



2017-2018 General Assembly

SENATE BILL 326: Clarify Highway Use Tax & Improve Vehicle Titling Process, Secs. 2 and 2.1: Improve Vehicle Titling Process; Titling and Registration of High Mobility Multipurpose Wheeled Vehicles

Committee:
Introduced by:
Analysis of: Secs. 2 and 2.1 of S.L. 2017-69

Date: August 9, 2017
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Staff Attorney

OVERVIEW: *Section 2 of S.L. 2017-69 eliminates duplicative and unnecessary information on an application for a motor vehicle title. This section became effective July 1, 2017.*

Section 2.1 of S.L. 2017-69 directs the Division of Motor Vehicles (DMV) to title and register high mobility multipurpose wheeled vehicles, commonly referred to as "HMMWVs" or "Humvees." This section became effective June 28, 2017.

BILL ANALYSIS:

Section 2: Improve Vehicle Titling Process

Section 2 of this act eliminates duplicative and unnecessary statements on an application for a motor vehicle title.

The statements eliminated concern the vehicle owner's eligibility for liability insurance for the vehicle. The statements are unnecessary because, under G.S. 20-309, a vehicle cannot be titled unless the vehicle owner in fact has liability insurance for the vehicle and provides proof of it. If the owner has insurance, the insurance company has already determined that the owner is an eligible risk. If the owner does not have insurance, the owner cannot title or register the vehicle regardless of eligibility for insurance.

In practice, a separate form has been used to obtain the information about eligibility for insurance. The statements about "eligible risk" were added to the titling requirements in 2007 as part of a larger effort to combat insurance rate evasion fraud. The protections against this fraud, however, lie with insurers. The insurers have a duty under G.S. 58-2-164 to verify an applicant's eligibility for insurance and to check periodically to ensure a policy holder remains eligible. Repealing this requirement eliminates the need for this separate form and the retention of duplicative and unnecessary information.

Subsection (a) of this section deletes the provisions that impose the requirements to provide statements about whether the vehicle owner is an eligible risk for insurance purposes. Subsection (b) amends the statute that lists the requirements for titling and registering a vehicle to include a cross-reference to the basic requirement that the owner have liability insurance. Subsection (c) makes conforming changes to statutes that refer to the provisions that are repealed by subsection (a).

This section became effective July 1, 2017.

Section 2.1 Titling and Registration of High Mobility Multipurpose Wheeled Vehicles

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Section 2.1.(a) defines, in the motor vehicles statutes, the term "High Mobility Multipurpose Wheeled Vehicle" as a four wheel drive vehicle produced for military or government use and commonly referred to as a "HMMWV" or "Humvee."

Section 2.1.(b) directs the DMV to title and register a HMMWV if both of the following conditions are met:

- The applicant for the title and registration of the HMMWV has provided to DMV a sworn affidavit from a manufacturer, motor vehicle dealer, or seller of the HMMWV certifying that the vehicle complies with all applicable federal motor vehicle safety standards for vehicles designed for highway use.
- The vehicle has a vehicle identification number that matches the vehicle ownership documents. If the vehicle does not have a vehicle identification number, DMV must assign one to the vehicle prior to registration. The existence of a valid vehicle identification number for the vehicle must be verified by the DMV License and Theft Bureau prior to its registration and titling.

This section also provides that:

- All provisions of the State motor vehicle law also apply to an HMMWV to the same extent they apply to any other registered motor vehicle.
- The vehicle registration fees applicable to property hauling vehicles also apply to the registration of an HMMWV.
- Neither the State nor its commission contract agents are liable for any injury or damages resulting from the operation of an HMMWV registered or titled pursuant to this section.

This section became effective June 28, 2017.