



# PROGRAM EVALUATION DIVISION

## NORTH CAROLINA GENERAL ASSEMBLY

May 2012

Report No. 2011-07-02

## Follow-up Report: Reviewing Eligibility for Permanent License Plates Would Strengthen State Oversight

### Summary

This report addresses two key concerns raised as a result of the Program Evaluation Division's February 2012 report entitled *Follow-up Analysis of Permanent License Plates Owned by State and Non-State Entities*:

- permanent silver license plates have been registered to entities not identified as eligible by statute; and
- the many different types of non-state entities eligible for silver license plates require review.

**The Joint Legislative Program Evaluation Oversight Committee requested the Division of Motor Vehicles (DMV) to review permanent registrations to identify entities receiving unauthorized silver license plates.** These permanent silver plates do not expire and are issued to governmental and non-governmental entities who pay a one-time fee of \$6 per vehicle. Of the 120,461 permanent silver license plates that had been issued as of the end of Fiscal Year 2010–11, the February 2012 Program Evaluation Division report identified 4,218 issued to privately owned businesses, higher education institutions, and other entities not specified in the statute. DMV identified several obstacles that inhibit its ability to ensure entities applying for permanent silver license plates actually qualify under N.C. Gen. Stat. § 20-84(b) or other statutes.

- Ensuring non-state entities use a vehicle exclusively for the purpose specified in statute.
- Verifying whether non-state entities authorized to have permanent silver license plates still exist.
- A lack of statutory clarity about the eligibility of community colleges and ineligibility of telephone membership corporations.

**To address these issues, four recommendations suggest action by the General Assembly.**

- Consider limiting eligibility for permanent license plates to governmental entities and reviewing the basis for issuing permanent license plates to non-governmental entities.
- Direct DMV to cancel all permanent plates and reissue them to qualifying entities.
- Amend state law to require registration of all permanent license plates in the name of the eligible entity following a standard naming convention.
- Authorize DMV to revoke permanent license plates registered to entities that fail to obtain an annual vehicle inspection.