendations to the Joint
48 Legislative Transportation Oversight Committee by December 1, 2017:

49 (1) The number of State vehicle inspection stops that were overridden in the two
50 most recent fiscal years due to the failure of data to be transmitted timely from

- 1 an inspection station to the State Titling and Registration System (STARS) or
- 2 due to other reasons.
- 3 (2) Any changes, in the process or in the law, required to reduce or eliminate the
- 4 need for commission contractors to override, through a cumbersome data entry
- 5 process, an incorrect State inspection stop.
- 6 (3) The number of vehicles registered in the State in the two most recent fiscal
- 7 years that were subject to inspection under federal law.
- 8 (4) The process by which data is entered in STARS to reflect that a vehicle has met
- 9 the federal inspection requirement and whether this process can be made
- 10 simpler.

11 **SECTION 4.** Sections 2 and 3 of this act become effective October 1, 2016. The
12 remainder of this act is effective when it becomes law.