

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H.B. 413
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40265-NE-74

Short Title: Improve Debt Collection Upon Vehicle Reg. (Public)

Sponsors: Representative Shepard.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPROVE CUSTOMER SERVICE WHEN RENEWING VEHICLE
3 REGISTRATIONS BY STREAMLINING THE COLLECTION OF OVERDUE TOLLS
4 AND OTHER OVERDUE AMOUNTS THAT MUST BE PAID BEFORE A VEHICLE'S
5 REGISTRATION IS RENEWED.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 20-54 reads as rewritten:

8 "**§ 20-54. ~~Authority for refusing registration or certificate of title.~~ Imposing and clearing**
9 **vehicle title and registration stops.**

10 (a) Title and Registration Stops. – The Division shall refuse registration or issuance of a
11 certificate of title or any transfer of registration upon any of the following grounds:

12 ...

13 (14) County and municipal property taxes and related fees due for the vehicle have
14 not been paid.

15 (15) Registration of the owner's vehicle is blocked under G.S. 110-142.2 as a
16 sanction for failure to comply with a child support order or a subpoena.

17 (b) Reserved.

18 (c) Stops Imposed After 2020. – It is the intent of the General Assembly that, when a law
19 enacted after January 1, 2021, imposes a vehicle title or registration stop for failure to pay an
20 amount due to an entity, the stop shall not become effective until the vehicle records of the
21 Division state the amount that must be paid to clear the stop and the vehicle owner can clear the
22 stop and obtain a title or renew a registration by paying the required amount to the Division or a
23 commission contractor of the Division."

24 **SECTION 2.** G.S. 20-54(b), as enacted by Section 1 of this act, reads as rewritten:

25 "(b) Clearing North Carolina Turnpike Authority Stops. – When the Division imposes a
26 vehicle title or registration stop for an amount owed to the North Carolina Turnpike Authority,
27 the Division's vehicle records must state the amount required to clear the stop. An owner of a
28 vehicle subject to a stop for an amount owed to the North Carolina Turnpike Authority may clear
29 the stop and obtain a title or renew a registration by paying the required amount to the Division
30 or its commission contract agent."

31 **SECTION 3.** G.S. 20-54(b), as enacted by Section 1 of this act and amended by
32 Section 2 of this act, reads as rewritten:

33 "(b) ~~Clearing North Carolina Turnpike Authority~~ Department of Transportation Stops. –
34 When the Division imposes a stop for an amount owed to the ~~North Carolina Turnpike Authority,~~
35 Department of Transportation, the Division's vehicle records must state the amount required to
36 clear the stop. An owner of a vehicle subject to a stop for an amount owed to the ~~North Carolina~~



1 ~~Turnpike Authority~~ Department of Transportation may clear the stop and obtain a title or renew
2 a registration by paying the required amount to the Division or its commission contract agent."

3 **SECTION 4.** The Division of Motor Vehicles of the Department of Transportation,
4 in consultation with the License Plate Agency Advisory Committee established under
5 G.S. 20-63.02, is directed to develop and implement a plan to improve the process for collecting
6 the amounts required to clear vehicle title and registration stops imposed for failure to pay
7 amounts owed to entities other than the Department of Transportation. Under the plan, the
8 Division's vehicle records must set out the amount that must be paid to clear a stop so that the
9 Division or a commission contractor of the Division can inform the vehicle owner of the amount
10 required to clear the stop, accept payment of the amount required, remove the stop, and issue a
11 title or renew a vehicle's registration in the same customer transaction. The Division must submit
12 the plan to the Joint Legislative Transportation Oversight Committee by March 1, 2023. The plan
13 may include any needed implementing legislation.

14 **SECTION 5.(a)** G.S. 20-50.4 is repealed.

15 **SECTION 5.(b)** G.S. 110-142.2 reads as rewritten:

16 "**§ 110-142.2. Suspension, revocation, restriction of license to operate a motor vehicle or**
17 **hunting, fishing, or trapping licenses; refusal of registration of motor vehicle.**

18 (a) Effective December 1, 1996, notwithstanding any other provision of law, when an
19 individual is at least 90 days in arrears in making child support payments, or has been found by
20 the court to be not in compliance with a subpoena issued pursuant to child support or paternity
21 establishment proceedings, the child support enforcement agency may apply to the court,
22 pursuant to the regular show cause and contempt provisions of G.S. 50-13.9(d), for an order
23 doing any of the following:

24 ...

25 (3) Directing the Department of Transportation, Division of Motor Vehicles, to
26 refuse, pursuant to ~~G.S. 20-50.4~~, G.S. 20-54(a)(15) to register the individual's
27 motor vehicle.

28"

29 **SECTION 6.** Section 2 of this act becomes effective July 1, 2022. Section 3 of this
30 act becomes effective January 1, 2023. The remainder of this act is effective when it becomes
31 law.