

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

**SESSION LAW 2020-77
SENATE BILL 488**

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

SECTION 3.(d) Division Liability. – Neither the Division nor its commission contractors shall be liable for any cause of action arising from a notation of security interest fraudulently or erroneously placed on a certificate of title for applications submitted to the Division pursuant to this section. Any entity offering an electronic signature process for applications submitted pursuant to this section assumes all responsibility and liability for the



accuracy of the signature. The Division and its commission contractors shall be held harmless from any liability to a claim arising from applications submitted with an inaccurate electronic signature pursuant to this section.

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

ELECTRONIC SUBMISSION AUTHORIZATION FOR DEALER TEMPORARY MOTOR VEHICLE PLATE ORDERS

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

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

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

CLARIFY CERTAIN DMV CRIMINAL HISTORY RECORD CHECK REQUIREMENTS

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

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

...

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

...."

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

"(c1) Nothing in this section or in G.S. 93B-1 shall be construed as authorizing an occupational licensing board or a State agency licensing board to require an applicant to consent to a criminal history record check or use of fingerprints or other identifying information required by the State or National Repositories of Criminal Histories as a condition of granting or renewing a license."

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

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

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

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

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

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

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

LIMITED DRIVING PRIVILEGE/REVOCAION FOR FAILURE TO PAY FINES

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

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

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

EFFECTIVE DATE

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

In the General Assembly read three times and ratified this the 25th day of June, 2020.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Roy Cooper
Governor

Approved 5:32 p.m. this 1st day of July, 2020