

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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SENATE BILL 488  
Pensions and Retirement and Aging Committee Substitute Adopted 5/2/19  
House Committee Substitute Favorable 6/15/20  
Proposed Conference Committee Substitute S488-PCCS45499-SU-10

Short Title: DMV/MV Dealer Changes.

(Public)

Sponsors:

Referred to:

April 3, 2019

A BILL TO BE ENTITLED

AN ACT TO MAKE CHANGES TO VARIOUS DIVISION OF MOTOR VEHICLES  
PROCESSES.

The General Assembly of North Carolina enacts:

**AUTHORIZE DIVISION OF MOTOR VEHICLES TO DISTRIBUTE TEMPORARY  
REGISTRATION PLATES THROUGH COMMISSION CONTRACTORS**

**SECTION 2.** G.S. 20-79.1 is amended by adding a new subsection to read:

"(l) The Division is authorized to enter into agreements to utilize commission contractors under contract with the Division under G.S. 20-63(h) to distribute temporary registration plates to dealers as provided in this section. The Division must provide compensation to commission contractors for distributing temporary registration plates at the transaction rate established for issuing registration documents in G.S. 20-63(h)(1). The Division must provide commission contractors with any forms, equipment, and supplies necessary for distributing temporary registration plates and provide appropriate guidance and supervision of the distribution. If the Division enters into agreements with commission contractors under this subsection, the Division shall make every effort to enter into agreements with commission contractors across all geographic regions of the State in order to make temporary registration plates accessible to all dealers."

**TEMPORARY APPLICATION FOR NOTATIONS OF SECURITY INTERESTS  
MODIFICATIONS**

**SECTION 3.(a)** Electronic Signatures for Applications for Notations of Security Interest Signed by Debtor. – Notwithstanding any other provision of law to the contrary, an application for a notation of a security interest submitted to the Division of Motor Vehicles pursuant to G.S. 20-58(a)(2) signed by a debtor may be signed by electronic signature by the debtor without notarization provided the application is submitted by a licensed or regulated lender in this State having a lienholder identification number issued by the Division.

**SECTION 3.(b)** Certain Documentary Evidence Not Required for Applications Without Debtor Signature. – Notwithstanding any other provision of law to the contrary, an application for a notation of a security interest submitted to the Division of Motor Vehicles pursuant to G.S. 20-58(a)(2) signed by the secured party instead of the debtor does not require documentary evidence of the applicant's security interest in that motor vehicle signed by the



1 debtor provided the application is submitted by a licensed or regulated lender in this State having  
2 a lienholder identification number issued by the Division.

3 **SECTION 3.(c)** Manufactured Home Applicability. – This section does not apply to  
4 applications for a notation of a security interest for manufactured homes.

5 **SECTION 3.(d)** Division Liability. – Neither the Division nor its commission  
6 contractors shall be liable for any cause of action arising from a notation of security interest  
7 fraudulently or erroneously placed on a certificate of title for applications submitted to the  
8 Division pursuant to this section. Any entity offering an electronic signature process for  
9 applications submitted pursuant to this section assumes all responsibility and liability for the  
10 accuracy of the signature. The Division and its commission contractors shall be held harmless  
11 from any liability to a claim arising from applications submitted with an inaccurate electronic  
12 signature pursuant to this section.

13 **SECTION 3.(e)** This section is effective when it becomes law and applies to  
14 applications for notation of security interests submitted to the Division of Motor Vehicles on or  
15 after that date and before December 1, 2020.

### 17 **ELECTRONIC SUBMISSION AUTHORIZATION FOR DEALER TEMPORARY** 18 **MOTOR VEHICLE PLATE ORDERS**

19 **SECTION 4.(a)** G.S. 20-79.1(a) reads as rewritten:

20 "(a) The Division may, subject to the limitations and conditions hereinafter set forth,  
21 deliver temporary registration plates or markers designed by said Division to a dealer duly  
22 registered under the provisions of this Article who applies for at least 25 such plates or markers  
23 and who encloses with ~~such~~the application a fee of one dollar (\$1.00) for each plate or marker  
24 for which application is made. ~~Such~~The application shall be made upon a form prescribed and  
25 furnished by the Division. The Division shall provide methods for physical and electronic  
26 application submission and payment. Any electronic application submitted to the Division under  
27 this subsection may include a method for electronic signature by the dealer. Dealers, subject to  
28 the limitations and conditions hereinafter set forth, may issue ~~such~~ temporary registration plates  
29 or markers to owners of vehicles, provided that ~~such~~ owners ~~shall~~ comply with the pertinent  
30 provisions of this section."

31 **SECTION 4.(b)** This section becomes effective October 1, 2020, and applies to  
32 dealer applications for temporary registration plates or markers submitted on or after that date.

### 34 **CLARIFY CERTAIN DMV CRIMINAL HISTORY RECORD CHECK** 35 **REQUIREMENTS**

36 **SECTION 5.(a)** G.S. 20-288 reads as rewritten:

37 "**§ 20-288. Application for license; license requirements; expiration of license; bond.**

38 ...

39 (b) The Division shall require in such application, or otherwise, information relating to  
40 matters set forth in G.S. 20-294 as grounds for the refusing of licenses, and to other pertinent  
41 matters commensurate with the safeguarding of the public interest, all of which shall be  
42 considered by the Division in determining the fitness of the applicant to engage in the business  
43 for which he seeks a license. The Division shall not require submission of an applicant's  
44 fingerprints to be used in performing a criminal history record check of an applicant for a license  
45 or license renewal.

46 ...."

47 **SECTION 5.(b)** G.S. 93B-8.1 is amended by adding a new subsection to read:

48 "(c1) Nothing in this section or in G.S. 93B-1 shall be construed as authorizing an  
49 occupational licensing board or a State agency licensing board to require an applicant to consent  
50 to a criminal history record check or use of fingerprints or other identifying information required

1 by the State or National Repositories of Criminal Histories as a condition of granting or renewing  
2 a license."

3 **SECTION 5.(c)** This section becomes effective July 1, 2020, and applies to  
4 applications for licensure or renewal received on or after that date.

5  
6 **GRACE PERIOD AUTHORIZED FOR EXPIRATION OF MOTOR VEHICLE DEALER  
7 LICENSES WHEN RENEWAL PAPERWORK HAS BEEN SUBMITTED**

8 **SECTION 6.(a)** G.S. 20-295 reads as rewritten:

9 "**§ 20-295. Action on ~~application~~ application; grace period while application for license  
10 renewal is pending.**

11 (a) Division Action. – The Division shall either grant or deny an application for a license  
12 or license renewal within 30 days after receiving it. Any applicant denied a license shall, upon  
13 filing a written request within 30 days, be given a hearing at the time and place determined by  
14 the Commissioner or a person designated by the Commissioner. A hearing shall be public and  
15 shall be held with reasonable promptness.

16 (b) Pending License Renewal Grace Period. – When an application for license renewal  
17 has been timely submitted prior to expiration of the license, the license shall remain valid for up  
18 to 30 days after the expiration date until the Division grants or denies the application. The  
19 Division shall ensure that any database maintained by the Division that indicates the status of a  
20 license issued under this Article reflects that the license continues to be valid during this period."

21 **SECTION 6.(b)** This section is effective when it becomes law and applies to licenses  
22 that expire on or after that date.

23  
24 **LIMITED DRIVING PRIVILEGE/REVOCAION FOR FAILURE TO PAY FINES**

25 **SECTION 6.5.(a)** G.S. 20-24.1 is amended by adding a new subsection to read:

26 "(f) If a license is revoked under subdivision (2) of subsection (a) of this section, and for  
27 no other reason, the person subject to the order may apply to the court for a limited driving  
28 privilege valid for up to one year or until any fine, penalty, or court costs ordered by the court  
29 are paid. The court may grant the limited driving privilege in the same manner and under the  
30 terms and conditions prescribed in G.S. 20-16.1. A person is eligible to apply for a limited driving  
31 privilege under this subsection only if the person has not had a limited driving privilege granted  
32 under this subsection within the three years prior to application."

33 **SECTION 6.5.(b)** This section becomes effective December 1, 2020, and applies to  
34 applications for limited driving privileges filed on or after that date.

35  
36 **EFFECTIVE DATE**

37 **SECTION 7.** Except as otherwise provided, this act is effective when it becomes  
38 law.