

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH30421-LAx-10 (4/16)

Short Title: Amend Combined MV Registration and PT System. (Public)

Sponsors: Representative Folwell.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL, CLARIFYING, AND OTHER CHANGES TO  
THE COMBINED MOTOR VEHICLE REGISTRATION RENEWAL AND  
PROPERTY TAX COLLECTION SYSTEM.

The General Assembly of North Carolina enacts:

**SECTION 1.** Section 9 of S.L. 2005-294 is repealed.

**SECTION 2.** Effective July 1, 2010, or when the Division of Motor  
Vehicles and the Department of Revenue certify that the integrated computer system for  
registration renewal and property tax collection for motor vehicles is in operation,  
whichever occurs first, G.S. 105-330.10 reads as rewritten:

**"§ 105-330.10. Disposition of interest.**

~~Sixty percent (60%) of the first month's~~The interest collected on unpaid taxes  
registration fees pursuant to G.S. 105-330.4 shall be transferred on a monthly basis to  
~~the Combined Motor Vehicle and Registration Account created within the Treasurer's~~  
~~Office.~~North Carolina Highway Fund for technology improvements within the Division  
of Motor Vehicles.~~The North Carolina Association of County Commissioners shall~~  
~~direct the Treasurer to distribute the funds in the Account to the Division of Motor~~  
~~Vehicles for the purpose of developing and implementing an integrated computer~~  
~~system within the Division of Motor Vehicles that would allow for the combined~~  
~~assessment, billing, and collection of property taxes on motor vehicles and the issuance~~  
~~of registration plates. The Treasurer shall report to the Revenue Laws Study Committee~~  
~~semiannually with the first report due by April 30, 2006. The report shall contain a~~  
~~detailed description of the amount of moneys transferred to the Account and distributed~~  
~~from the Account."~~

**SECTION 3.** G.S. 20-79.1 reads as rewritten:

**"§ 20-79.1. Use of temporary registration plates or markers by purchasers of  
motor vehicles in lieu of dealers' plates.**

1 (a) The Division may, subject to the limitations and conditions hereinafter set  
2 forth, deliver temporary registration plates or markers designed by said Division to a  
3 dealer duly registered under the provisions of this Article who applies for at least 25  
4 such plates or markers and who encloses with such application a fee of one dollar  
5 (\$1.00) for each plate or marker for which application is made. Such application shall be  
6 made upon a form prescribed and furnished by the Division. Dealers, subject to the  
7 limitations and conditions hereinafter set forth, may issue such temporary registration  
8 plates or markers to owners of vehicles, provided that such owners shall comply with  
9 the pertinent provisions of this section.

10 (b) Every dealer who has made application for temporary registration plates or  
11 markers shall maintain in permanent form a record of all temporary registration plates  
12 or markers delivered to him, and shall also maintain in permanent form a record of all  
13 temporary registration plates or markers issued by him, and in addition thereto, shall  
14 maintain in permanent form a record of any other information pertaining to the receipt  
15 or the issuance of temporary registration plates or markers that the Division may  
16 require. Each record shall be kept for a period of at least one year from the date of entry  
17 of such record. Every dealer shall allow full and free access to such records during  
18 regular business hours, to duly authorized representatives of the Division and to peace  
19 officers.

20 (c) Every dealer who issues temporary registration plates or markers shall also  
21 issue a temporary registration certificate upon a form furnished by the Division and  
22 deliver it with the registration plate or marker to the owner.

23 (d) A dealer shall:

- 24 (1) Not issue, assign, transfer, or deliver temporary registration plates or  
25 markers to anyone other than a bona fide purchaser or owner of a  
26 vehicle which he has sold.
- 27 (2) Not issue a temporary registration plate or marker without first  
28 obtaining from the purchaser or owner a written application for titling  
29 and registration of the vehicle and the applicable fees.
- 30 (3) Within 10 working days, mail or deliver the application and fees to the  
31 Division or deliver the application and fees to a local license agency  
32 for processing. Delivery need not be made if the contract for sale has  
33 been rescinded in writing by all parties to the contract.
- 34 (4) Not deliver a temporary registration plate to anyone purchasing a  
35 vehicle that has an unexpired registration plate that is to be transferred  
36 to the purchaser.
- 37 (5) Not lend to anyone, or use on any vehicle that he may own, any  
38 temporary registration plates or markers.

39 A dealer may issue temporary markers, without obtaining the written application for  
40 titling and registration or collecting the applicable fees, to nonresidents for the purpose  
41 of removing the vehicle from the State.

42 (e) Every dealer who issues temporary plates or markers shall write clearly and  
43 indelibly on the face of the temporary registration plate or marker:

- 44 (1) The dates of issuance and expiration;

1           (2)    The make, motor number, and serial numbers of the vehicle; and

2           (3)    Any other information that the Division may require.

3           It shall be unlawful for any person to issue a temporary registration plate or marker  
4 containing any misstatement of fact or to knowingly write any false information on the  
5 face of the plate or marker.

6           (f)    If the Division finds that the provisions of this section or the directions of the  
7 Division are not being complied with by the dealer, he may suspend, after a hearing, the  
8 right of a dealer to issue temporary registration plates or markers.

9           (g)    Every person to whom temporary registration plates or markers have been  
10 issued shall permanently destroy such temporary registration plates or markers  
11 immediately upon receiving the limited registration plates or the annual registration  
12 plates from the Division: Provided, that if the limited registration plates or the annual  
13 registration plates are not received within 30 days of the issuance of the temporary  
14 registration plates or markers, the owner shall, notwithstanding, immediately upon the  
15 expiration of such 30-day period, permanently destroy the temporary registration plates  
16 or markers.

17           (h)    Temporary registration plates or markers shall expire and become void upon  
18 the receipt of the limited registration plates or the annual registration plates from the  
19 Division, or upon the rescission of a contract to purchase a motor vehicle, or upon the  
20 expiration of 30 days from the date of issuance, depending upon whichever event shall  
21 first occur. No refund or credit or fees paid by dealers to the Division for temporary  
22 registration plates or markers shall be allowed, except in the event that the Division  
23 discontinues the issuance of temporary registration plates or markers or unless the  
24 dealer discontinues business. In this event the unissued registration plates or markers  
25 with the unissued registration certificates shall be returned to the Division and the dealer  
26 may petition for a refund. Upon the expiration of the 30 days from the date of issuance,  
27 a second 30-day temporary registration plate or marker may be issued by the dealer  
28 upon showing the vehicle has been sold, a temporary lien has been filed as provided in  
29 G.S. 20-58, and that the dealer, having used reasonable diligence, is unable to obtain the  
30 vehicle's statement of origin or certificate of title so that the lien may be perfected.

31           (i)    A temporary registration plate or marker may be used on the vehicle for  
32 which issued only and may not be transferred, loaned, or assigned to another. In the  
33 event a temporary registration plate or marker or temporary registration certificate is  
34 lost or stolen, the owner shall permanently destroy the remaining plate or marker or  
35 certificate and no operation of the vehicle for which the lost or stolen registration  
36 certificate, registration plate or marker has been issued shall be made on the highways  
37 until the regular license plate is received and attached thereto.

38           (j)    The Commissioner of Motor Vehicles shall have the power to make such  
39 rules and regulations, not inconsistent herewith, as he shall deem necessary for the  
40 purpose of carrying out the provisions of this section.

41           (k)    The provisions of G.S. 20-63, 20-71, 20-110 and 20-111 shall apply in like  
42 manner to temporary registration plates or markers as is applicable to nontemporary  
43 plates. "

1           **SECTION 4.** Part 5 of Article 3 of Chapter 20 of the General Statutes is  
2 amended by adding a new section to read:

3 **"§ 20-79.1A. Use of limited registration plates on motor vehicles.**

4       (a) The Division or its authorized agent may issue a limited registration plate  
5 upon receipt of an application for title and registration fees from a dealer, who is  
6 authorized to issue temporary registration plates or markers to owners of vehicles  
7 pursuant to G.S. 20-79.1, or from any other person. The limited registration plate must  
8 be clearly and visibly designated as "temporary" and shall expire on the last day of the  
9 second month following the date of application of the limited registration plate.

10       (b) Notwithstanding subsection (a) of this section, the Division or its authorized  
11 agent shall issue an annual registration plate upon receipt of an application for title,  
12 registration fees, and property taxes from the dealer or any other person."

13           **SECTION 5.** G.S. 105-330.4(a), as amended by Section 3 of S.L. 2005-294  
14 reads as rewritten:

15 **"§ 105-330.4. Due date, interest, and enforcement remedies.**

16       (a) **(Effective until July 1, 2010)** Taxes on a classified motor vehicle listed  
17 pursuant to G.S. 105-330.3(a)(2) shall be due on September 1 following the date by  
18 which the vehicle was required to be listed. Taxes on a classified motor vehicle listed  
19 pursuant to G.S. 105-330.3(a)(1) shall be due each year on the following dates:

- 20           (1) For a vehicle registered under the staggered system, taxes shall be due  
21 on the first day of the fourth month following the date the registration  
22 expires or on the first day of the fourth month following the last day of  
23 the month in which the new registration is applied for.
- 24           (2) For a vehicle newly registered under the annual system, taxes shall be  
25 due on the first day of the fourth month following the date the new  
26 registration is applied for. For a vehicle whose registration is renewed  
27 under the annual system, taxes shall be due on May 1 following the  
28 date the registration expired.

29       (a) **(Effective July 1, 2010, or when the Division of Motor Vehicles and the**  
30 **Department of Revenue certify that the integrated computer system for**  
31 **registration renewal and property tax collection for motor vehicles is in operation,**  
32 **whichever occurs first)** Taxes on a classified motor vehicle listed pursuant to  
33 G.S. 105-330.3(a)(2) are due on September 1 following the date by which the vehicle  
34 was required to be listed. Taxes on a classified motor vehicle listed pursuant to  
35 G.S. 105-330.3(a)(1) are due each year on the date a new registration is applied for or  
36 the fifteenth day of the month following the month in which the registration renewal  
37 sticker expired pursuant to G.S. 20-66(g). Taxes on a classified motor vehicle for which  
38 the registration fees have been paid pursuant to G.S. 20-79.1 or subsection (a) of  
39 G.S. 20-79.1A, are due on the last day of the second month in which the limited  
40 registration is applied for."

41           **SECTION 6.** G.S. 105-330.5, as amended by Section 6 of S.L. 2005-294, is  
42 amended by adding a new subsection to read:

43       "(a2) For classified motor vehicles where the registration fees have been paid  
44 pursuant to G.S. 20-79.1 or subsection (a) of G.S. 20-79.1A, the Property Tax Division's

1 notice shall contain a statement that registration fees have been paid pursuant to  
2 G.S. 20-79.1 or G.S. 20-79.1A and that the registration becomes valid for the remainder  
3 of the year upon payment of county and municipal taxes and fees due in the current  
4 year."

5         **SECTION 7.** G.S. 105-330.5(b), as amended by Section 6 of S.L. 2005-294,  
6 reads as rewritten:

7         "(b) When the combined tax and registration notice required by subsection (a) or  
8 (a2) of this section is prepared, the Property Tax Division of the Department of Revenue  
9 or a third-party contractor shall mail a copy of the notice, with appropriate instructions  
10 for payment, to the motor vehicle owner. The Department shall establish a fee equal to  
11 the actual cost of printing and sending the notice. The Department may receive a fee for  
12 each notice generated for a vehicle registered in a county or municipal corporation from  
13 the taxes and fees remitted to the county or municipal corporation in which the vehicle  
14 is registered. The collecting authority is responsible for collecting county and municipal  
15 taxes and fees assessed under this Article and may retain a fee for collecting these taxes  
16 and fees. The fee retained by the collecting authority shall be an amount equal to at least  
17 one-third of the compensation paid for registration renewals conducted by contract  
18 agents under G.S. 20-63(h). The Property Tax Division shall establish procedures to  
19 ensure that tax payments and fees received pursuant to this Article and Chapter 20 of  
20 the General Statutes are properly accounted for and taxes and fees due other taxing units  
21 and the Division of Motor Vehicles are remitted at least once each month. Each  
22 collecting authority shall provide a weekly financial report containing information  
23 required by the Property Tax Division to the taxing units and Division of Motor  
24 Vehicles to enable them to account for payments received."

25         **SECTION 8.** This act becomes effective July 1, 2010, or when the Division  
26 of Motor Vehicles and the Department of Revenue certify that the integrated computer  
27 system for registration renewal and property tax collection for motor vehicles is in  
28 operation, whichever occurs first.