

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 650  
Committee Substitute Favorable 5/5/21  
PROPOSED SENATE COMMITTEE SUBSTITUTE H650-CSSU-21 [v.4]  
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Short Title: Omnibus DMV Bill.

(Public)

Sponsors:

Referred to:

April 26, 2021

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE MULTIPLE CHANGES TO MOTOR VEHICLE LAWS.  
3 The General Assembly of North Carolina enacts:  
4

5 **REVISE VEHICLE DEALER LICENSING LAWS**

6 **SECTION 1.1.** G.S. 20-287 reads as rewritten:

7 **"§ 20-287. Licenses required; penalties.**

8 (a) License Required. – It shall be unlawful for any new motor vehicle dealer, used motor  
9 vehicle dealer, motor vehicle sales representative, manufacturer, factory branch, factory  
10 representative, distributor, distributor branch, distributor representative, or wholesaler to engage  
11 in business in this State without first obtaining a license as provided in this Article. If any motor  
12 vehicle dealer acts as a motor vehicle sales representative, the dealer shall obtain a motor vehicle  
13 sales representative's license in addition to a motor vehicle dealer's license. ~~A sales representative~~  
14 ~~may have only one license.~~ The sales representative license shall show the name of ~~the each~~  
15 dealer or wholesaler employing the sales representative. An individual who has submitted an  
16 application to the Division for a sales representative license pursuant to G.S. 20-288(a) ~~shall be~~  
17 ~~permitted to may~~ engage in activities as a sales representative while the application is pending  
18 ~~provided that under the following conditions:~~ (i) the sales representative applicant is actively and  
19 directly supervised by a licensed motor vehicle dealer or a licensed sales representative  
20 designated by the dealer, ~~provided further that (ii)~~ the applicant certifies in the application that  
21 the applicant has not been previously denied a sales representative license for any dealer by the  
22 ~~Division and that Division on nonprocedural grounds, and (iii)~~ the applicant has not been  
23 previously convicted of a felony. Any license issued by the Division to a motor vehicle dealer,  
24 manufacturer, factory branch, factory representative, distributor, distributor branch, distributor  
25 representative, or wholesaler under this Article may not be assigned, sold, or otherwise  
26 transferred to any other person or entity.

27 (b) Civil Penalty for Violations by Licensee. – In addition to any other punishment or  
28 remedy under the law for any violation of this section, the Division may levy and collect a civil  
29 penalty, in an amount not to exceed one thousand dollars (\$1,000) for each violation, against any  
30 person who has obtained a license pursuant to this ~~section, section, or is an applicant for a license~~  
31 under this section, if it finds that the ~~licensee person~~ has violated any of the provisions of  
32 G.S. 20-285 through G.S. 20-303, Article 15 of this Chapter, or any statute or rule adopted by  
33 the Division relating to the sale of vehicles, vehicle titling, or vehicle registration. If the Division  
34 finds that a sales representative applicant has violated any of these provisions, the penalty shall



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be assessed against the applicant unless the Division finds that a dealership owner, manager, or officer had knowledge of the violation before the application was submitted to the Division.

(c) Civil Penalty for Violations by Person Without a License. – In addition to any other punishment or remedy under the law for any violation of this section, the Division may levy and collect a civil penalty, in an amount not to exceed five thousand dollars (\$5,000) for each violation, against any person who is required to obtain a license under this section and has not obtained the license, if it finds that the person has violated any of the provisions of G.S. 20-285 through G.S. 20-303, Article 15 of this Chapter, or any statute or rule adopted by the Division relating to the sale of vehicles, vehicle titling, or vehicle registration. It shall be an affirmative defense if a person subject to a penalty for not having a license required by this section promptly applies for and is issued the appropriate license. The investigative report of a violation must be considered in the issuance of any license. In issuing a license to a person acting in a specific licensed activity, the Division must issue the appropriate license for that activity."

**SECTION 1.2.(a)** G.S. 20-294 reads as rewritten:

**"§ 20-294. Grounds for denying, suspending, placing on probation, or revoking licenses.**

~~The~~ In accordance with G.S. 20-295 and G.S. 20-296, the Division may deny, suspend, place on probation, or revoke a license issued under this Article for any one or more of the following grounds:

- (1) ~~Making~~ Knowingly making a material misstatement in an application for a license.
- (2) Willfully and intentionally failing to comply with this Article, Article 15 of this Chapter, or G.S. 20-52.1, 20-75, 20-79.1, 20-79.2, 20-108, 20-109, 20-109.3, or a rule adopted by the Division under this Article. It shall be an affirmative defense, exclusive to the dealer licensee, if the violation is a result of fraud, theft, or embezzlement against the licensee. Responsible persons, including officers, directors, and sales representative licensees, may be charged individually if they actively and knowingly participated in the unlawful activity. This affirmative defense is waived if any violation charged creates an unrecoverable loss for a citizen or another licensed motor vehicle dealer of this State.
- ...
- (4) Willfully defrauding any retail or wholesale buyer, to the buyer's damage, or any other person in the conduct of the licensee's business.
- ...
- (6) Using unfair methods of competition or unfair or deceptive acts or ~~practices.~~ practices that cause actual damages to the buyer.
- ...
- (9) Being convicted of an offense set forth under ~~G.S. 20-106,~~ G.S. 14-71.2, 20-106.1, 20-107, or 20-112 while holding such a license or within five years next preceding the date of filing the application; or being convicted of a felony involving moral turpitude under the laws of this State, another state, or the United States. It shall be an affirmative defense, and will operate as a stay of this violation, if the person charged is determined to qualify and obtains expunction, certificate of relief, or pardon, or, if the violative conviction is vacated. If relief is granted, this violation is dismissed. If relief is denied, the stay is lifted.
- ...
- (11) Knowingly giving an incorrect certificate of title, or failing to give a certificate of title to a purchaser, a lienholder, or the Division, as appropriate, after a vehicle is sold. It shall be an affirmative defense, exclusive to the dealer licensee, if it is found the violation is a result of fraud, theft, or embezzlement

1                   against the licensee. Responsible persons, including officers, directors, and  
2                   sales representative licensees, may be charged individually if they actively  
3                   and knowingly participated in the unlawful activity. This affirmative defense  
4                   is waived if any violation charged creates an unrecoverable loss for a citizen  
5                   or another licensed motor vehicle dealer of this State.

6                   (12) ~~Making~~ Knowingly making a material misstatement in an application for a  
7                   dealer license plate.

8                   ...."

9                   **SECTION 1.2.(b)** G.S. 14-86.1(a) reads as rewritten:

10                   "(a) All conveyances, including vehicles, watercraft or aircraft, used to unlawfully  
11                   conceal, convey or transport property in violation of G.S. 14-71, 14-71.1, or ~~20-106, 14-71.2~~ or  
12                   used by any person in the commission of armed or common-law robbery, or used in violation of  
13                   G.S. 14-72.7, or used by any person in the commission of any larceny when the value of the  
14                   property taken is more than two thousand dollars (\$2,000) shall be subject to forfeiture as  
15                   provided herein, except that:

16                   ...."

17                   **SECTION 1.3.** G.S. 20-299 reads as rewritten:

18                   "**§ 20-299. Acts of officers, directors, partners, salesmen and other representatives.**

19                   (a) ~~If a licensee is a copartnership or a corporation, it shall be sufficient cause for the~~  
20                   ~~denial, suspension or revocation of a license that any officer, director or partner of the~~  
21                   ~~copartnership or corporation has committed any act or omitted any duty which would be cause~~  
22                   ~~for refusing, suspending or revoking a license to such party as an individual. Each licensee shall~~  
23                   ~~be responsible for the acts of any or all of his salesmen while acting as his agent. The Division~~  
24                   ~~may deny, suspend, place on probation, or revoke a license issued to a corporation, limited~~  
25                   ~~liability company, limited liability partnership, or any other business entity that is a licensee~~  
26                   ~~under this Article if more than fifty percent (50%) of the business entity ownership engaged in~~  
27                   ~~conduct prohibited by G.S. 20-294. A license issued to a business entity under this Article may~~  
28                   ~~also be revoked if any damages suffered due to a violation of this Article are not satisfied,~~  
29                   ~~including damages caused by a sales representative while acting as an agent of the business entity.~~  
30                   ~~An owner of a business entity that did not engage personally in a violation of G.S. 20-294 and~~  
31                   ~~did not knowingly omit any duty may not be penalized for the acts of a business entity found to~~  
32                   ~~have violated this section.~~

33                   ...."

34  
35                   **DMV/STUDY TRANSFERRING VEHICLE DEALER LICENSE AND SAFETY AND**  
36                   **EMISSIONS INSPECTION HEARINGS FROM DMV TO OFFICE OF**  
37                   **ADMINISTRATIVE HEARINGS**

38                   **SECTION 2.(a)** The Division of Motor Vehicles, in consultation with the Office of  
39                   Administrative Hearings and the Attorney General, shall study the feasibility of transferring (i)  
40                   dealer license hearings pursuant to G.S. 20-296 and (ii) safety and emissions inspection hearings  
41                   pursuant to Article 3A of Chapter 20 of the General Statutes from the Division of Motor Vehicles  
42                   to the Office of Administrative Hearings. The study shall:

- 43                   (1) Provide a five-year history of the number of dealer license and safety and  
44                   emissions inspection hearings conducted by the Division, including annually  
45                   collected receipts.  
46                   (2) Identify personnel requirements for these hearings, including the total number  
47                   of Division staff assigned to the hearings and the educational and professional  
48                   requirements associated with all assigned positions.  
49                   (3) Provide an itemized estimate of costs incurred by the Division when  
50                   conducting these hearings.

- (4) Describe the Division's current procedures for administrating these hearings, including the appeals process.
- (5) Propose new procedures for administrating these hearings if they are transferred, including the new fee structure and appeals process. This proposal shall clearly highlight the differences between the current administrative procedures and the proposed new procedures.
- (6) Evaluate the advantages and disadvantages of the current administrative procedures and the proposed new procedures.
- (7) Examine the applicable federal and State law, noting any due process implications.
- (8) Provide a plan for implementing the transfer of hearings. The plan shall address: (i) anticipated workload changes; (ii) anticipated changes to staffing needs for any entity affected by the transfer; (iii) estimated one-time and annual costs to the Division or any other State agency resulting from the transfer; (iv) estimated cost savings for the Division or any other State agency resulting from the transfer; (v) changes in revenue for the Division or any other State agency resulting from the transfer; (vi) legislative changes necessary to implement the plan; and (vii) an estimated timeline for implementation, including steps required to facilitate the transfer.
- (9) Provide separate statements from the Division, the Attorney General, and the Office of Administrative Hearings indicating whether they are in favor of or opposed to implementing the transfer.
- (10) Explore any other issue deemed relevant.

**SECTION 2.(b)** By January 31, 2022, the Division of Motor Vehicles shall submit the findings of the study to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

## **LENDERS MAY OBTAIN COLOR IMAGE OF BORROWER'S DRIVERS LICENSE**

**SECTION 3.** G.S. 20-30(6) reads as rewritten:

- "(6) To make a color photocopy or otherwise make a color reproduction of a drivers license, learner's permit, or special identification card ~~which has been color photocopied or otherwise reproduced in color, card,~~ unless such color photocopy or other color reproduction was authorized by the Commissioner or is made to comply with G.S. 163-230.2. It shall be lawful to make a black and white photocopy of a drivers license, learner's permit, or special identification card or otherwise make a black and white reproduction of a drivers license, learner's permit, or special identification card. This subdivision does not apply to a lender that is licensed or otherwise authorized to engage in the lending business in this State, or to a licensed motor vehicle dealer, creating, storing, or receiving, in the ordinary course of business, a color image of a drivers license, learners permit, or special identification card of a borrower or loan applicant."

## **MANDATORY REPLACEMENT OF DEALER PLATES**

**SECTION 4.** G.S. 20-79 is amended by adding a new subsection to read:

"(c1) Dealer Plate Mandatory Replacement. – Notwithstanding G.S. 20-63.1, registration plates issued under this section shall be replaced every three years."

## **PRINT LICENSE RENEWAL GRACE PERIOD ON DEALER'S BLUE LICENSE**

**SECTION 5.** G.S. 20-295(b) reads as rewritten:

"(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 (i) 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~~ period and (ii) send a temporary license to the applicant for display while the Division reviews the application."

## MANUFACTURED HOMES

**SECTION 6.1.** G.S. 20-109.2 reads as rewritten:

**"§ 20-109.2. Surrender of title to manufactured home.**

...  
(d) Application for Title After Cancellation. – If the owner of a manufactured home whose certificate of title has been cancelled under this section subsequently seeks to separate the manufactured home from the real property, the owner may apply for a new certificate of title. The owner must submit to the Division an affidavit containing the same information set out in subsection (b) of this section, verification that the manufactured home has been removed from the real property, verification of the identity of the current owner of the real property upon which the manufactured home was located, and written consent of any affected owners of recorded mortgages, deeds of trust, or security interests in the real property where the manufactured home was placed. ~~The Commissioner may require evidence sufficient to demonstrate that all affected owners of security interests have been notified and consent.~~ Upon receipt of this information, together with a title application and required fee, the Division shall issue a new title for the manufactured home in the name of the current owner of the real property upon which the manufactured home was located.

...  
(f) No Right of Action. – A person damaged by the cancellation of a certificate of title pursuant to subsection (a1) of this section does not have a right of action against the ~~Division~~ Division or a commission contractor of the Division."

**SECTION 6.2.** G.S. 20-58.3A(g) reads as rewritten:

"(g) ~~The Division~~ Division, or a commission contractor of the Division, shall not be subject to a claim under Article 31 of Chapter 143 of the General Statutes related to the renewal of the perfection of a security interest or the failure to acknowledge or give effect to an expired perfection of a security interest on a certificate of title for a manufactured home pursuant to this section if the claim is based on reliance by the ~~Division~~ Division, or a commission contractor of the Division, on any application for renewal submitted to the ~~Division~~ Division, or a commission contractor of the Division, by a third party pursuant to this section or based on the automatic expiration of a perfection of a security interest pursuant to this section."

**SECTION 6.3.** G.S. 20-58.4 reads as rewritten:

**"§ 20-58.4. Release of security interest.**

...  
(c) An owner, upon securing the release of any security interest in a vehicle shown upon the certificate of title issued therefor, may exhibit the documents evidencing such release, signed by the person or persons making such release, and the certificate of title to the ~~Division~~ Division, or a commission contractor of the Division, which shall, when satisfied as to the genuineness ~~and regularity~~ of the release, issue to the owner either a new certificate of title in proper form or an endorsement or rider attached thereto showing the release of the security interest.

(d) If an owner exhibits documents evidencing the release of a security interest as provided in subsection (c) of this section but is unable to furnish the certificate of title to the ~~Division~~ Division, or a commission contractor of the Division, because it is in possession of a prior secured party, the Division, when satisfied as to the genuineness ~~and regularity~~ of the

1 release, shall procure the certificate of title from the person in possession thereof for the sole  
2 purpose of noting thereon the release of the subsequent security interest, following which the  
3 Division shall return the certificate of title to the person from whom it was obtained and notify  
4 the owner that the release has been noted on the certificate of title.

5 ...

6 (e1) If the vehicle is a manufactured home, the owner may proceed in accordance with  
7 subsection (e) of this section or may, in the alternative, provide the Division with a sworn  
8 affidavit by the owner stating that the debt has been satisfied and that either:

- 9 (1) After diligent inquiry, the owner has been unable to determine the identity or  
10 the current location of the secured creditor or its successor in interest; or  
11 (2) The secured creditor has not responded within 30 days to a written request  
12 from the owner to release the secured creditor's security interest.

13 For purposes of this subsection, the term "owner" shall mean any of the following: (i) the  
14 owner of the manufactured home; (ii) the owner of real property on which the manufactured  
15 home is affixed; or (iii) a title insurance company as insurer of an insured owner of real property  
16 on which the manufactured home is affixed.

17 (e2) The Division ~~may~~shall treat either of the methods employed by the owner pursuant  
18 to subsection (e) or subsection (e1) of this section as a proper release for purposes of this section  
19 when satisfied as to the genuineness, truth and sufficiency ~~thereof~~. ~~Prior to cancellation of a~~  
20 ~~security interest under the provisions of this subsection, at least 15 days' notice of the pendency~~  
21 ~~thereof shall be given to the secured party at his last known address by the Division by registered~~  
22 ~~letter. The Division shall not cancel a security interest pursuant to this subsection if, within 15~~  
23 ~~days after the Division gives notice, the secured party responds to the Division indicating that~~  
24 ~~the security interest remains in effect~~of the evidence. Before cancelling a security interest under  
25 this section, the Division, or a commission contractor of the Division, shall send notice to the last  
26 known address of the secured party. If the secured party files an objection within 15 days after  
27 notice was sent, the Division shall not cancel the security interest.

28 (f) ~~The Division~~The Division, or a commission contractor of the Division, shall not be  
29 subject to a claim under Article 31 of Chapter 143 of the General Statutes related to the release  
30 of the perfection of a security interest on a certificate of title for a manufactured home pursuant  
31 to this section if the claim is based on reliance by the ~~Division~~Division, or a commission  
32 contractor of the Division, on any release, affidavit, notation of the certificate of title, or  
33 documents evidencing the release or satisfaction of a security interest submitted to the ~~Division~~  
34 Division, or a commission contractor of the Division, by a third party pursuant to this section."

35 **SECTION 6.4.** The Division of Motor Vehicles shall create a form for use by  
36 employees, agents, and commission contractors of the Division in the cancellation, release, or  
37 renewal of a security interest in a manufactured home and the surrender of title to a manufactured  
38 home. On or before December 1, 2021, the Division shall publish this form on its website and  
39 otherwise make it available to the public.

## 40 41 **APPLICATION FOR NOTATION OF SECURITY INTEREST BY LENDER** 42 **MODIFICATIONS**

43 **SECTION 7.(a)** G.S. 20-58(a)(2) reads as rewritten:

- 44 "(2) If the vehicle is registered in this State, the application for notation of a  
45 security interest shall be in the form prescribed by the Division, signed by the  
46 debtor, and contain the date of application of each security interest, and name  
47 and address of the secured party from whom information concerning the  
48 security interest may be obtained. The application may be signed by electronic  
49 signature by the debtor without notarization, provided the application is  
50 submitted by a licensed or regulated lender in this State having a lienholder  
51 identification number issued by the Division. The application must be

1 accompanied by the existing certificate of title unless in the possession of a  
2 prior secured party or in the event the manufacturer's statement of origin or  
3 existing certificate of title (i) was not delivered to the dealer or (ii) was lost or  
4 misplaced on the date the dealer sells or transfers the motor vehicle. If there  
5 is an existing certificate of title issued by this or any other jurisdiction in the  
6 possession of a prior secured party, the application for notation of the security  
7 interest shall in addition contain the name and address of such prior secured  
8 party. An application for notation of a security interest may be signed by the  
9 secured party instead of the debtor when the application is accompanied by  
10 documentary evidence of the applicant's security interest in that motor vehicle  
11 signed by the debtor and by affidavit of the applicant stating the reason the  
12 debtor did not sign the application. An application for a notation of a security  
13 interest submitted to the Division signed by the secured party instead of the  
14 debtor does not require documentary evidence of the applicant's security  
15 interest in that motor vehicle signed by the debtor, provided the application is  
16 submitted by a licensed or regulated lender in this State having a lienholder  
17 identification number issued by the Division. In the event the certificate  
18 cannot be obtained for recordation of the security interest, when title remains  
19 in the name of the debtor, the Division shall cancel the certificate and issue a  
20 new certificate of title listing all the respective security interests. Neither the  
21 Division nor its commission contractors shall be liable for any cause of action  
22 arising from a notation of security interest placed on a certificate of title  
23 pursuant to applications submitted to the Division fraudulently or erroneously  
24 by a licensed or regulated lender in this State having a lienholder identification  
25 number issued by the Division. Any entity offering an electronic signature  
26 process for applications submitted pursuant to this subdivision assumes all  
27 responsibility and liability for the accuracy of the signature. The Division and  
28 its commission contractors shall be held harmless from any liability to a claim  
29 arising from applications submitted with an inaccurate electronic signature  
30 pursuant to this subdivision."

31 **SECTION 7.(b)** This section becomes effective October 1, 2021, and applies to  
32 applications for notation of security interests submitted to the Division of Motor Vehicles on or  
33 after that date.

## 34 35 **ELECTRONIC LIEN SYSTEM CONTRACTORS MUST HAVE EXPERIENCE IN** 36 **ELECTRONIC LIENS**

37 **SECTION 8.(a)** G.S. 20-58.4A(d) reads as rewritten:

38 "(d) Qualified vendors and service providers shall have experience in directly providing  
39 electronic lien and title solutions to State motor vehicle departments or agencies."

40 **SECTION 8.(b)** This section becomes effective October 1, 2021, and applies to  
41 contracts with qualified vendors and service providers entered into by the Division of Motor  
42 Vehicles pursuant to G.S. 20-58.4A on or after that date.

## 43 44 **AMEND EFFECTIVE DATE OF CERTAIN LICENSE REVOCATIONS**

45 **SECTION 9.(a)** G.S. 20-16.2(d) reads as rewritten:

46 "(d) Consequences of Refusal; Right to Hearing before Division; Issues. – Upon receipt  
47 of a properly executed affidavit required by subsection (c1), the Division shall expeditiously  
48 notify the person charged that the person's license to drive is revoked for 12 months, effective on  
49 the ~~tenth~~ thirtieth calendar day after the mailing of the revocation order unless, before the  
50 effective date of the order, the person requests in writing a hearing before the Division. Except  
51 for the time referred to in G.S. 20-16.5, if the person shows to the satisfaction of the Division

that his or her license was surrendered to the court, and remained in the court's possession, then the Division shall credit the amount of time for which the license was in the possession of the court against the 12-month revocation period required by this subsection. If the person properly requests a hearing, the person retains his or her license, unless it is revoked under some other provision of law, until the hearing is held, the person withdraws the request, or the person fails to appear at a scheduled hearing. The hearing officer may subpoena any witnesses or documents that the hearing officer deems necessary. The person may request the hearing officer to subpoena the charging officer, the chemical analyst, or both to appear at the hearing if the person makes the request in writing at least three days before the hearing. The person may subpoena any other witness whom the person deems necessary, and the provisions of G.S. 1A-1, Rule 45, apply to the issuance and service of all subpoenas issued under the authority of this section. The hearing officer is authorized to administer oaths to witnesses appearing at the hearing. The hearing shall be conducted in the county where the charge was brought, and shall be limited to consideration of whether:

- (1) The person was charged with an implied-consent offense or the driver had an alcohol concentration restriction on the drivers license pursuant to G.S. 20-19;
- (2) A law enforcement officer had reasonable grounds to believe that the person had committed an implied-consent offense or violated the alcohol concentration restriction on the drivers license;
- (3) The implied-consent offense charged involved death or critical injury to another person, if this allegation is in the affidavit;
- (4) The person was notified of the person's rights as required by subsection (a); and
- (5) The person willfully refused to submit to a chemical analysis.

If the Division finds that the conditions specified in this subsection are met, it shall order the revocation sustained. If the Division finds that any of the conditions (1), (2), (4), or (5) is not met, it shall rescind the revocation. If it finds that condition (3) is alleged in the affidavit but is not met, it shall order the revocation sustained if that is the only condition that is not met; in this instance subsection (d1) does not apply to that revocation. If the revocation is sustained, the person shall surrender his or her license immediately upon notification by the Division."

**SECTION 9.(b)** G.S. 20-17.8(i) reads as rewritten:

"(i) Notification of Revocation. – If the person's license has not already been surrendered to the court, the Division must expeditiously notify the person that the person's license to drive is revoked pursuant to subsection (f) or (g) of this section effective on the ~~tenth~~thirtieth calendar day after the mailing of the revocation order."

**SECTION 9.(c)** G.S. 20-19(c5) reads as rewritten:

"(c5) Right to Hearing Before Division; Issues. – Upon receipt of a properly executed affidavit required by G.S. 20-16.2(c1), the Division must expeditiously notify the person charged that the person's license to drive is revoked for the period of time specified in this section, effective on the ~~tenth~~thirtieth calendar day after the mailing of the revocation order unless, before the effective date of the order, the person requests in writing a hearing before the Division. Except for the time referred to in G.S. 20-16.5, if the person shows to the satisfaction of the Division that the person's license was surrendered to the court and remained in the court's possession, then the Division shall credit the amount of time for which the license was in the possession of the court against the revocation period required by this section. If the person properly requests a hearing, the person retains the person's license, unless it is revoked under some other provision of law, until the hearing is held, the person withdraws the request, or the person fails to appear at a scheduled hearing. The hearing officer may subpoena any witnesses or documents that the hearing officer deems necessary. The person may request the hearing officer to subpoena the charging officer, the chemical analyst, or both to appear at the hearing if the person makes the request in writing at least three days before the hearing. The person may subpoena any other



witness whom the person deems necessary, and the provisions of G.S. 1A-1, Rule 45, apply to the issuance and service of all subpoenas issued under the authority of this section. The hearing officer is authorized to administer oaths to witnesses appearing at the hearing. The hearing must be conducted in the county where the charge was brought, and must be limited to consideration of whether:

- (1) The charging officer had reasonable grounds to believe that the person had violated the alcohol concentration restriction;
- (2) The person was notified of the person's rights as required by G.S. 20-16.2(a);
- (3) The drivers license of the person had an alcohol concentration restriction; and
- (4) The person submitted to a chemical analysis upon the request of the charging officer, and the analysis revealed an alcohol concentration in excess of the restriction on the person's drivers license.

If the Division finds that the conditions specified in this subsection are met, it must order the revocation sustained. If the Division finds that any of the conditions (1), (2), (3), or (4) is not met, it must rescind the revocation. If the revocation is sustained, the person must surrender the person's license immediately upon notification by the Division."

**SECTION 9.(d)** This section becomes effective October 1, 2021, and applies to notifications of revocations mailed by the Division of Motor Vehicles on or after that date.

#### **EXEMPT VEHICLES OFFERED FOR SALE PURSUANT TO COURT PROCEEDINGS FROM INSPECTIONS**

**SECTION 10.** G.S. 20-183.4C(a)(2) reads as rewritten:

- "(2) A used vehicle must be inspected before it is offered for sale at retail in this State by a dealer. Upon purchase, a receipt approved by the Division must be provided to the new owner certifying compliance. This subdivision does not apply to a used vehicle offered for sale in this State by an auctioneer pursuant to the judgment or order of any court, on behalf of receivers, trustees, administrators, executors, guardians, governmental entities, or other persons, appointed by or acting under a judgment or order of any court."

#### **LIMITED EXEMPTION FROM DEPARTMENT OF INFORMATION TECHNOLOGY OVERSIGHT AND REQUIREMENTS FOR DIVISION OF MOTOR VEHICLES INFORMATION TECHNOLOGY MODERNIZATION PROJECTS**

**SECTION 11.(a)** Notwithstanding Part 3 and Part 4 of Article 15 of Chapter 143, or any other provision of law to the contrary, the Department of Transportation may manage, procure information technology goods and services, and enter into contracts for up to five information technology projects for Division of Motor Vehicles system modernization, and these projects are exempt from Department of Information Technology oversight and requirements. These projects may include modernization of Division of Motor Vehicles' electronic services and Division's mail intake, handling, and management systems and practices.

**SECTION 11.(b)** The Department of Transportation shall notify the Department of Information Technology of the nature and scope of an information technology project the Department of Transportation is undertaking pursuant to the exemption under subsection (a) of this section.

**SECTION 11.(c)** The Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division within 30 days of entering into a contract for an information technology project the Department of Transportation is undertaking pursuant to the exemption under subsection (a) of this section.

**EXTEND EXPIRATION OF LEVEL 2 LIMITED PROVISIONAL LICENSE  
REQUIREMENT MODIFICATION**

**SECTION 12.** Section 2 of S.L. 2021-24 reads as rewritten:

**"SECTION 2.** This act is effective when it becomes law and applies to applications for licenses submitted on or after that date. Section 1 of this act expires on ~~December 31, 2021.~~  
December 31, 2022."

**EFFECTIVE DATE**

**SECTION 13.** Except as otherwise provided, this act becomes effective October 1, 2021.