



HOUSE BILL 333: LRP Plates/Fine Collection.

2019-2020 General Assembly

Committee:	House Transportation. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 2, 2019
Introduced by:	Reps. Jones, D. Hall, Saine	Prepared by:	Wendy Ray
Analysis of:	PCS to First Edition H333-CSSU-10		Staff Attorney

OVERVIEW: *The Proposed Committee Substitute for House Bill 333 would authorize the Division of Motor Vehicles to issue a limited registration plate to a vehicle owner who would not otherwise be eligible to register the vehicle because of a registration block if the application for the plate is made through a licensed motor vehicle dealer as part of a purchase.*

CURRENT LAW: When a licensed motor vehicle dealer sells a vehicle and submits the paperwork to the Division of Motor Vehicles for the vehicle registration on behalf of the customer, there is currently no mechanism in place that would allow the dealer to register the vehicle and get a plate for the customer for any period of time if the person to whom to the vehicle was sold has a registration block in place.

Motor vehicle registration blocks. There are several provisions in current law that require the Division to refuse registration of a motor vehicle when the owner has outstanding obligations, fees, or penalties owed to the Division (or owed to other entities required to notify the Division of the outstanding obligation). The vehicle owner would have to pay the outstanding obligation to have the block cleared before the Division is able to proceed with registering the vehicle. Registration blocks are currently required for all of the following:

- When ordered by the court for failure to pay child support.
- Nonpayment of civil penalties for failure of the vehicle to comply with inspection requirements.
- Nonpayment of tolls, fees, and penalties owed to the Turnpike Authority.
- Nonpayment of fines or costs to a court or to a county for failing to stop for a school bus.
- Nonpayment of penalties assessed for a lapse in insurance coverage.
- Nonpayment of penalties imposed by the State Highway Patrol for violations of size, weight, and construction of vehicle requirements.

Limited registration plates. The Division is authorized to issue limited registration plates under G.S. 20-79.1A. That statute was enacted in 2007 as part of the combined motor vehicle registration renewal and property tax collection system. Limited registration plates are currently only issuable in situations where a vehicle owner has paid applicable title and registration fees and would be eligible to register the vehicle, except for nonpayment of the vehicle property tax. The limited registration plate allows the vehicle owner to defer payment of the property tax for as long as the limited registration plate is valid. The regular registration fee is paid, and a physical plate is issued to the owner with an orange "T" sticker instead of a regular registration sticker. The limited registration plate expires on the last day of the second month following the date of application – e.g. a plate applied for on January 15 would expire on the last day of

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March – so the plates can be valid for a period of around 60 days to around 90 days. When the vehicle owner pays the property tax on the vehicle, the owner is then issued a regular registration sticker for the plate, and the registration becomes valid for the remainder of the year.

BILL ANALYSIS: The PCS for House Bill 333 would allow a licensed motor vehicle dealer to apply for a limited registration plate on behalf of a customer who has purchased a vehicle and has paid all applicable fees to title and register the vehicle but is ineligible to register the vehicle because of a registration block.

When the motor vehicle dealer submits the paperwork to the Division, and the Division is not able to register the vehicle because of the block, the dealer would be able to obtain a limited registration plate for the purchaser in the same way they can currently do so for a customer who has deferred payment of property tax. The Division would then be required to notify the vehicle owner of any outstanding obligations owed that, if not satisfied, would require the Division to refuse registration of the vehicle upon expiration of the limited plate.

Once the vehicle owner is issued the limited registration plate, they would be required to pay all outstanding obligations and clear all registration blocks before being issued a regular registration sticker for the plate that would be good for the remainder of the year. If the vehicle owner fails to clear the registration blocks before the limited registration plate expires, the vehicle would no longer have a valid registration.

EFFECTIVE DATE: The act would become effective October 1, 2020, and would apply to applications for limited registration plates for vehicles sold on or after that date.