

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 128  
Second Edition Engrossed 2/25/93  
Finance Committee Substitute Adopted 3/25/93  
House Committee Substitute Favorable 7/7/93

Short Title: Highway Use Tax Exemptions.

(Public)

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Sponsors:

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Referred to:

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February 15, 1993

A BILL TO BE ENTITLED

1 AN ACT TO EXEMPT CERTAIN TRANSFERS OF VEHICLES FROM THE  
2 HIGHWAY USE TAX, TO REIMBURSE THE HIGHWAY TRUST FUND FOR  
3 REVENUE THAT WOULD OTHERWISE BE LOST AS A RESULT OF THE  
4 EXEMPTIONS, TO INCREASE REVENUES TO PROVIDE FUNDS TO MAKE  
5 THE REIMBURSEMENT, TO LOWER THE MAXIMUM HIGHWAY USE TAX  
6 ON CERTAIN COMMERCIAL VEHICLES, TO INCREASE THE ANNUAL  
7 REGISTRATION FEES FOR CERTAIN PROPERTY-HAULING VEHICLES,  
8 AND TO CREDIT THE INCREASED REVENUE FROM THE REGISTRATION  
9 FEES TO THE HIGHWAY TRUST FUND.  
10

11 The General Assembly of North Carolina enacts:

12 Section 1. G.S. 105-187.6(a) reads as rewritten:

13 "(a) Full Exemptions. – The tax imposed by this Article does not apply when a  
14 certificate of title is issued as the result of a transfer of a motor vehicle:

- 15 (1) To the insurer of the motor vehicle under G.S. 20-109.1 because the  
16 vehicle is a salvage vehicle.
- 17 (2) To either a manufacturer, as defined in G.S. 20-286, or a motor vehicle  
18 retailer for the purpose of resale.
- 19 (3) To the same owner to reflect a change or correction in the owner's  
20 name.
- 21 (4) By will or intestacy.

- 1 (5) By a conveyance between a husband and ~~wife or wife,~~ a parent and  
2 ~~child-child,~~ or a stepparent and a stepchild.  
3 (6) By a distribution of marital property as a result of a divorce.  
4 (7) To a handicapped person from the Department of Human Resources  
5 after the vehicle has been equipped by the Department for use by the  
6 handicapped.  
7 (8) To a local board of education for use in the driver education program  
8 of a public school when the motor vehicle is transferred:  
9 a. By a retailer and is to be transferred back to the retailer within  
10 300 days after the transfer to the local board.  
11 b. By a local board of education."

12 Sec. 2. G.S. 20-166.1(i) reads as rewritten:

13 "(i) All collision reports, including supplemental reports, above mentioned,  
14 except those made by State, city or county police, shall be without prejudice and shall  
15 be for the use of the Division and shall not be used in any manner as evidence, or for  
16 any other purpose in any trial, civil or criminal, arising out of such collision except that  
17 the Division shall furnish upon demand of any court a properly executed certificate  
18 stating that a particular collision report has or has not been filed with the Division solely  
19 to prove a compliance with this section.

20 The reports made by State, city or county police and medical examiners, but no other  
21 reports required under this section, shall be subject to the inspection of members of the  
22 general public at all reasonable times, ~~and the Division shall furnish a certified copy of any~~  
23 ~~such report to any member of the general public who shall request the same, upon receipt of a~~  
24 ~~fee of four dollars (\$4.00) certified copy, or the Division is authorized to furnish without charge~~  
25 ~~to departments of the governments of the United States, states, counties, and cities certified~~  
26 ~~copies of such collision reports for official use-times.~~ The Division shall give a certified  
27 copy of one of these reports to a member of the general public who requests a copy and  
28 pays the fee set in G.S. 20-42 for a certified copy of a document.

29 Nothing herein provided shall prohibit the Division from furnishing to interested  
30 parties only the name or names of insurers and insured and policy number shown upon  
31 any reports required under this section."

32 Sec. 3. G.S. 20-42(b) reads as rewritten:

33 "(b) The Commissioner and officers of the Division designated by the  
34 Commissioner may prepare under the seal of the Division and deliver upon request a  
35 certified copy of any document of the Division, charging a fee of five dollars (\$5.00) for  
36 each document certified. A certified copy shall be admissible in any proceeding in any  
37 court in like manner as the original thereof, without further certification. The  
38 certification fee does not apply to a document furnished ~~to State officials or to county,~~  
39 ~~municipal, or court officials of this State for official use.~~ use to a judicial official or to an  
40 official of the federal government, a state government, or a local government."

41 Sec. 4. G.S. 20-50(b) reads as rewritten:

42 "(b) The Division may upon receipt of proper application upon a form supplied by  
43 the Division and an accompanying fee of ~~three dollars (\$3.00)~~ five dollars (\$5.00) grant a

1 10-day temporary registration marker subject to the following limitations and  
2 conditions:

- 3 (1) Temporary 10-day registration markers shall be issued only upon  
4 proper proof that the applicant has met the applicable financial  
5 responsibility requirements.
- 6 (2) Temporary 10-day registration markers shall expire 10 days from the  
7 date of issuance.
- 8 (3) Temporary 10-day registration markers may be used only on the  
9 vehicle for which issued and may not be transferred, loaned or  
10 assigned to another.
- 11 (4) In the event a temporary 10-day registration marker is lost or stolen,  
12 notice shall be furnished to the Division.
- 13 (5) The Commissioner shall have the power to make such rules and  
14 regulations not inconsistent herewith as he shall deem necessary for  
15 the purpose of carrying out the provisions of this section.
- 16 (6) The provisions of G.S. 20-63, 20-71, 20-110 and 20-111 shall apply in  
17 like manner to temporary 10-day registration markers as is applicable  
18 to nontemporary plates not by their nature rendered inapplicable."

19 Sec. 5. G.S. 20-66 reads as rewritten:

20 "**§ 20-66. Renewal of vehicle registration; ~~semipermanent plates issued; renewal~~  
21 ~~sticker annually; prorated fees.~~**

22 (a) ~~Application for renewal of a vehicle registration shall be made by the owner~~  
23 ~~upon proper application and by payment of the registration fee for such vehicle, as~~  
24 ~~provided by law. — Annual Renewal. — The registration of a vehicle must be renewed~~  
25 ~~annually. To renew the registration of a vehicle, the owner of the vehicle must file an~~  
26 ~~application with the Division and pay the required registration fee. The Division may~~  
27 ~~receive and grant applications — an application for renewal of registration at any time~~  
28 ~~prior to expiration of registration. before the registration expires.~~

29 (b) ~~For the registration period beginning January 1, 1975, the Division, upon~~  
30 ~~proper application for renewal of registration for private passenger motor vehicles, shall~~  
31 ~~issue a new registration plate and registration card. For the registration period~~  
32 ~~beginning January 1, 1976, and all subsequent registration periods, the Division, upon~~  
33 ~~application for renewal of registration, shall, in lieu of a new registration plate, issue~~  
34 ~~one or more stickers, tabs or other suitable devices denoting the registration period for~~  
35 ~~which issued; provided that for the registration periods beginning January 1, 1978, and~~  
36 ~~thereafter, the Division may, as it deems advisable in the discretion of the~~  
37 ~~Commissioner, issue new registration plates together with such stickers, tabs or other~~  
38 ~~devices. Method of Renewal. — When the Division renews the registration of a vehicle,~~  
39 ~~it must issue a new registration card for the vehicle and either a new registration plate or~~  
40 ~~a registration renewal sticker. The Division may not renew a registration plate for a~~  
41 ~~vehicle by means of a renewal sticker unless the Division is authorized to use that~~  
42 ~~method of renewal. The Division may renew a registration plate issued for the~~  
43 ~~following types of vehicles by means of a renewal sticker:~~

- 44 (1) Motorcycles.

- 1           (2) Private passenger vehicles.
- 2           (3) U-drive-it passenger vehicles.
- 3           (4) Property-hauling vehicles licensed for 4,000 pounds gross weight.
- 4           (5) Vehicles registered under the International Registration Plan.
- 5           (6) Trailers.

6       ~~(b1) For renewal periods beginning January 1, 1978, and thereafter, renewal~~  
7 ~~registrations of private hauler trucks licensed for 4,000 pounds gross weight,~~  
8 ~~motorcycles, U-drive-it passenger vehicles and trailers may be made by issuance of~~  
9 ~~stickers, tabs, or other devices in lieu of new registration plates, or in combination with~~  
10 ~~new registration plates, at the discretion of the Commissioner. Such stickers, tabs or~~  
11 ~~other devices shall show the period of validity of registration. This provision shall not~~  
12 ~~apply to trucks licensed as common carriers, for-hire trucks, rental trucks or contract~~  
13 ~~carrier trucks.~~

14       ~~(c) Stickers, tabs or other devices~~ Renewal Stickers. – A registration renewal  
15 sticker issued hereunder shall by the Division must be displayed as on the registration  
16 plate that it renews in the place prescribed by the Commissioner. Commissioner and must  
17 indicate the period for which it and the registration plate on which it is displayed are  
18 valid. Except where the physical differences between the stickers, tabs, or devices and  
19 registration plates by their nature a registration renewal sticker and a registration plate  
20 render any a provision of this Chapter inapplicable, all the provisions of this Chapter  
21 relating to registration plates shall apply to stickers, tabs or devices. ~~registration renewal~~  
22 ~~stickers.~~

23       ~~(d) Staggered Expiration.~~ – ~~The Division may also provide for the issuance of~~  
24 ~~license issue registration plates for motor vehicles with the dates of expiration thereof to~~  
25 ~~dates that vary from month to month so as to that an approximately equalize the equal~~  
26 ~~number that will expire during each month of the registration year.~~

27       ~~(e) Prorated Fee.~~ – ~~A vehicle license fee shall be computed by dividing the~~  
28 ~~annual license fee by 12 and multiplying the quotient by the number of months~~  
29 ~~remaining prior to the end of the month of expiration of the registration. Amounts so~~  
30 ~~computed shall be rounded to the nearest multiple of twenty-five cents (25¢).~~

31       ~~(f) No vehicle owner shall be required to pay the tax required by G.S. 20-88.1 at~~  
32 ~~a rate greater than the annual rate prescribed in G.S. 20-88.1, because of Division of~~  
33 ~~Motor Vehicles' procedures for implementing this subsection. Compliance with this~~  
34 ~~restriction may be accomplished by computing the tax for a portion of a year by~~  
35 ~~dividing the annual amount by 12 and multiplying the quotient by the number of months~~  
36 ~~remaining prior to the end of the month of expiration of the registration. Amounts so~~  
37 ~~computed shall be rounded to the nearest multiple of twenty five cents (25¢).~~

38       ~~(g) Registration of all vehicles required to be registered under the staggered system~~  
39 ~~shall expire~~ When Renewal Sticker Expires. – The registration of a vehicle that is  
40 renewed by means of a registration renewal sticker expires at midnight on the last day  
41 of the month designated on the validation sticker, tab or other device issued by the Division  
42 of Motor Vehicles to validate that registration: Provided, however, that it shall not be unlawful  
43 to continue to operate any vehicle upon the highways of this State after the expiration of the  
44 registration of said vehicle, registration card and registration plate during the 15 day period,

1 inclusive of the fifteenth day immediately following the last day of the month designated on the  
2 validation sticker, tab or other device issued by the Division of Motor Vehicles to validate that  
3 registration if the registration plate validation sticker, tab or other device is registered to the  
4 vehicle prior to the first day of expiration month. sticker. It is lawful, however, to operate  
5 the vehicle on a highway until midnight on the fifteenth day of the month following the  
6 month in which the sticker expired.

7 (h) ~~Registration of all vehicles not required to be registered under the staggered system~~  
8 ~~shall expire. When Calendar-Year Plate Expires. – The registration of a vehicle that is not~~  
9 ~~renewed by means of a registration renewal sticker expires at midnight on the thirty-first~~  
10 ~~day of December 31 of each year. Provided, however, that it shall not be unlawful to continue~~  
11 ~~year. It is lawful, however, to operate any vehicle upon the highways of this State after the~~  
12 ~~expiration of the registration of said vehicle, registration card and registration plate during the~~  
13 ~~period between the thirty-first day of December and the fifteenth day of February, inclusive, if~~  
14 ~~the license plate is registered to the vehicle on which it is being used prior to the thirty-first day~~  
15 ~~of December. Provided further that the fee required under G.S. 20-88.1 shall be paid and~~  
16 ~~collected in its entirety at any time such vehicles are registered and is not to be prorated. the~~  
17 ~~vehicle on a highway until midnight on the following February 15.~~

18 (i) Property Tax Consolidation. – When the Division receives an application  
19 under subsection (a) for the renewal of registration before the current registration  
20 expires, the Division shall grant the application if it is made for the purpose of  
21 consolidating the property taxes payable by the applicant on classified motor vehicles,  
22 as defined in G.S. 105-330. The registration fee for a motor vehicle whose registration  
23 cycle is changed under this subsection shall be reduced by a prorated amount. The  
24 prorated amount is one-twelfth of the registration fee in effect when the motor vehicle's  
25 registration was last renewed multiplied by the number of full months remaining in the  
26 motor vehicle's current registration cycle, rounded to the nearest multiple of twenty-five  
27 cents (25¢)."

28 Sec. 6. G.S. 105-187.3(a) reads as rewritten:

29 "(a) Amount. – The rate of the use tax imposed by this Article is three percent  
30 (3%) of the retail value of a motor vehicle for which a certificate of title is issued. The  
31 tax is payable as provided in G.S. 105-187.4. The tax may not be less than forty dollars  
32 (\$40.00) for each motor vehicle for which a certificate of title is issued, unless the  
33 issuance of a title for the vehicle is exempt from tax under G.S. 105-187.6(a). The tax  
34 may not be more than one thousand dollars (\$1,000) for each certificate of title issued  
35 for a Class A or Class B motor vehicle that is a commercial motor vehicle, as defined in  
36 G.S. 20-4.01. The tax may not be more than one thousand five hundred dollars (\$1,500)  
37 for each certificate of title issued for any other motor vehicle for which a certificate of title  
38 is issued. vehicle."

39 Sec. 7. G.S. 20-88(b) reads as rewritten:

40 "(b) ~~There shall be paid to the Division annually, as of the first day of January, for~~  
41 ~~the registration and licensing of self-propelled property carrying vehicles, fees~~  
42 ~~according to the following classification and schedule and upon the following~~  
43 ~~conditions:–~~ The following fees are imposed on the annual registration of self-propelled  
44 property-hauling vehicles; the fees are based on the type of vehicle and its weight:  
45

SCHEDULE OF WEIGHTS AND RATES

RATES PER HUNDRED POUND GROSS WEIGHT

Farmer	
Not over <del>4,500</del> <u>4,000</u> pounds	\$0.23
<del>4,501 to 8,500</del> <u>4,001 to 9,000</u> pounds inclusive	.29
<del>8,501 to 12,500</del> <u>9,001 to 13,000</u> pounds inclusive	.37
<del>12,501 to 16,500</del> <u>13,001 to 17,000</u> pounds inclusive	.51
Over <del>16,500</del> <u>17,000</u> pounds	.58

SCHEDULE OF WEIGHTS AND RATES

RATES PER HUNDRED POUND GROSS WEIGHT

Private Hauler, Contract Carriers, Flat Rate Common <del>Carriers</del> <u>Carriers</u> , and Exempt For-Hire Carriers	
Not over <del>4,500</del> <u>4,000</u> pounds	\$0.46
<del>4,501 to 8,500</del> <u>4,001 to 9,000</u> pounds inclusive	<del>.58</del> <u>.63</u>
<del>8,501 to 12,500</del> <u>9,001 to 13,000</u> pounds inclusive	<del>.73</del> <u>.78</u>
<del>12,501 to 16,500</del> <u>13,001 to 17,000</u> pounds inclusive	<del>1.01</del> <u>1.06</u>
Over <del>16,500</del> <u>17,000</u> pounds	<del>1.15</del> <u>1.20</u>

- (1) The minimum fee for a vehicle licensed under this subsection ~~shall be~~  
is ~~seventeen~~ dollars and fifty cents (\$17.50) at the farmer rate and  
twenty-one dollars and fifty cents (\$21.50) at the private hauler,  
contract ~~carrier~~carrier, and common carrier rates.
- (2) The term 'farmer' as used in this subsection means any person engaged  
in the raising and growing of farm products on a farm in North  
Carolina not less than 10 acres in area, and who does not engage in the  
business of buying products for resale.
- (3) License plates issued at the farmer rate shall be placed upon trucks and  
truck-tractors that are operated exclusively in the carrying or  
transportation of applicant's farm products, raised or produced on his  
farm, and farm supplies and not operated in hauling for hire.

- 1 (4) 'Farm products' means any food crop, livestock, poultry, dairy  
 2 products, flower bulbs, or other nursery products and other agricultural  
 3 products designed to be used for food purposes, including in the term  
 4 'farm products' also cotton, tobacco,  
 5 logs, bark, pulpwood, tannic acid wood and other forest products  
 6 grown, produced, or processed by the farmer.
- 7 (5) The Division shall issue necessary rules and regulations providing for  
 8 the recall, transfer, exchange or cancellation of 'farmer' plates, when  
 9 vehicle bearing such plates shall be sold or transferred.
- 10 (5a) Notwithstanding any other provision of this Chapter, license plates  
 11 issued pursuant to this subsection at the farmer rate may be purchased  
 12 for any three-month period at one fourth of the annual fee.
- 13 (6) There shall be paid to the Division annually as of the first of January,  
 14 the following fees for 'wreckers' as defined under G.S. 20-4.01(50): a  
 15 wrecker fully equipped weighing 7,000 pounds or less, seventy-five  
 16 dollars (\$75.00); wreckers weighing in excess of 7,000 pounds shall  
 17 pay one hundred forty-eight dollars (\$148.00). Fees to be prorated  
 18 quarterly. Provided, further, that nothing herein shall prohibit a  
 19 licensed dealer from using a dealer's license plate to tow a vehicle for a  
 20 customer."

21 Sec. 8. G.S. 20-85(b) reads as rewritten:

22 "(b) ~~Six-sevenths of the revenue~~ Thirty-one dollars and fifty cents (\$31.50) of each  
 23 title fee collected under subdivision (a)(1) of this section and all of the ~~revenue fees~~  
 24 collected under the other subdivisions in subsection (a) shall be credited to the North  
 25 Carolina Highway Trust Fund; the remaining ~~one-seventh~~ three dollars and fifty cents  
 26 (\$3.50) of the revenue title fee collected under subdivision (a)(1) shall be credited to the  
 27 Highway Fund. ~~One-half of the amount~~ Fifteen dollars (\$15.00) of each title fee credited  
 28 to the Trust Fund under subdivision (a)(1) shall be added to the amount allocated for  
 29 secondary roads under G.S. 136-176 and used in accordance with G.S. 136-44.5."

30 Sec. 9. Sections 7 and 8 of this act become effective October 1, 1993. The  
 31 remaining sections of this act become effective August 1, 1993. A person who paid  
 32 highway use tax on a Class A or Class B motor vehicle that is a commercial motor  
 33 vehicle, as defined in G.S. 20-4.01, at the maximum rate of one thousand five hundred  
 34 dollars (\$1,500) instead of the maximum rate of one thousand dollars (\$1,000) set by  
 35 Section 6 of this act may apply to the Division of Motor Vehicles of the Department of  
 36 Transportation for a refund of the difference between the amount of tax paid at the  
 37 higher maximum rate and the amount that would have been paid had Section 6 of this  
 38 act been in effect when the title to the vehicle was issued. To obtain a refund, a person  
 39 must submit an application to the Division of Motor Vehicles by January 1, 1994, and  
 40 provide any information required by the Division to verify the accuracy of the  
 41 application.