

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 199
Committee Substitute Favorable 4/26/23
PROPOSED COMMITTEE SUBSTITUTE H199-PCS40467-SUF-8

Short Title: DMV Proposed Legislative Changes.-AB

(Public)

Sponsors:

Referred to:

February 27, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE MOTOR VEHICLE, LIEN HEARING
3 NOTIFICATION, AND SERVICE OF PROCESS LAWS OF THE STATE, AS
4 RECOMMENDED BY THE DIVISION OF MOTOR VEHICLES OF THE
5 DEPARTMENT OF TRANSPORTATION.

6 The General Assembly of North Carolina enacts:

7
8 **AUTHORIZE AND STUDY MOBILE DRIVERS LICENSES**

9 **SECTION 1.(a)** G.S. 20-4.01 reads as rewritten:

10 **"§ 20-4.01. Definitions.**

11 Unless the context requires otherwise, the following definitions apply throughout this
12 Chapter to the defined words and phrases and their cognates:

13 ...

14 (21b) Mobile Drivers License. – A supplemental digital version of a valid drivers
15 license that (i) is approved by the Commissioner, (ii) is issued by the Division
16 of Motor Vehicles, (iii) is comprised of the same data elements as are found
17 on a valid drivers license, and (iv) is capable of, and limited to, being linked
18 to and displayed by a mobile device owned by the person to whom the valid
19 drivers license is issued.

20 (21c) Motor Carrier. – A for-hire motor carrier or a private motor carrier.

21"

22 **SECTION 1.(b)** G.S. 20-7 is amended by adding a new subsection to read:

23 "(m1) Mobile Drivers License. – Upon request of an applicant for whom a valid license
24 exists or is issued, the Commissioner may issue a mobile drivers license as a supplement to the
25 valid license. A mobile drivers license is the legal equivalent of a valid license."

26 **SECTION 1.(c)** The Division of Motor Vehicles of the North Carolina Department
27 of Transportation shall study and provide a plan for implementing mobile drivers licenses and
28 mobile special identification cards. The study and plan shall address (i) anticipated drivers license
29 and special identification card issuance and renewal process changes, (ii) anticipated changes to
30 staffing needs for the Division for implementation of mobile drivers licenses and mobile special
31 identification cards, (iii) estimated one-time and annual costs to the Division or any other State
32 agency resulting from implementation, (iv) evaluation of whether implementation of mobile
33 drivers licenses or mobile special identification cards will be undertaken by the Division or
34 contracted to a third-party vendor and relevant contractual issues associated with either option,
35 (v) changes in revenue for the Division or any other State agency, (vi) security and confidentiality



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1 of drivers license information, (vii) concerns of State and local law enforcement agencies within
2 North Carolina, including examining means by which to prevent unintended violations of an
3 individual's constitutional rights, (viii) an estimated time line for implementation, including steps
4 required to facilitate mobile drivers licenses and mobile special identification cards, and (ix) any
5 other issue the Division deems relevant to the study. The Division shall report its findings of this
6 study, including any legislative recommendations, to the North Carolina General Assembly, the
7 chairs of the Joint Legislative Transportation Oversight Committee, and the Fiscal Research
8 Division no later than January 1, 2024.

9 **SECTION 1.(d)** Subsections (a) and (b) of this section become effective July 1,
10 2025.

11 **CLARIFY SCOPE OF INTERLOCK REQUIREMENT**

12 **SECTION 2.(a)** G.S. 20-17.8 reads as rewritten:

13 "**§ 20-17.8. Restoration of a license after certain driving while impaired convictions;**
14 **ignition interlock.**

15 ...

16 (a1) Additional Scope. – This section applies to a person whose license was revoked as a
17 result of a conviction of habitual impaired driving, G.S. 20-138.5. Except for a conviction under
18 G.S. 20-141.4(a2), this section also applies to a person whose license was revoked as a result of
19 a conviction under G.S. 20-141.4.

20 "

21 **SECTION 2.(b)** This section becomes effective December 1, 2023, and applies to
22 offenses committed on or after that date.

23 **RESTRICT DISCLOSURE OF PERSONAL INFORMATION FOR JUDGES AND** 24 **ADJUST FEE FOR RECORDS REQUEST**

25 **SECTION 3.(a)** G.S. 20-43.1 reads as rewritten:

26 "**§ 20-43.1. Disclosure of personal information in motor vehicle records.**

27 ...

28 (c1) To the extent permissible under 18 U.S.C. § 2721, the Division may adopt rules
29 restricting the disclosure of personal information about any person who currently serves or has
30 served as a State or federal judicial officer.

31 ...

32 (e1) As authorized in 18 U.S.C. § 2721 and for verification purposes, the Division may
33 provide information on motor vehicle registration or liability insurance upon written request and
34 payment of a fee of ~~one dollar (\$1.00)~~ five dollars (\$5.00) per individual record.

35 "

36 **SECTION 3.(b)** This section becomes effective July 1, 2023.

37 **ELIMINATE MANDATORY REPLACEMENT OF NONDEALER REGISTRATION** 38 **PLATES**

39 **SECTION 4.** G.S. 20-63.1 reads as rewritten:

40 "**§ 20-63.1. Division shall cause plates to be reflectorized.**

41 (a) Registration Plate Standards. – The Division of Motor Vehicles is hereby authorized
42 to cause vehicle license plates for 1968 and future years to be completely treated with
43 reflectorized materials designed to increase visibility and legibility of license plates at night. ~~The~~
44 ~~Division of Motor Vehicles shall develop standards for reflectivity that use the most current~~
45 ~~technology available while maintaining a competitive bid process.~~

46 (b) Registration Plate Mandatory Replacement. — ~~All registration plates shall be replaced~~
47 ~~every seven years.~~"

INCREASE FEE FOR ACKNOWLEDGMENT OF SIGNATURES

SECTION 5.(a) G.S. 20-42 reads as rewritten:

"§ 20-42. Authority to administer oaths and certify copies of records.

(a) Officers and employees of the Division designated by the Commissioner are, for the purpose of administering the motor vehicle laws, authorized to administer oaths and acknowledge signatures, and shall charge for the acknowledgment of signatures a fee according to the following schedule:

(1)	One signature	\$2.00 <u>\$6.00</u>
(2)	Two signatures	3.00 <u>7.00</u>
(3)	Three or more signatures	4.00 <u>8.00</u>

Funds received under the provisions of this subsection shall be used to defray a part of the costs of distribution of license plates, registration certificates and certificates of title issued by the Division.

...."

SECTION 5.(b) This section becomes effective July 1, 2023.

DIVERSIFY ADVISORY COMMITTEE OF COMMISSION CONTRACTORS

SECTION 6. G.S. 20-63.02(b) reads as rewritten:

"(b) Membership and Terms. – The LPA Advisory Committee consists of (i) persons who are on the staff of the Division of Motor Vehicles and six Vehicles, (ii) four persons appointed by the North Carolina Association of Motor Vehicle Registration Contractors. Contractors that are members of the Association, and (iii) two persons appointed by the Commissioner that are contractors but not members of the Association. The Commissioner determines the number of Division staff persons to appoint to the Committee and designates the chair of the Committee. ~~Members~~Division staff members of the Committee appointed by the Commissioner serve ex officio. Members of the Committee appointed by the Association and members that are contractors appointed by the Commissioner 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. A member shall not serve more than two consecutive terms."

CLARIFY ISSUANCE OF PERMANENT LICENSE PLATES TO EMS/RESCUE ENTITIES

SECTION 7. G.S. 20-84 reads as rewritten:

"§ 20-84. Permanent registration plates; State Highway Patrol.

...

(b) Permanent Registration Plates. – The Division may issue permanent plates for the following motor vehicles:

- ...
- (6) ~~A motor vehicle owned by an incorporated emergency rescue squad.~~
- ...
- (10) ~~A motor vehicle owned by a rural fire department, agency, or association.~~
- ...
- (21) A motor vehicle owned by (i) an incorporated emergency rescue squad or (ii) a rural fire department, agency, or association. An entity seeking a permanent plate pursuant to this subdivision shall also establish that the entity (i) is listed in the Emergency Medical Services (EMS) System Plan in the county in which the entity provides services, (ii) maintains an active provider number issued by the North Carolina Office of EMS, and (iii) actively provides first responder services to a county, city, or town in the State.

1 (b1) Proof of Eligibility. – The Division may require proof of eligibility under this section
2 and shall revoke any permanent plates issued to an entity that does not meet those eligibility
3 requirements.

4 "

6 **CLARIFY AUTHORIZED USAGE OF TRANSPORTER PLATES**

7 **SECTION 8.** G.S. 20-79.2 reads as rewritten:

8 "**§ 20-79.2. Transporter plates.**

9 (a) **Who Can Get a Plate.** – The Division may issue a transporter plate authorizing the
10 limited operation of a motor vehicle in the circumstances listed in this subsection. A person who
11 receives a transporter plate must have proof of financial responsibility that meets the
12 requirements of Article 9A of this Chapter. The person to whom a transporter plate may be issued
13 and the circumstances in which the vehicle bearing the plate may be operated are as follows:

14 (1) To a business or a dealer to facilitate the manufacture, construction,
15 rebuilding, or delivery of new or used truck cabs or bodies between
16 manufacturer, dealer, seller, or purchaser. A plate issued pursuant to this
17 subdivision shall not be used to deliver truck cabs or bodies manufactured,
18 constructed, or rebuilt in another state.

19 (2) To a financial institution that has a recorded lien on a motor vehicle located
20 in North Carolina to repossess the motor vehicle.

21 (3) To a dealer or repair facility to pick up and deliver a motor vehicle that is to
22 be repaired, is to undergo a safety or emissions inspection, or is to otherwise
23 be prepared for sale by a dealer, to road-test the vehicle, if it is repaired or
24 inspected within a 20-mile radius of the place where it is repaired or inspected,
25 and to deliver the vehicle to the dealer. A repair facility may not receive more
26 than two transporter plates for this purpose. A plate issued pursuant to this
27 subdivision shall not be used on a vehicle that is towing or transporting a
28 vehicle authorized to be operated with a transporter plate under this
29 subdivision.

30 ...

31 (5) To a dealer or a business that contracts with a dealer and has a business
32 privilege license to take a motor vehicle either to or from a motor vehicle
33 auction where the vehicle will be or was offered for sale. The title to the
34 vehicle, a bill of sale, or written authorization from the dealer or auction must
35 be inside the vehicle when the vehicle is operated with a transporter plate. A
36 plate issued pursuant to this subdivision shall not be used on a vehicle that is
37 towing or transporting a vehicle authorized to be operated with a transporter
38 plate under this subdivision.

39 ...

40 (8) To a business to drive a motor vehicle that is registered or titled in this State
41 and is at least 35 years old to and from a parade or another public event and
42 to drive the motor vehicle in that event. A person who owns one of these motor
43 vehicles is considered to be in the business of collecting those vehicles. The
44 total number of plates issued to a person pursuant to this subdivision shall not
45 exceed two.

46 "

48 **STUDY ALTERNATIVE MATERIALS FOR LICENSE PLATES**

49 **SECTION 9.** The Division of Motor Vehicles of the North Carolina Department of
50 Transportation, in consultation with the North Carolina Department of Adult Correction, shall
51 study the use of alternative materials for manufacturing the registration plates issued by the

1 Division. The Division shall report its findings of this study, including any legislative
2 recommendations, to the North Carolina General Assembly, the chairs of the Joint Legislative
3 Transportation Oversight Committee, and the Fiscal Research Division no later than January 1,
4 2024.

5 6 **STUDY DEALER LICENSE PLATE MODERNIZATION**

7 **SECTION 9.5.** The Division of Motor Vehicles of the North Carolina Department
8 of Transportation shall study ways to modernize and improve dealer license plates issued by the
9 Division, including the process for issuance and format and design of the plates. The Division
10 shall report its findings, including any legislative recommendations, to the North Carolina
11 General Assembly, the chairs of the Joint Legislative Transportation Oversight Committee, and
12 the Fiscal Research Division no later than December 31, 2023.

13 14 **CONFORM ODOMETER DISCLOSURE REQUIREMENT WITH FEDERAL LAW**

15 **SECTION 10.** G.S. 20-347(d) reads as rewritten:

16 "(d) The provisions of this disclosure statement section shall not apply to the following
17 transfers:

- 18 (1) A vehicle having a gross vehicle weight rating of more than 16,000 pounds.
19 (2) A vehicle that is not self-propelled.
20 (2a) A vehicle sold directly by the manufacturer to any agency of the United States
21 in conformity with contractual specifications.
22 (3) A vehicle that is ~~40 years old or older~~ model year 2010 or older.
23 (3a) A vehicle that is model year 2011 or newer that is transferred at least 20 years
24 after January 1 of the calendar year corresponding to its designated model
25 year.
26 (4) A new vehicle prior to its first transfer for purposes other than resale.
27 (5) A vehicle that is transferred by a State agency that assists the United States
28 Department of Defense with purchasing, transferring, or titling a vehicle to
29 another State agency, a unit of local government, a volunteer fire department,
30 or a volunteer rescue squad."

31 32 **ALLOW ISSUANCE OF MULTIPLE SPECIAL REGISTRATION PLATES TO** 33 **ELIGIBLE STATE GOVERNMENT OFFICIALS**

34 **SECTION 11.** G.S. 20-79.5 reads as rewritten:

35 **"§ 20-79.5. Special registration plates for elected and appointed State government officials.**

36 ...
37 (c) Multiple Plates. – A person eligible for a special registration plate pursuant to this
38 section may obtain a plate with the same numerical designation for each vehicle registered in the
39 person's name. The Division shall differentiate special registration plates bearing the same
40 numerical designation by adding a hyphen and a letter of the alphabet beginning with the letter
41 "A".

42 43 **INCREASE PENALTY FOR VIOLATION OF REGISTRATION PROVISION** 44 **INVOLVING TEMPORARY PLATES**

45 **SECTION 12.(a)** G.S. 20-79.1 reads as rewritten:

46 **"§ 20-79.1. Use of temporary registration plates or markers by purchasers of motor**
47 **vehicles in lieu of dealers' plates.**

48 ...
49 (k) The provisions of G.S. 20-63, 20-71, 20-110 and 20-111 shall apply in like manner
50 to temporary registration plates or markers as is applicable to nontemporary plates.
51 Notwithstanding any provision of G.S. 20-111 to the contrary, a violation of subdivision (2) of

1 G.S. 20-111 involving a temporary registration plate or marker shall be punished as a Class I
2 felony.

3"

4 **SECTION 12.(b)** This section becomes effective December 1, 2023, and applies to
5 offenses committed on or after that date.

6
7 **PRINT-ON-DEMAND TEMPORARY REGISTRATION PLATES**

8 **SECTION 13.(a)** Article 3 of Chapter 20 of the General Statutes is amended by
9 adding a new section to read:

10 **"§ 20-79.1B. Print-on-demand temporary registration plates.**

11 (a) Implementation. – No later than January 1, 2024, the Division shall implement a
12 statewide print-on-demand temporary registration plate system for on-demand printing of
13 temporary registration plates with vehicle owner information electronically associated and
14 transferred to the Division as required by this Chapter. Plates issued through the print-on-demand
15 temporary registration plate system implemented under this section are in lieu of temporary plates
16 issued by dealers under G.S. 20-79.1 and temporary registration plates issued by commission
17 contractors under G.S. 20-50(b) but are otherwise subject to all conditions and limitations
18 applicable to temporary registration plates set forth in this Article. The Division shall contract
19 with a qualified vendor or vendors after consultation with the North Carolina Automobile Dealers
20 Association and the Carolinas Independent Automobile Dealers Association to develop and
21 implement this statewide print-on-demand temporary registration plate system.

22 (b) Minimum Standards for System. – When contracting with a qualified vendor or
23 vendors to implement the system required in subsection (a) of this section, the Division shall set
24 the following minimum standards:

25 (1) The Division shall issue a competitive request for proposal to assess the
26 qualifications of any vendor or vendors responsible for the establishment and
27 ongoing support of the statewide print-on-demand temporary registration
28 plate system. The Division may also reserve the right to receive input
29 regarding specifications for the print-on-demand temporary registration plate
30 system from parties that do not respond to a request for proposal to establish
31 and operate a print-on-demand temporary registration plate system. The
32 Division shall select at least two vendors.

33 (2) Any contract entered into with a vendor or vendors shall include no costs or
34 charges payable by the Division to the vendor or vendors. The vendor or
35 vendors shall reimburse the Division for documented reasonable
36 implementation costs directly associated with the establishment of the
37 statewide print-on-demand temporary registration plate system.

38 (3) Upon implementation of the print-on-demand temporary registration plate
39 system, the qualified vendor or vendors may charge participating motor
40 vehicle dealers or their agents a fee for each temporary registration plate
41 printed and registered with the Division. The print-on-demand temporary
42 registration plate fee shall be consistent with market pricing in an amount not
43 to exceed fifteen dollars (\$15.00) for costs associated with the development
44 and ongoing administration of the print-on-demand temporary registration
45 plate system. The qualified vendor or vendors shall not charge motor vehicle
46 dealers or their agents any additional fee for the printing and registration of a
47 print-on-demand temporary registration plate. To recover their costs,
48 participating motor vehicle dealers or their agents may charge the purchaser
49 of a motor vehicle or lessee of an automotive lease an amount equal to the
50 print-on-demand temporary registration plate fee plus a fee in an amount not

1 to exceed fifteen dollars (\$15.00) for each print-on-demand temporary
2 registration plate printed and registered with the Division.

3 (4) The print-on-demand temporary registration plate system must include the
4 following elements:

5 a. A design and layout for the print-on-demand temporary registration
6 plate established by the Division and of a quality as to resist
7 deterioration or fading from exposure to the elements during the period
8 for which display is required.

9 b. The ability of motor vehicle dealers to directly connect to the system
10 in order to issue print-on-demand temporary registration plates to the
11 owner or lessee of a motor vehicle that will be registered in this State
12 or another state, including a web-based option for motor vehicle
13 dealers who do not utilize an online vehicle registration vendor to
14 complete and file Division required documents related to motor
15 vehicle titling and registration.

16 c. The ability of commission contractors to directly connect to the system
17 in order to issue print-on-demand temporary registration plates to the
18 owner or lessee of a motor vehicle.

19 d. Each print-on-demand temporary registration plate must contain
20 identifying information for the motor vehicle, as determined by the
21 Division, to include the date of issue, the date of expiration, the name
22 of the issuing entity, and unique identifying information for the plate
23 that will be assigned by the Division.

24 e. The ability for identifying information on a print-on-demand
25 temporary registration plate and vehicle owner information to be
26 transmitted to the Division upon issuance of the plate.

27 f. The ability to implement and maintain a distribution procedure for
28 print-on-demand temporary registration plates in accordance with
29 subsections (c) and (d) of this section.

30 (c) Distribution of Print-on-Demand Temporary Registration Plate Materials. – In order
31 to assist the Division with the administration and security of the print-on-demand temporary
32 registration system, the system shall include a procedure for a motor vehicle dealer to obtain
33 print-on-demand temporary registration plate materials from a registered distributor. A
34 commission contractor may obtain print-on-demand temporary registration plate materials from
35 a registered distributor or the Division. A registered distributor may charge a fee for distribution
36 of print-on-demand temporary registration plate materials not to exceed ten dollars (\$10.00) per
37 print-on-demand temporary registration plate.

38 (d) Print-on-Demand Temporary Registration Plate Materials Distributors. – The
39 Division shall register two print-on-demand temporary registration plate materials distributors in
40 the State. One registered distributor shall be a trade association composed of a minimum of 400
41 new motor vehicle dealers located in this State. One registered distributor shall be a trade
42 association comprised of a minimum of 400 used motor vehicle dealers located in this State.

43 (e) Experience Required. – Qualified vendors shall have experience in directly providing
44 electronic solutions to State motor vehicle departments or agencies.

45 (f) Mandatory Participation. – Beginning on October 1, 2024, all motor vehicle dealers
46 and other entities that issue at least five temporary registration plates annually shall utilize
47 exclusively the print-on-demand temporary registration plate system for the issuance of all
48 temporary registration plates to vehicle owners or lessees.

49 (g) Definition. – For purposes of this section, print-on-demand temporary registration
50 plate system means a computerized system that allows the on-demand and on-site printing of
51 required vehicle registration and other information on a temporary registration plate by the issuer

1 of the plate and allows required information about the vehicle owner or lessee to whom the
 2 temporary plate has been issued to be transferred to the Division in electronic format."

3 **SECTION 13.(b)** This section is effective when it becomes law. The Division of
 4 Motor Vehicles may adopt rules to implement the provisions of this section.

5
 6 **AUTHORIZE DIVISION TO OWN MOTOR VEHICLES**

7 **SECTION 14.** G.S. 143-341 reads as rewritten:

8 "**§ 143-341. Powers and duties of Department.**

9 The Department of Administration has the following powers and duties:

10 ...

11 (8) General Services:

12 ...

13 i. To establish and operate a central motor fleet and such subsidiary
 14 related facilities as the Secretary may deem necessary, and to that end:

15 ...

16 3. To require on a schedule determined by the Department all
 17 State agencies to transfer ownership, custody or control of any
 18 or all passenger motor vehicles within the ownership, custody
 19 or control of that agency to the Department, except those motor
 20 vehicles under the ownership, custody or control of the
 21 Highway Patrol, the State Bureau of Investigation, the State
 22 Capitol Police, the Alcohol Law Enforcement Division of the
 23 Department of Public Safety, the Samarcand Training
 24 Academy, or the constituent institutions of The University of
 25 North Carolina which are used primarily for law-enforcement
 26 purposes. The Division of Motor Vehicles may own and
 27 maintain custody and control over a fleet of vehicles used in
 28 specialized investigative operations, and these vehicles may be
 29 received, titled, transferred, or sold as deemed appropriate by
 30 the Commissioner of Motor Vehicles.

31"

32
 33 **MODIFY HEADLAMPS AND AUXILIARY DRIVING LAMPS REQUIREMENTS**

34 **SECTION 15.** G.S. 20-131 reads as rewritten:

35 "**§ 20-131. Requirements as to headlamps and auxiliary driving lamps.**

36 ...

37 (d1) Any headlamp modified or installed on a vehicle after initial manufacture of the
 38 vehicle shall comply with Federal Motor Vehicle Safety Standard (FMVSS) 108.

39"

40
 41 **UPDATE SERVICE OF PROCESS BY THE DIVISION**

42 **SECTION 16.(a)** G.S. 1-105 reads as rewritten:

43 "**§ 1-105. Service upon nonresident drivers of motor vehicles and upon the personal**
 44 **representatives of deceased nonresident drivers of motor vehicles.**

45 (a) The acceptance by a nonresident of the rights and privileges conferred by the laws
 46 now or hereafter in force in this State permitting the operation of motor vehicles, as evidenced
 47 by the operation of a motor vehicle by ~~such the~~ nonresident on the public highways of this State,
 48 or at any other place in this State, or the operation by ~~such the~~ nonresident of a motor vehicle on
 49 the public highways of this State or at any other place in this State, other than as so permitted or
 50 regulated, shall be deemed equivalent to the appointment by ~~such the~~ nonresident of the
 51 Commissioner of Motor Vehicles, or ~~his the~~ Commissioner's successor in office, to be ~~his the~~

1 nonresident's true and lawful attorney and the attorney of ~~his~~ the nonresident's executor or
2 Administrator, upon whom may be served all summonses or other lawful process in any action
3 or proceeding against ~~him~~ the nonresident or ~~his~~ the nonresident's executor or administrator,
4 growing out of any accident or collision in which ~~said~~ the nonresident may be involved by reason
5 of the operation by ~~him~~, the nonresident, for ~~him~~, the nonresident, or under ~~his~~ the nonresident's
6 control or direction, express or implied, of a motor vehicle on ~~such~~ the public highways of this
7 State, or at any other place in this State, and said acceptance or operation shall be a signification
8 of ~~his~~ the nonresident's agreement that any such process against ~~him~~ the nonresident or ~~his~~ the
9 nonresident's executor or administrator shall be of the same legal force and validity as if served
10 on ~~him~~ the nonresident personally, or on ~~his~~ the nonresident's executor or administrator.

11 Service of such process shall be made in the following manner:

- 12 (1) By leaving a copy thereof, with a fee of ~~ten dollars (\$10.00)~~, twenty dollars
13 (\$20.00) in the hands of the Commissioner of Motor Vehicles, or in ~~his~~ the
14 Commissioner's office. Such service, upon compliance with the other
15 provisions of this section, shall be sufficient service upon the said nonresident.
- 16 (2) Notice of such service of process and copy thereof must be forthwith sent by
17 certified or registered mail by plaintiff or the Commissioner of Motor Vehicles
18 to the defendant, and the entries on the defendant's return receipt shall be
19 sufficient evidence of the date on which notice of service upon the
20 Commissioner of Motor Vehicles and copy of process were delivered to the
21 defendant, on which date service on said defendant shall be deemed
22 completed. If the defendant refuses to accept the certified or registered letter,
23 service on the defendant shall be deemed completed on the date of such refusal
24 to accept as determined by notations by the postal authorities on the original
25 envelope, and if such date cannot be so determined, then service shall be
26 deemed completed on the date that the certified or registered letter is returned
27 to the plaintiff or Commissioner of Motor Vehicles, as determined by postal
28 marks on the original envelope. If the certified or registered letter is not
29 delivered to the defendant because it is unclaimed, or because ~~he~~ the defendant
30 has removed himself or herself from ~~his~~ the defendant's last known address
31 and has left no forwarding address or is unknown at ~~his~~ the defendant's last
32 known address, service on the defendant shall be deemed completed on the
33 date that the certified or registered letter is returned to the plaintiff or
34 Commissioner of Motor Vehicles.
- 35 (3) The defendant's return receipt, or the original envelope bearing a notation by
36 the postal authorities that receipt was refused, and an affidavit by the plaintiff
37 that notice of mailing the registered letter and refusal to accept was forthwith
38 sent to the defendant by ordinary mail, together with the plaintiff's affidavit of
39 compliance with the provisions of this section, must be appended to the
40 summons or other process and filed with said summons, complaint and other
41 papers in the cause.

42 Provided, that where the nonresident motorist has died prior to the commencement of an
43 action brought pursuant to this section, service of process shall be made on the executor or
44 administrator of ~~such~~ the nonresident motorist in the same manner and on the same notice as is
45 provided in the case of a nonresident motorist.

46 The court in which the action is pending shall order such continuance as may be necessary to
47 afford the defendant reasonable opportunity to defend the action.

48 (b) For service of process upon a defendant in a place not within the United States, the
49 Commissioner of Motor Vehicles shall require a fee of one hundred dollars (\$100.00) and
50 delivery by private carrier with proof of actual delivery to the defendant is allowed for personal
51 service."

1 **SECTION 16.(b)** This section is effective July 1, 2023, and applies to service upon
2 nonresident drivers on and after that date.

3
4 **CLARIFY NOTIFICATION PROCESS FOR ENFORCEMENT OF LIEN BY SALE**

5 **SECTION 17.** G.S. 44A-4(b) reads as rewritten:

6 "(b) Notice and Hearings. –

7 (1) If the property upon which the lien is claimed is a motor vehicle that is
8 required to be registered, the lienor following the expiration of the relevant
9 time period provided by subsection (a) shall give notice to the Division of
10 Motor Vehicles that a lien is asserted and sale is proposed and shall remit to
11 the Division a fee of fourteen dollars (\$14.00). The Division of Motor
12 Vehicles shall issue notice by certified mail, return receipt requested, or
13 certified mail with electronic tracking to the person having legal title to the
14 property, if reasonably ascertainable, to the person with whom the lienor dealt
15 if different, and to each secured party and other person claiming an interest in
16 the property who is actually known to the Division or who can be reasonably
17 ascertained. The notice shall state that a lien has been asserted against specific
18 property and shall identify the lienor, the date that the lien arose, the general
19 nature of the services performed and materials used or sold for which the lien
20 is asserted, the amount of the lien, and that the lienor intends to sell the
21 property in satisfaction of the lien. The notice shall inform the recipient that
22 the recipient has the right to a judicial hearing at which time a determination
23 will be made as to the validity of the lien prior to a sale taking place. The
24 notice shall further state that the recipient has a period of 10 days from the
25 date of receipt in which to notify the Division by certified mail, return receipt
26 requested, or certified mail with electronic tracking that a hearing is desired
27 and that if the recipient wishes to contest the sale of his property pursuant to
28 such lien, the recipient should notify the Division that a hearing is desired.
29 The notice shall state the required information in simplified terms and shall
30 contain a form whereby the recipient may notify the Division that a hearing is
31 desired by the return of such form to the Division. The Division shall notify
32 the lienor whether such notice is timely received by the Division. In lieu of
33 the notice and payment of the fee by the lienor to the Division and the notices
34 issued by the Division described above, the lienor may issue notice on a form
35 approved by the Division pursuant to the notice requirements ~~above.~~ above by
36 certified mail, return receipt requested, or certified mail with electronic
37 tracking to the person having legal title to the property, which is deemed to
38 have the same effect as if the notice was sent by the Division. If notice is
39 issued by the lienor, the recipient shall return the form requesting a hearing to
40 the lienor, and not the Division, within 10 days from the date the recipient
41 receives the notice if a judicial hearing is requested. If the certified mail notice
42 has been returned as undeliverable and the notice of a right to a judicial
43 hearing has been given to the owner of the motor vehicle in accordance with
44 G.S. 20-28.4, no further notice is required. Failure of the recipient to notify
45 the Division or lienor, as specified in the notice, within 10 days of the receipt
46 of such notice that a hearing is desired shall be deemed a waiver of the right
47 to a hearing prior to the sale of the property against which the lien is asserted,
48 and the lienor may proceed to enforce the lien by public or private sale as
49 provided in this section and the Division shall transfer title to the property
50 pursuant to such sale. If the Division or lienor, as specified in the notice, is
51 notified within the 10-day period provided above that a hearing is desired prior

1 to sale, the lien may be enforced by sale as provided in this section and the
2 Division will transfer title only pursuant to the order of a court of competent
3 jurisdiction.

4 If the certified mail notice has been returned as undeliverable, or if the
5 name of the person having legal title to the vehicle cannot reasonably be
6 ascertained and the fair market value of the vehicle is less than eight hundred
7 dollars (\$800.00), the lienor may institute a special proceeding in the county
8 where the vehicle is being held, for authorization to sell that vehicle. Market
9 value shall be determined by the schedule of values adopted by the
10 Commissioner under G.S. 105-187.3.

11 In such a proceeding a lienor may not include more than ten vehicles, but
12 the proceeds of the sale of each shall be subject only to valid claims against
13 that vehicle, and any excess proceeds of the sale shall be paid immediately to
14 the Treasurer for disposition pursuant to Chapter 116B of the General Statutes.

15 The application to the clerk in such a special proceeding shall contain the
16 notice of sale information set out in subsection (f) hereof. If the application is
17 in proper form the clerk shall enter an order authorizing the sale on a date not
18 less than 14 days therefrom, and the lienor shall cause the application and
19 order to be sent immediately by first-class mail pursuant to G.S. 1A-1, Rule
20 5, to each person to whom notice was mailed pursuant to this subsection.
21 Following the authorized sale the lienor shall file with the clerk a report in the
22 form of an affidavit, stating that the lienor has complied with the public or
23 private sale provisions of G.S. 44A-4, the name, address, and bid of the high
24 bidder or person buying at a private sale, and a statement of the disposition of
25 the sale proceeds. The clerk then shall enter an order directing the Division to
26 transfer title accordingly.

27 If prior to the sale the owner or legal possessor contests the sale or lien in
28 a writing filed with the clerk, the proceeding shall be handled in accordance
29 with G.S. 1-301.2.

- 30 (2) If the property upon which the lien is claimed is other than a motor vehicle
31 required to be registered, the lienor following the expiration of the 30-day
32 period provided by subsection (a) shall issue notice to the person having legal
33 title to the property, if reasonably ascertainable, and to the person with whom
34 the lienor dealt if different by certified mail, return receipt ~~requested.~~
35 requested, or certified mail with electronic tracking. Such notice shall state
36 that a lien has been asserted against specific property and shall identify the
37 lienor, the date that the lien arose, the general nature of the services performed
38 and materials used or sold for which the lien is asserted, the amount of the
39 lien, and that the lienor intends to sell the property in satisfaction of the lien.
40 The notice shall inform the recipient that the recipient has the right to a judicial
41 hearing at which time a determination will be made as to the validity of the
42 lien prior to a sale taking place. The notice shall further state that the recipient
43 has a period of 10 days from the date of receipt in which to notify the lienor
44 by certified mail, return receipt requested, or certified mail with electronic
45 tracking that a hearing is desired and that if the recipient wishes to contest the
46 sale of his property pursuant to such lien, the recipient should notify the lienor
47 that a hearing is desired. The notice shall state the required information in
48 simplified terms and shall contain a form whereby the recipient may notify
49 the lienor that a hearing is desired by the return of such form to the lienor.
50 Failure of the recipient to notify the lienor within 10 days of the receipt of
51 such notice that a hearing is desired shall be deemed a waiver of the right to a

1 hearing prior to sale of the property against which the lien is asserted and the
 2 lienor may proceed to enforce the lien by public or private sale as provided in
 3 this section. If the lienor is notified within the 10-day period provided above
 4 that a hearing is desired prior to sale, the lien may be enforced by sale as
 5 provided in this section only pursuant to the order of a court of competent
 6 jurisdiction."
 7

8 RENTAL CAR COMPANY RECOVERY OF VEHICLE LICENSE AND 9 REGISTRATIONS FEES

10 **SECTION 18.(a)** G.S. 66-201(8) reads as rewritten:

11 "(8) "Vehicle license and registration fees" means charges that may be imposed
 12 upon any rental transaction originating in this State to recoup the costs
 13 incurred by a rental car company to license, title, inspect, and register rental
 14 vehicles. ~~Rental car companies shall make a good faith effort to ensure that
 15 any vehicle license and registration fees collected do not exceed the actual
 16 costs incurred by the rental car company to license, title, inspect, and register
 17 rental vehicles. Any amounts collected by the rental car company in excess of
 18 the actual amount of its costs incurred shall be retained by the rental car
 19 company and applied to the costs incurred in the next calendar year for
 20 licensing, titling, inspecting, and registering rental vehicles. In that event, the
 21 good faith estimate of any vehicle license and registration fees to be charged
 22 by the company in the next calendar year shall be reduced to take into account
 23 the excess amount collected from the prior year."~~

24 **SECTION 18.(b)** Article 28 of Chapter 66 of the General Statutes is amended by
 25 adding a new section to read:

26 **"§ 66-201.1. Recovery of vehicle license and registration fees.**

27 Rental car companies shall make a good-faith effort to ensure that any vehicle license and
 28 registration fees collected do not exceed the actual costs incurred by the rental car company to
 29 license, title, inspect, and register rental vehicles. Any amounts collected by the rental car
 30 company in excess of the actual amount of its costs incurred shall be retained by the rental car
 31 company and applied to the costs incurred in the next calendar year for licensing, titling,
 32 inspecting, and registering rental vehicles. In that event, the good-faith estimate of any vehicle
 33 license and registration fees to be charged by the company in the next calendar year shall be
 34 reduced to take into account the excess amount collected from the prior year. For purposes of
 35 this section, "rental vehicles" include motor vehicles of the cargo type, including cargo van,
 36 pickup truck, or truck with a gross vehicle weight rating of 26,000 pounds or less used
 37 predominantly in the transportation of property for other than commercial freight and that does
 38 not require the operator to possess a commercial drivers license."

39 **SECTION 18.(c)** This section becomes effective October 1, 2023.

41 AUTHORIZE REMOTE ELECTRONIC NOTARIZATION AND ELECTRONIC 42 SIGNATURES FOR MOTOR VEHICLE TRANSACTIONS

43 **SECTION 19.(a)** G.S. 20-4.01 reads as rewritten:

44 **"§ 20-4.01. Definitions.**

45 Unless the context requires otherwise, the following definitions apply throughout this
 46 Chapter to the defined words and phrases and their cognates:

47 ...

48 ~~(24)~~(23c) Nonresident. – Any person whose legal residence is in some state,
 49 territory, or jurisdiction other than North Carolina or in a foreign country.

(24) Notarization. – Includes a remote electronic notarization that conforms to Article 2 of Chapter 10B of the General Statutes, and any notarization recognized pursuant to G.S. 10B-20(f) and G.S. 10B-40(e).

(41b) Signature. – Includes electronic signature technology that conforms to Article 40 of Chapter 66 of the General Statutes.

...."

SECTION 19.(b) G.S. 20-72 reads as rewritten:

"§ 20-72. Transfer by owner.

...

(b) In order to assign or transfer title or interest in any motor vehicle registered under the provisions of this Article, the owner ~~shall~~ shall, either in the presence of a person authorized to administer oaths or in a manner that conforms to Article 40 of Chapter 66 of the General Statutes, execute in the presence of a person authorized to administer oaths an assignment and warranty of title on the reverse of the certificate of title in form approved by the Division, including in such assignment the name and address of the transferee; and no title to any motor vehicle shall pass or vest until such assignment is executed and the motor vehicle delivered to the transferee. The provisions of this section shall not apply to any foreclosure or repossession under a chattel mortgage or conditional sales contract or any judicial sale. The provisions of this subsection shall not apply to (i) any transfer to an insurer pursuant to G.S. 20-109.1(b)(2) or (ii) any transfer to a used motor vehicle dealer pursuant to G.S. 20-109.1(e1). The provisions of this subsection requiring that an assignment and warranty of title be executed in the presence of a person authorized to administer oaths shall not apply to any transfer of title to or from an insurer pursuant to G.S. 20-109.1.

...."

SECTION 19.(c) Article 12 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-292.2. Electronic transactions.

Any signature requirement contained in this Chapter may be satisfied using electronic signature technology that conforms to Article 40 of Chapter 66 of the General Statutes, and the Division shall accept electronic submission of documents by motor vehicle dealers that meet those requirements. Any notarization requirement contained in this Chapter may be satisfied using a remote electronic notarization that conforms to Article 2 of Chapter 10B of the General Statutes or any notarization recognized pursuant to G.S. 10B-20(f) and G.S. 10B-40(e), and the Division shall accept electronic submission of documents by motor vehicle dealers that meet those requirements."

SECTION 19.(d) This section becomes effective July 1, 2023.

EXTEND DURATION OF TEMPORARY REGISTRATION PLATES

SECTION 20.(a) 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.

...

(d) A dealer shall:

...

(3) Within ~~20~~ 60 days of the issuance of a temporary registration plate or marker, mail or deliver the application and fees to the Division or deliver the application and fees to a local license agency for processing. Delivery need not be made if the contract for sale has been rescinded by all parties to the contract.

...

1 (g) Every person to whom temporary registration plates or markers have been issued shall
2 permanently destroy such temporary registration plates or markers immediately upon receiving
3 the limited registration plates or the annual registration plates from the Division: Provided, that
4 if the limited registration plates or the annual registration plates are not received within ~~30-60~~
5 days of the issuance of the temporary registration plates or markers, the owner shall,
6 notwithstanding, immediately upon the expiration of such ~~30-day-60-day~~ period, permanently
7 destroy the temporary registration plates or markers.

8 (h) Temporary registration plates or markers shall expire and become void upon the
9 receipt of the limited registration plates or the annual registration plates from the Division, or
10 upon the rescission of a contract to purchase a motor vehicle, or upon the expiration of ~~30-60~~
11 days from the date of issuance, depending upon whichever event shall first occur. No refund or
12 credit or fees paid by dealers to the Division for temporary registration plates or markers shall be
13 allowed, except in the event that the Division discontinues the issuance of temporary registration
14 plates or markers or unless the dealer discontinues business. In this event the unissued registration
15 plates or markers with the unissued registration certificates shall be returned to the Division and
16 the dealer may petition for a refund. Upon the expiration of the ~~30-60~~ days from the date of
17 issuance, a second ~~30-day-60-day~~ temporary registration plate or marker may be issued by the
18 dealer upon showing the vehicle has been sold or leased, and that the dealer, having used
19 reasonable diligence, is unable to obtain the vehicle's statement of origin or certificate of title so
20 that the lien may be perfected. For purposes of this subsection, a dealer shall be considered unable
21 to obtain the vehicle's statement of origin or certificate of title if the statement of origin or
22 certificate of title either (i) has not been delivered to the dealer or (ii) was lost or misplaced.

23"

24 **SECTION 20.(b)** This section becomes effective July 1, 2023.

25
26 **EFFECTIVE DATE**

27 **SECTION 21.** Except as otherwise provided, this act is effective when it becomes
28 law.