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SENATE BILL 305
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Transportation Committee Substitute Adopted 6/12/13
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Short Title: DMV Commission Contract Changes.

(Public)

Sponsors:

Referred to:

March 14, 2013

A BILL TO BE ENTITLED

AN ACT TO IMPROVE THE PUBLIC/PRIVATE PARTNERSHIP BY WHICH THE
DIVISION OF MOTOR VEHICLES ISSUES MOTOR VEHICLE TITLES AND
REGISTRATIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Article 3 of Chapter 20 of the General Statutes is amended by
adding a new section to read:

"§ 20-63.02. Advisory committee of commission contractors.

(a) Committee and Duties. – An advisory committee is established and is designated the License Plate Agent (LPA) Advisory Committee. The Division and the LPA Advisory Committee are directed to work together to ensure excellent and efficient customer service with respect to vehicle titling and registration services provided through commission contracts awarded under G.S. 20-63. As part of this effort, the Division and the Committee must periodically review all forms and instructions used in the vehicle titling and registration process to ensure that they are readily understandable and not duplicative. The Committee must meet at least quarterly.

(b) Membership and Terms. – The LPA Advisory Committee consists of persons who are on the staff of the Division of Motor Vehicles and six persons appointed by the North Carolina Association of Motor Vehicle Registration Contractors. The Commissioner determines the number of Division staff persons to appoint to the Committee and designates the chair of the Committee. Members of the Committee appointed by the Commissioner serve ex officio. Members of the Committee appointed by the Association serve two-year terms beginning on July 1 of an odd-numbered year. A member who serves for a specific term continues to serve after the expiration of the member's term until a successor is appointed.

(c) Expenses. – Members of the LPA Advisory Committee are allowed the per diem, subsistence, and travel allowances established under G.S. 138-5 for service on State boards and commissions."

SECTION 1.(b) The License Plate Agent Advisory Committee, established in subsection (a) of this section, and the Division of Motor Vehicles shall review the standard operating procedures applicable to commission contractors to determine if any changes are needed and shall recommend to the 2013 Regular Session of the General Assembly when it reconvenes in 2014 a process by which the Division is required to give notice of proposed changes and receive comments on proposed changes before they are implemented.



1 **SECTION 1.(c)** The terms of the initial appointments by the North Carolina
2 Association of Motor Vehicle Registration Contractors to the License Plate Agent Advisory
3 Committee, established in subsection (a) of this section, begin upon appointment and expire on
4 July 1, 2015.

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

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

22 Commission contracts entered into by the Division under this subsection shall provide for
23 the payment of compensation on a per transaction basis. The collection of the highway use tax
24 ~~shall be~~ is considered a separate transaction for which one dollar and twenty-seven cents
25 (\$1.27) compensation shall be paid. The issuance of a limited registration "T" sticker and the
26 collection of property tax are each considered a separate transaction for which compensation at
27 the rate of one dollar and twenty-seven cents (\$1.27) and seventy-one cents (\$0.71),
28 respectively, shall be paid by counties and municipalities as a cost of the combined motor
29 vehicle registration renewal and property tax collection system. The performance at the same
30 time of one or more of the ~~remaining~~ transactions ~~listed in this subsection shall be~~ below is
31 considered a single transaction for which one dollar and forty-three cents (\$1.43) compensation
32 shall be ~~paid.~~ paid:

33 ~~A transaction is any of the following activities:~~

- 34 (1) Issuance of a registration plate, a registration ~~card issued without collection~~
35 of property taxes or fees under ~~G.S. 105-330.5, card,~~ a registration-renewal
36 sticker, or a certificate of title.
- 37 (2) Issuance of a handicapped placard or handicapped identification card.
- 38 (3) Acceptance of an application for a personalized registration plate.
- 39 (4) Acceptance of a surrendered registration plate, registration card, or
40 registration renewal sticker, or acceptance of an affidavit stating why a
41 person cannot surrender a registration plate, registration card, or registration
42 renewal sticker.
- 43 (5) Cancellation of a title because the vehicle has been junked.
- 44 (6) Acceptance of an application for, or issuance of, a refund for a fee or a tax,
45 other than the highway use tax.
- 46 (7) Receipt of the civil penalty imposed by G.S. 20-311 for a lapse in financial
47 responsibility or receipt of the restoration fee imposed by that statute.
- 48 (8) Acceptance of a notice of failure to maintain financial responsibility for a
49 motor vehicle.
- 50 (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.

- 1 ~~(8b) Sale of one or more inspection stickers in a single transaction to a licensed~~
2 ~~inspection station.~~
3 ~~(9) Collection of the highway use tax.~~
4 (10) Acceptance of a temporary lien filing."

5 **SECTION 2.(b)** G.S. 105-330.5(b) reads as rewritten:

6 "(b) Distribution and Collection Fees. – The Property Tax Division of the Department of
7 Revenue or a third-party contractor selected by the Property Tax Division must send a copy of
8 the combined tax and registration notice for a registered classified motor vehicle to the motor
9 vehicle owner, as defined in G.S. 20-4.01. The Department must establish a fee equal to the
10 actual cost of preparing, printing, and sending the notice. The Department may receive a fee for
11 each notice generated for a vehicle registered in a county or municipal corporation from the
12 taxes and fees remitted to the county or municipal corporation in which the vehicle is
13 registered. The collecting authority is responsible for collecting county and municipal taxes and
14 fees assessed under this Article and may receive a fee for collecting these taxes and fees. The
15 amount of this fee must equal at least ~~one third of the compensation paid for registration~~
16 ~~renewals conducted by contract agents~~the applicable amount set under G.S. 20-63(h). The
17 Property Tax Division must establish procedures to ensure that tax payments and fees received
18 pursuant to this Article and Chapter 20 of the General Statutes are properly accounted for and
19 taxes and fees due other taxing units and the Division of Motor Vehicles are remitted at least
20 once each month."

21 **SECTION 2.(c)** Notwithstanding G.S. 20-63(h), as amended by subsection (a) of
22 this section, the transaction rate of one dollar and six cents (\$1.06) applies to the collection of
23 property tax by commission contractors for vehicles whose registration renewals expire on or
24 between September 30, 2013, and February 28, 2014.

25 **SECTION 3.** Implementation by the Division of Motor Vehicles of the Department
26 of Transportation of an integrated computer system that combines vehicle registration with the
27 collection of property tax includes training commission contractors under G.S. 20-63(h) on the
28 use of that integrated computer system. The cost of the system training required of the
29 commission contractors on or after April 1, 2013, and before July 1, 2013, is a cost of the
30 combined motor vehicle registration renewal and property tax collection system and is payable
31 from the Combined Motor Vehicle and Registration Account, established under
32 G.S. 105-330.10.

33 **SECTION 4.** Section 2 of this act becomes effective July 1, 2013. The remainder
34 of this act is effective when it becomes law.