

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 488
Pensions and Retirement and Aging Committee Substitute Adopted 5/2/19
PROPOSED HOUSE COMMITTEE SUBSTITUTE S488-PCS15548-TU-37

Short Title: DMV/MV Dealer Changes.

(Public)

Sponsors:

Referred to:

April 3, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE CHANGES TO VARIOUS DIVISION OF MOTOR VEHICLES
3 PROCESSES.

4 The General Assembly of North Carolina enacts:

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6 **TEMPORARILY AUTHORIZE DIVISION OF MOTOR VEHICLES TO PROCESS**
7 **TITLES THROUGH COMMISSION CONTRACTORS**

8 **SECTION 1.(a)** Notwithstanding any provision of law to the contrary, the Division
9 of Motor Vehicles is authorized to enter into agreements to utilize commission contractors under
10 contract with the Division pursuant to G.S. 20-63(h) to process certificates of title and renewals
11 of vehicle registrations issued by the Division. The Division must provide compensation to a
12 commission contractor for processing titles and registration renewals at the transaction rate
13 established for issuing a title or registration document in G.S. 20-63(h). The Division may only
14 enter into agreements under this section with commission contractors that use the State courier
15 service for delivery. The Division must deliver to the commission contractor any paperwork or
16 supplies necessary for processing a title or registration renewal and provide appropriate guidance
17 on processing. A commission contractor that enters into an agreement under this section is
18 authorized to mail registration plates and stickers directly to customers using prepaid envelopes
19 provided by the Division.

20 **SECTION 1.(b)** This section is effective when it becomes law and expires December
21 31, 2020.

22
23 **AUTHORIZE DIVISION OF MOTOR VEHICLES TO DISTRIBUTE TEMPORARY**
24 **REGISTRATION PLATES THROUGH COMMISSION CONTRACTORS**

25 **SECTION 2.** G.S. 20-79.1 is amended by adding a new subsection to read:

26 "(l) The Division is authorized to enter into agreements to utilize commission contractors
27 under contract with the Division under G.S. 20-63(h) to distribute temporary registration plates
28 to dealers as provided in this section. The Division must provide compensation to commission
29 contractors for distributing temporary registration plates at the transaction rate established for
30 issuing registration documents in G.S. 20-63(h). The Division must provide commission
31 contractors with any forms, equipment, and supplies necessary for distributing temporary
32 registration plates and provide appropriate guidance and supervision of the distribution. The
33 Division shall, insofar as practicable, identify at least six commission contractors to enter into
34 agreements with under this subsection to make temporary registration plates more available to
35 dealers across all geographic regions of the State."



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2 **TEMPORARY APPLICATION FOR NOTATIONS OF SECURITY INTERESTS**
3 **MODIFICATIONS**

4 **SECTION 3.(a)** Electronic Signatures for Applications for Notations of Security
5 Interest Signed by Debtor. – Notwithstanding any other provision of law to the contrary, an
6 application for a notation of a security interest submitted to the Division of Motor Vehicles
7 pursuant to G.S. 20-58(a)(2) signed by a debtor may be signed by electronic signature by the
8 debtor without notarization provided the application is submitted by a licensed or regulated
9 lender in this State having a lienholder identification number issued by the Division.

10 **SECTION 3.(b)** Certain Documentary Evidence Not Required for Applications
11 Without Debtor Signature. – Notwithstanding any other provision of law to the contrary, an
12 application for a notation of a security interest submitted to the Division of Motor Vehicles
13 pursuant to G.S. 20-58(a)(2) signed by the secured party instead of the debtor does not require
14 documentary evidence of the applicant's security interest in that motor vehicle signed by the
15 debtor provided the application is submitted by a licensed or regulated lender in this State having
16 a lienholder identification number issued by the Division.

17 **SECTION 3.(c)** Manufactured Home Applicability. – This section does not apply to
18 applications for a notation of a security interest for manufactured homes.

19 **SECTION 3.(d)** Division Liability. – The Division shall not be liable for any cause
20 of action arising from a notation of security interest fraudulently or erroneously placed on a
21 certificate of title for applications submitted to the Division pursuant to this section. Any entity
22 offering an electronic signature process for applications submitted pursuant to this section
23 assumes all responsibility and liability for the accuracy of the signature. The Division shall be
24 held harmless from any liability to a claim arising from applications submitted with an inaccurate
25 electronic signature pursuant to this section.

26 **SECTION 3.(e)** This section is effective when it becomes law and applies to
27 applications for notation of security interests submitted to the Division of Motor Vehicles on or
28 after that date and before December 1, 2020.

29
30 **ELECTRONIC SUBMISSION AUTHORIZATION FOR DEALER TEMPORARY**
31 **MOTOR VEHICLE PLATE ORDERS**

32 **SECTION 4.(a)** G.S. 20-79.1(a) reads as rewritten:

33 "(a) The Division may, subject to the limitations and conditions hereinafter set forth,
34 deliver temporary registration plates or markers designed by said Division to a dealer duly
35 registered under the provisions of this Article who applies for at least 25 such plates or markers
36 and who encloses with ~~such~~ the application a fee of one dollar (\$1.00) for each plate or marker
37 for which application is made. ~~Such~~ The application shall be made upon a form prescribed and
38 furnished by the Division. The Division shall provide methods for physical and electronic
39 application submission and payment. Any electronic application submitted to the Division under
40 this subsection may include a method for electronic signature by the dealer. Dealers, subject to
41 the limitations and conditions hereinafter set forth, may issue ~~such~~ temporary registration plates
42 or markers to owners of vehicles, provided that ~~such~~ owners shall comply with the pertinent
43 provisions of this section."

44 **SECTION 4.(b)** This section becomes effective October 1, 2020, and applies to
45 dealer applications for temporary registration plates or markers submitted on or after that date.

46
47 **CLARIFY CERTAIN DMV CRIMINAL HISTORY RECORD CHECK**
48 **REQUIREMENTS**

49 **SECTION 5.(a)** G.S. 20-288 reads as rewritten:

50 "§ 20-288. Application for license; license requirements; expiration of license; bond.

51 ...

1 (b) The Division shall require in such application, or otherwise, information relating to
2 matters set forth in G.S. 20-294 as grounds for the refusing of licenses, and to other pertinent
3 matters commensurate with the safeguarding of the public interest, all of which shall be
4 considered by the Division in determining the fitness of the applicant to engage in the business
5 for which he seeks a license. The Division shall not require submission of an applicant's
6 fingerprints to be used in performing a criminal history record check of an applicant for a license
7 or license renewal.

8"

9 **SECTION 5.(b)** G.S. 93B-8.1 is amended by adding a new subsection to read:

10 "(c1) Nothing in this section or in G.S. 93B-1 shall be construed as authorizing an
11 occupational licensing board or a State agency licensing board to require an applicant to consent
12 to a criminal history record check or use of fingerprints or other identifying information required
13 by the State or National Repositories of Criminal Histories as a condition of granting or renewing
14 a license."

15 **SECTION 5.(c)** This section becomes effective July 1, 2020, and applies to
16 applications for licensure or renewal received on or after that date.

17
18 **GRACE PERIOD AUTHORIZED FOR EXPIRATION OF MOTOR VEHICLE DEALER**
19 **LICENSES WHEN RENEWAL PAPERWORK HAS BEEN SUBMITTED**

20 **SECTION 6.(a)** G.S. 20-295 reads as rewritten:

21 "**§ 20-295. Action on ~~application~~ application; grace period while application for license**
22 **renewal is pending.**

23 (a) Division Action. – The Division shall either grant or deny an application for a license
24 or license renewal within 30 days after receiving it. Any applicant denied a license shall, upon
25 filing a written request within 30 days, be given a hearing at the time and place determined by
26 the Commissioner or a person designated by the Commissioner. A hearing shall be public and
27 shall be held with reasonable promptness.

28 (b) Pending License Renewal Grace Period. – When an application for license renewal
29 has been timely submitted prior to expiration of the license, the license shall remain valid for up
30 to 30 days after the expiration date until the Division grants or denies the application. The
31 Division shall ensure that any database maintained by the Division that indicates the status of a
32 license issued under this Article reflects that the license continues to be valid during this period."

33 **SECTION 6.(b)** This section becomes effective October 1, 2020, and applies to
34 licenses that expire on or after that date.

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36 **EFFECTIVE DATE**

37 **SECTION 7.** Except as otherwise provided, this act is effective when it becomes
38 law.