

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

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**SENATE BILL 1250**

Short Title: Online Vehicle Registration Partnerships.

(Public)

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Sponsors: Senator Jenkins.

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Referred to: Transportation.

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March 26, 2007

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE AN ONLINE DEALER PROCESS FOR THE  
2 REGISTRATION AND TITLING OF MOTOR VEHICLES, TO ESTABLISH  
3 FEES FOR SERVICES PROVIDED BY THE THIRD-PARTY ELECTRONIC  
4 SYSTEM REGISTRATION AND TITLING SERVICE PROVIDERS, AND TO  
5 PROVIDE FOR FEES TO THE STATE AND COMMISSION CONTRACT  
6 OFFICES THAT PROVIDE QUALITY ASSURANCE CHECKS FOR DEALERS  
7 THAT HAVE A CONTRACT AND WHO USE THE THIRD-PARTY  
8 ELECTRONIC SYSTEM REGISTRATION AND TITLING SERVICE  
9 PROVIDER.  
10

11 The General Assembly of North Carolina enacts:

12 **SECTION 1.** G.S. 20-63 reads as rewritten:

13 **"§ 20-63. Registration plates furnished by Division; requirements; replacement of**  
14 **regular plates with First in Flight plates; surrender and reissuance;**  
15 **displaying; preservation and cleaning; alteration or concealment of**  
16 **numbers; commission contracts for issuance.**

17 (a) The Division upon registering a vehicle shall issue to the owner one  
18 registration plate for a motorcycle, trailer or semitrailer and for every other motor  
19 vehicle. Registration plates issued by the Division under this Article shall be and remain  
20 the property of the State, and it shall be lawful for the Commissioner or his duly  
21 authorized agents to summarily take possession of any plate or plates which he has  
22 reason to believe is being illegally used, and to keep in his possession such plate or  
23 plates pending investigation and legal disposition of the same. Whenever the  
24 Commissioner finds that any registration plate issued for any vehicle pursuant to the  
25 provisions of this Article has become illegible or is in such a condition that the numbers  
26 thereon may not be readily distinguished, he may require that such registration plate,  
27 and its companion when there are two registration plates, be surrendered to the  
28 Division. When said registration plate or plates are so surrendered to the Division, a  
29 new registration plate or plates shall be issued in lieu thereof without charge. The owner

1 of any vehicle who receives notice to surrender illegible plate or plates on which the  
2 numbers are not readily distinguishable and who willfully refuses to surrender said  
3 plates to the Division shall be guilty of a Class 2 misdemeanor.

4 (b) Every license plate shall have displayed upon it the registration number  
5 assigned to the vehicle for which it is issued, the name of the State of North Carolina,  
6 which may be abbreviated, and the year number for which it is issued or the date of  
7 expiration. A plate issued for a commercial vehicle, as defined in G.S. 20-4.2(1), and  
8 weighing 26,001 pounds or more, must bear the word "commercial," unless the plate is  
9 a special registration plate authorized in G.S. 20-79.4 or the commercial vehicle is a  
10 trailer or is licensed for 6,000 pounds or less. The plate issued for vehicles licensed for  
11 7,000 pounds through 26,000 pounds must bear the word "weighted".

12 Except as otherwise provided in this subsection, a registration plate issued by the  
13 Division for a private passenger vehicle or for a private hauler vehicle licensed for  
14 6,000 pounds or less shall be a "First in Flight" plate. A "First in Flight" plate shall have  
15 the words "First in Flight" printed at the top of the plate above all other letters and  
16 numerals. The background of the plate shall depict the Wright Brothers biplane flying  
17 over Kitty Hawk Beach, with the plane flying slightly upward and to the right. The  
18 following special registration plates do not have to be a "First in Flight" plate. The  
19 design of the plates that are not "First in Flight" plates must be approved by the Division  
20 and the State Highway Patrol for clarity and ease of identification.

- 21 (1) Friends of the Great Smoky Mountains National Park.
- 22 (2) Rocky Mountain Elk Foundation.
- 23 (3) Blue Ridge Parkway Foundation.
- 24 (4) Friends of the Appalachian Trail.
- 25 (5) NC Coastal Federation.
- 26 (6) In God We Trust.
- 27 (7) Stock Car Racing Theme.
- 28 (8) Buddy Pelletier Surfing Foundation.
- 29 (9) Guilford Battleground Company.
- 30 (10) National Wild Turkey Federation.
- 31 (11) North Carolina Aquarium Society.
- 32 (12) First in Forestry.
- 33 (13) North Carolina Wildlife Habitat Foundation.
- 34 (14) NC Trout Unlimited.
- 35 (15) Ducks Unlimited.
- 36 (16) Lung Cancer Research.
- 37 (17) NC State Parks.
- 38 (18) Support Our Troops.
- 39 (19) US Equine Rescue League.
- 40 (20) Fox Hunting.

41 (c) Such registration plate and the required numerals thereon, except the year  
42 number for which issued, shall be of sufficient size to be plainly readable from a  
43 distance of 100 feet during daylight.

1 (d) Registration plates issued for a motor vehicle other than a motorcycle, trailer,  
2 or semitrailer shall be attached thereto, one in the front and the other in the rear:  
3 Provided, that when only one registration plate is issued for a motor vehicle other than a  
4 truck-tractor, said registration plate shall be attached to the rear of the motor vehicle.  
5 The registration plate issued for a truck-tractor shall be attached to the front thereof.  
6 Provided further, that when only one registration plate is issued for a motor vehicle and  
7 this motor vehicle is transporting a substance that may adhere to the plate so as to cover  
8 or discolor the plate or if the motor vehicle has a mechanical loading device that may  
9 damage the plate, the registration plate may be attached to the front of the motor  
10 vehicle.

11 Any motor vehicle of the age of 35 years or more from the date of manufacture may  
12 bear the license plates of the year of manufacture instead of the current registration  
13 plates, if the current registration plates are maintained within the vehicle and produced  
14 upon the request of any person.

15 The Division shall provide registered owners of motorcycles and motorcycle trailers  
16 with suitably reduced size registration plates.

17 (e) Preservation and Cleaning of Registration Plates. – It shall be the duty of each  
18 and every registered owner of a motor vehicle to keep the registration plates assigned to  
19 such motor vehicle reasonably clean and free from dust and dirt, and such registered  
20 owner, or any person in his employ, or who operates such motor vehicle by his  
21 authority, shall, upon the request of any proper officer, immediately clean such  
22 registration plates so that the numbers thereon may be readily distinguished, and any  
23 person who shall neglect or refuse to so clean a registration plate, after having been  
24 requested to do so, shall be guilty of a Class 3 misdemeanor.

25 (f) Operating with False Numbers. – Any person who shall willfully operate a  
26 motor vehicle with a registration plate which has been repainted or altered or forged  
27 shall be guilty of a Class 2 misdemeanor.

28 (g) Alteration, Disguise, or Concealment of Numbers. – Any operator of a motor  
29 vehicle who shall willfully mutilate, bend, twist, cover or cause to be covered or  
30 partially covered by any bumper, light, spare tire, tire rack, strap, or other device, or  
31 who shall paint, enamel, emboss, stamp, print, perforate, or alter or add to or cut off any  
32 part or portion of a registration plate or the figures or letters thereon, or who shall place  
33 or deposit or cause to be placed or deposited any oil, grease, or other substance upon  
34 such registration plates for the purpose of making dust adhere thereto, or who shall  
35 deface, disfigure, change, or attempt to change any letter or figure thereon, or who shall  
36 display a number plate in other than a horizontal upright position, shall be guilty of a  
37 Class 2 misdemeanor. Any operator of a motor vehicle who shall willfully cover or  
38 cause to be covered any part or portion of a registration plate or the figures or letters  
39 thereon by any device designed or intended to prevent or interfere with the taking of a  
40 clear photograph of a registration plate by a traffic control system using cameras  
41 commits an infraction and shall be fined under G.S. 14-3.1. Any operator of a motor  
42 vehicle who shall otherwise intentionally cover any number or registration renewal  
43 sticker on a registration plate with any material that makes the number or registration  
44 renewal sticker illegible commits an infraction and shall be fined under G.S. 14-3.1.

1 Nothing in this subsection shall prohibit the use of transparent covers that are not  
2 designed or intended to prevent or interfere with the taking of a clear photograph of a  
3 registration plate by a traffic control system using cameras.

4 (h) Commission Contracts for Issuance of Plates and Certificates. – All  
5 registration plates, registration certificates, and certificates of title issued by the  
6 Division, outside of those issued from the Charlotte and Raleigh offices of the Division  
7 and those issued and handled through the United States mail, shall be issued insofar as  
8 practicable and possible through commission contracts entered into by the Division for  
9 the issuance of the plates and certificates in localities throughout North Carolina with  
10 persons, firms, corporations or governmental subdivisions of the State of North  
11 Carolina. The Division shall make a reasonable effort in every locality, except as noted  
12 above, to enter into a commission contract for the issuance of the plates and certificates  
13 and a record of these efforts shall be maintained in the Division. In the event the  
14 Division is unsuccessful in making commission contracts, it shall issue the plates and  
15 certificates through the regular employees of the Division. Whenever registration plates,  
16 registration certificates, and certificates of title are issued by the Division through  
17 commission contract arrangements, the Division shall provide proper supervision of the  
18 distribution. Nothing contained in this subsection will allow or permit the operation of  
19 fewer outlets in any county in this State than are now being operated.

20 Commission contracts entered into by the Division under this subsection shall  
21 provide for the payment of compensation on a per transaction basis. The collection of  
22 the highway use tax shall be considered a separate transaction for which one dollar and  
23 twenty-seven cents (\$1.27) compensation shall be paid. The performance at the same  
24 time of one or more of the remaining transactions listed in this subsection shall be  
25 considered a single transaction for which one dollar and forty-three cents (\$1.43)  
26 compensation shall be paid.

27 A transaction is any of the following activities:

- 28 (1) Issuance of a registration plate, a registration card, a registration  
29 renewal sticker, or a certificate of title.
- 30 (2) Issuance of a handicapped placard or handicapped identification card.
- 31 (3) Acceptance of an application for a personalized registration plate.
- 32 (4) Acceptance of a surrendered registration plate, registration card, or  
33 registration renewal sticker, or acceptance of an affidavit stating why a  
34 person cannot surrender a registration plate, registration card, or  
35 registration renewal sticker.
- 36 (5) Cancellation of a title because the vehicle has been junked.
- 37 (6) Acceptance of an application for, or issuance of, a refund for a fee or a  
38 tax, other than the highway use tax.
- 39 (7) **(Effective until July 1, 2008)** Receipt of the civil penalty imposed by  
40 G.S. 20-309 for a lapse in financial responsibility or receipt of the  
41 restoration fee imposed by that statute.
- 42 (7) **(Effective July 1, 2008)** Receipt of the civil penalty imposed by  
43 G.S. 20-311 for a lapse in financial responsibility or receipt of the  
44 restoration fee imposed by that statute.

- 1 (8) Acceptance of a notice of failure to maintain financial responsibility  
2 for a motor vehicle.
- 3 (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
- 4 (8b) Sale of one or more inspection stickers in a single transaction to a  
5 licensed inspection station.
- 6 (9) Collection of the highway use tax.
- 7 (10) Acceptance of a temporary lien filing.

8 (h1) Commission contracts entered into by the Division under this subsection shall  
9 also provide for the payment of an additional one dollar (\$1.00) of compensation to  
10 commission contract agents for any transaction assessed a fee under subdivision (a)(1),  
11 (a)(2), (a)(3), (a)(7), (a)(8), or (a)(9) of G.S. 20-85.

12 (i) Electronic Applications and Collections. – The Division is authorized to  
13 accept electronic applications for the issuance of registration plates, registration  
14 certificates, and certificates of title, and to electronically collect fees and penalties.

15 The Division and commission contractors are authorized to accept financial  
16 transaction card payments for any fees or penalties assessed pursuant to this Chapter.  
17 The Division shall select the financial transaction card service providers, negotiate the  
18 transaction fees, and provide for the installation of financial transaction card readers in  
19 the Charlotte and Raleigh Division offices and in any commission contractor offices.  
20 All transaction fees assessed for any financial card transaction collecting fees or  
21 penalties assessed pursuant to this Chapter shall be paid by the Division.

22 (j) The Division is authorized to enter into contracts with third-party electronic  
23 system providers for the remote electronic filing of documentation necessary to obtain a  
24 new certificate of title, registration plate, or registration card for the purchaser of a  
25 vehicle required to be registered pursuant to this Chapter.

26 (j1) Every franchised or independent motor vehicle dealer licensed under Article  
27 12 of this Chapter that conducts more than 50 transactions a calendar month for the  
28 processing of an application for a new certificate of title or registration of a vehicle sold  
29 shall use a third-party electronic system provider for the remote electronic filing of  
30 documentation necessary to obtain the certificate of title, registration plate, or  
31 registration card for the purchaser of a vehicle required to be registered pursuant to this  
32 Chapter.

33 The Division shall evaluate the number of transactions conducted by every franchise  
34 or independent motor vehicle dealer for the preceding six months, on January 1 and July  
35 1 of each year, and shall divide the dealers into two categories. Category 1 dealers shall  
36 be dealers that conduct 50 or more transactions per calendar month to obtain the  
37 certificate of title, registration plate, or registration card for the purchaser of a vehicle.  
38 All Category 1 dealers shall be required to use a third-party electronic system provider  
39 for the remote electronic filing of documentation for every transaction. Category 2  
40 dealers shall be dealers that conduct fewer than 50 transactions per calendar month to  
41 obtain the certificate of title, registration plate, or registration card for the purchaser of a  
42 vehicle. Category 2 dealers shall not be required to, but may, use a third-party electronic  
43 system provider for the remote electronic filing of documentation.

1       (j2) Every franchised or independent motor vehicle dealer licensed under Article  
2 12 of this Chapter shall pay to the Division a fee of fifteen dollars (\$15.00) for each  
3 manual transaction in excess of a total of 50 transactions per calendar month conducted  
4 electronically through a Division-approved remote electronic system provider or at a  
5 local commission contractor's office. For the purposes of this section, a "manual  
6 transaction" shall be any transaction that is not conducted electronically. The manual  
7 transaction fee authorized by this subsection shall be in addition to any fees charged by  
8 the Division pursuant to this Chapter for the processing of an application for a new  
9 certificate of title or registration of a vehicle. The dealer's manual transaction fee  
10 authorized by this section shall not apply to any transaction for which there is no  
11 Division-approved remote electronic filing option available. Any dealer who has been  
12 charged a dealer's manual transaction fee shall not collect such transaction fee from the  
13 purchaser of the vehicle. The fifteen dollar (\$15.00) manual transaction fee assessed  
14 under this subsection shall be submitted to the Division to be remitted to the Civil Fines  
15 and Forfeitures Fund established pursuant to G.S. 115C-457.1.

16       There shall be five goodwill transactions exempt from the manual transaction fee  
17 provided for in this subsection. A "goodwill" transaction is a transaction that would  
18 require a dealer licensed under Article 12 of this Chapter to expedite service for a  
19 customer due to exigent circumstances.

20       (j3) Any dealer licensed under Article 12 of this Chapter who uses a  
21 Division-approved system for remote electronic filing of documentation necessary to  
22 obtain a certificate of title or registration for the purchaser of a vehicle shall collect from  
23 the purchaser and remit to the Division-approved remote electronic system provider a  
24 fee of twelve dollars (\$12.00). This fee shall be listed separately on the buyer's order  
25 and identified as an "online systems filing fee."

26       The Division-approved remote electronic system provider shall remit four dollars  
27 (\$4.00) of the online systems filing fee to the Division office or commission contractor  
28 that has entered into a quality assurance agreement with the motor vehicle dealer that  
29 has submitted the online systems filing fee.

30       The Division office or local commission contractor shall, under the quality assurance  
31 agreement, notify a dealer of any monies due the State, any work that did not pass  
32 quality assurance and return it to the dealer for correction, and submit daily reports for  
33 online dealer work processed and source the documents to the Division for imaging and  
34 title processing."

35       **SECTION 2.** This act becomes effective January 1, 2008.