



SENATE BILL 488: Division of Motor Vehicles/Motor Vehicle Dealer Changes.

2019-2020 General Assembly

Committee:
Introduced by:
Analysis of: S.L. 2020-77

Date: November 4, 2020
Prepared by: Wendy Ray
Staff Attorney

OVERVIEW: *S.L. 2020-77 makes changes to various Division of Motor Vehicles processes including:*

- *Authorizing use of commission contractors to distribute temporary registration plates.*
- *Temporary modifications to applications for notations of security interests.*
- *Providing for electronic submission of dealer temporary plate orders.*
- *Clarification of criminal record check requirements.*
- *Providing a grace period for expired dealer licenses when renewal is in process.*
- *Allowing application for a limited driving privilege when a driver's license has been revoked solely for failing to pay fines or court costs.*

The act became effective July 1, 2020, except for sections pertaining to electronic submission of dealer temporary plate orders, criminal record check requirements, and application for limited driving privilege. See full summary for specific effective dates.

BILL ANALYSIS: S.L. 2020-77 makes various changes to the law with regard to motor vehicles and motor vehicle dealers as follows:

Section 2 of the act allows the Division to utilize commission contractors to distribute temporary registration plates to dealers. If the Division chooses to do so, it is required to make every effort to enter into agreements with commission contractors across all geographic regions of the State in order to make temporary plates more accessible to dealers.

Sections 3 allows a debtor to sign an application for a notation of a security interest in a vehicle title electronically and without notarization and a secured party to sign instead of the debtor without signed documentary evidence of the debtor's interest, as long as the application is submitted by a licensed or regulated lender in the State having a lienholder identification number issued by the Division. The Division and its commission contractors are protected from liability for carrying out the provisions of this section.

This section applies to applications for notation of security interest submitted to the Division on or after July 1, 2020, and before December 1, 2020.

Section 4 requires the Division to provide methods for both physical and electronic submission of application and payment for dealer temporary registration plates.

This section became effective October 1, 2020, and applies to applications for temporary plates submitted on or after that date.

Jeffrey Hudson
Director



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Section 5 clarifies that the Division may not require submission of fingerprints to be used as part of a criminal record check from an applicant for a license or license renewal (new motor vehicle dealer, motor vehicle sales representative, manufacturer, factory branch, distributor, wholesaler, etc.). It also clarifies that an occupational licensing board or a State agency licensing board cannot require an applicant to consent to a criminal record check or use of his or her fingerprints or other identifying information as a condition of granting a license.

This section became effective July 1, 2020, and applies to applications for licensure or renewal received on or after that date.

Section 6 requires the Division to grant or deny a motor vehicle dealer license renewal within 30 days after receiving it. It also creates a 30-day grace period after a license has expired, if the dealer has submitted renewal paperwork, during which time the license remains valid until the Division grants or denies the application. The Division must ensure the dealer's license status is reflected as valid during this grace period in any database it maintains that indicates license status.

Section 6.5 allows a person whose license has been revoked solely for failing to pay fines or court costs ordered by a court to apply for a limited driving privilege. The privilege would be valid up to one year, and a person would only be eligible if he or she had not had a limited privilege granted for the same reason within the previous three years.

This section becomes effective December 1, 2020, and applies to applications for limited driving privileges filed on or after that date.

EFFECTIVE DATE: Except as otherwise provided, this act became effective July 1, 2020.