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Short Title: Various Motor Vehicle Law Revisions.

(Public)

Sponsors:

Referred to:

March 29, 2017

A BILL TO BE ENTITLED

AN ACT TO EXPAND THE REQUIRED USE OF THE ELECTRONIC LIEN SYSTEM IMPLEMENTED BY THE DIVISION OF MOTOR VEHICLES, TO REVISE THE LAW GOVERNING WHEN A MOTOR VEHICLE DEALER THAT DOES NOT HAVE A MOTOR VEHICLE'S STATEMENT OF ORIGIN OR CERTIFICATE OF TITLE MAY TRANSFER TITLE TO THE MOTOR VEHICLE, AND TO MAKE OTHER CHANGES TO LAWS AFFECTING MOTOR VEHICLE DEALERS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-58.4A(i) reads as rewritten:

"(i) Mandatory Participation. – ~~Beginning July 1, 2016, all~~ All individuals and lienholders ~~who are normally engaged in the business or practice of financing motor vehicles, and who~~ conduct at least five transactions ~~annually,~~ annually shall utilize the electronic lien system implemented in subsection (a) of this section to record information concerning the perfection and release of a security interest in a vehicle."

SECTION 2.(a) G.S. 20-52.1(d) reads as rewritten:

"(d) When a manufacturer's statement of origin or an existing certificate of title on a motor vehicle is unavailable, a motor vehicle dealer licensed under Article 12 of this Chapter may also transfer title to a vehicle currently titled in this State to another by certifying in writing in a sworn statement to the Division ~~that~~ signed by the dealer principal, general manager, general sales manager, controller, or owner of the dealership that, to the best of the signatory's knowledge and information as of the date of sworn certification, all prior perfected liens on the vehicle that are known or reasonably ascertainable by the signatory have been paid and that the motor vehicle dealer, despite having used reasonable diligence, is unable to obtain the vehicle's statement of origin or certificate of title. For purposes of this subsection, a dealer may certify that the dealer is unable to obtain the vehicle's statement of origin or certificate of title because the statement of origin or certificate of title was either (i) not delivered to the dealer or (ii) lost or misplaced. The Division is authorized to require any information it deems necessary for the transfer of the vehicle and shall develop a form for this purpose. The knowing and intentional filing of a false sworn certification with the Division pursuant to this subsection shall constitute a Class H felony. A dealer principal, owner, or manager who is not a signatory of the sworn certification under this subsection may only be charged for a criminal violation for filing a false certification under this subsection by another dealership employee if the dealer principal, owner, or manager had actual knowledge of the falsity of the sworn certification at the time the sworn certification was



1 submitted to the Division. The dealer shall hold harmless and indemnify the consumer-purchaser
2 from any damages arising from the use of the procedure authorized by this subsection. No person
3 shall have a cause of action against the Division or Division contractors arising from the transfer
4 of a vehicle by a sworn certification pursuant to this section."

5 **SECTION 2.(b)** G.S. 20-58 reads as rewritten:

6 **"§ 20-58. Perfection by indication of security interest on certificate of title.**

7 (a) Except as provided in G.S. 20-58.8, a security interest in a vehicle of a type for which
8 a certificate of title is required shall be perfected only as hereinafter provided.

9 (1) If the vehicle is not registered in this State, the application for notation of a
10 security interest shall be the application for certificate of title provided for in
11 G.S. 20-52.

12 (2) If the vehicle is registered in this State, the application for notation of a
13 security interest shall be in the form prescribed by the Division, signed by the
14 debtor, and contain the date of application of each security interest, and name
15 and address of the secured party from whom information concerning the
16 security interest may be obtained. The application must be accompanied by
17 the existing certificate of title unless in the possession of a prior secured
18 party-party or in the event the manufacturer's statement of origin or existing
19 certificate of title (i) was not delivered to the dealer or (ii) was lost or
20 misplaced on the date the dealer sells or transfers the motor vehicle. If there
21 is an existing certificate of title issued by this or any other jurisdiction in the
22 possession of a prior secured party, the application for notation of the security
23 interest shall in addition contain the name and address of such prior secured
24 party. An application for notation of a security interest may be signed by the
25 secured party instead of the debtor when the application is accompanied by
26 documentary evidence of the applicant's security interest in that motor vehicle
27 signed by the debtor and by affidavit of the applicant stating the reason the
28 debtor did not sign the application. In the event the certificate cannot be
29 obtained for recordation of the security interest, when title remains in the name
30 of the debtor, the Division shall cancel the certificate and issue a new
31 certificate of title listing all the respective security interests.

32 (3) If the application for notation of security interest is made in order to continue
33 the perfection of a security interest perfected in another jurisdiction, it may be
34 signed by the secured party instead of the debtor. Such application shall be
35 accompanied by documentary evidence of a perfected security interest. No
36 such application shall be valid unless an application for a certificate of title
37 has been made in North Carolina. The security interest perfected herein shall
38 be subject to the provisions set forth in G.S. 20-58.5.

39 (b) ~~When~~ If a manufacturer's statement of origin or an existing certificate of title on a
40 motor vehicle ~~is unavailable, was~~ (i) not delivered to the dealer or (ii) was lost or misplaced on or
41 prior to the date the dealer sells or transfers the motor vehicle, a first lienholder ~~who holds a valid~~
42 ~~license as a motor vehicle dealer issued by the Commissioner under Article 12 of this Chapter~~ or
43 his designee may file a notarized copy of an instrument creating and evidencing a security interest
44 in the motor vehicle with the Division of Motor Vehicles. A filing pursuant to this subsection
45 shall constitute constructive notice to all persons of the security interest in the motor vehicle
46 described in the filing. The constructive notice shall be effective ~~from the date of the filing on~~
47 the date of the security agreement if the filing is made within 20 days after the date of the security
48 agreement. The constructive notice shall date from the date of the filing with the Division if it is
49 made more than 20 days after the date of the security agreement. The notation of a security
50 interest created under this subsection shall automatically expire 60 days after the date of the
51 creation of the security interest, or upon perfection of the security interest as provided in

1 subsection (a) of this section, whichever occurs first. A security interest notation made under this
2 subsection and then later perfected under subsection (a) of this section shall be presumed to have
3 been perfected on the date of the earlier filing. The Division may charge a fee not to exceed ten
4 dollars (\$10.00) for each notation of security interest filed pursuant to this subsection. The fee
5 shall be credited to the Highway Fund. ~~A false filing with the Division pursuant to this subsection~~
6 ~~shall constitute a Class H felony.~~ It shall constitute a Class H felony for a person to knowingly
7 and intentionally file a false notice with the Division pursuant to this subsection. A dealer
8 principal, owner, or manager of a motor vehicle dealership who is not a signatory of the notice
9 required under this subsection may only be charged for a criminal violation for filing a false
10 notice with the Division under this subsection by another dealership employee if the dealer
11 principal, owner, or manager had actual knowledge of the falsity of the filing at the time the filing
12 was submitted to the Division.

13"

14 **SECTION 2.(c)** G.S. 20-72(b) reads as rewritten:

15 "(b) In order to assign or transfer title or interest in any motor vehicle registered under the
16 provisions of this Article, the owner shall execute in the presence of a person authorized to
17 administer oaths an assignment and warranty of title on the reverse of the certificate of title in
18 form approved by the Division, including in such assignment the name and address of the
19 transferee; and no title to any motor vehicle shall pass or vest until such assignment is executed
20 and the motor vehicle delivered to the transferee. The provisions of this section shall not apply
21 to any foreclosure or repossession under a chattel mortgage or conditional sales contract or any
22 judicial sale. The provisions of this subsection shall not apply to (i) any transfer to an insurer
23 pursuant to G.S. 20-109.1(b)(2) or (ii) any transfer to a used motor vehicle dealer pursuant to
24 G.S. 20-109.1(e1).

25 When a manufacturer's statement of origin or an existing certificate of title on a motor vehicle
26 is unavailable, a motor vehicle dealer licensed under Article 12 of this Chapter may also transfer
27 title to a vehicle currently titled in this State to another by certifying in writing in a sworn
28 statement to the Division that is signed by the dealer principal, general manager, general sales
29 manager, controller, or owner of the dealership that, to the best of the signatory's knowledge and
30 information as of the date of the sworn certification, all prior perfected liens on the vehicle that
31 are known or reasonably ascertainable by the signatory have been paid and that the motor vehicle
32 dealer, despite having used reasonable diligence, is was unable to obtain the vehicle's statement
33 of origin or certificate of title. For purposes of this subsection, a dealer may certify that the dealer
34 is unable to obtain the vehicle's statement of origin or certificate of title if the statement of origin
35 or certificate of title has either (i) not been delivered to the dealer or (ii) has been lost or
36 misplaced. The Division is authorized to request any information it deems necessary to transfer
37 the vehicle and shall develop a form for this purpose. ~~The filing of a false sworn certification~~
38 ~~with the Division pursuant to this paragraph.~~ The knowing and intentional filing of a false sworn
39 certification with the Division pursuant to this subsection shall constitute a Class H felony. A
40 dealer principal, owner, or manager of a motor vehicle dealership who is not a signatory of the
41 sworn certification required under this subsection may only be charged for a criminal violation
42 for filing a false certification under this subsection by another dealership employee if the dealer
43 principal, owner, or manager had actual knowledge of the falsity of the sworn certification at the
44 time the sworn certification was submitted to the Division.

45 Any person transferring title or interest in a motor vehicle shall deliver the certificate of title
46 duly assigned in accordance with the foregoing provision to the transferee at the time of
47 delivering the vehicle, except when a certificate of title is unavailable as provided in this
48 subsection or in G.S. 20-72.1, and except that where a security interest is obtained in the motor
49 vehicle from the transferee in payment of the purchase price or otherwise, the transferor shall
50 deliver the certificate of title to the lienholder and the lienholder shall forward the certificate of
51 title together with the transferee's application for new title and necessary fees to the Division

1 within 20 days. If the title to a vehicle is unavailable and the dealer transfers the vehicle on a
2 sworn certification pursuant to this section or G.S. 20-52.1, and the title is subsequently received
3 or found by the dealer, the dealer shall retain a copy for its records and submit the title to the
4 Division. Any person who delivers or accepts a certificate of title assigned in blank shall be guilty
5 of a Class 2 misdemeanor. No person shall have a cause of action against the Division or Division
6 contractors arising from the transfer of a vehicle by a sworn certification pursuant to this section.

7 The title to a salvage vehicle shall be forwarded to the Division as provided in G.S. 20-109.1,
8 except with respect to the title of any salvage vehicle transferred pursuant to G.S. 20-109.1(b)(2)
9 or G.S. 20-109.1(e1)."

10 **SECTION 2.(d)** Part 4 of Article 3 of Chapter 20 of the General Statutes is amended
11 by adding a new section to read:

12 "**§ 20-72.1. Transfer by owner when a certificate of title is unavailable; consumer remedies.**

13 (a) Notwithstanding any other provision in this Article, when a manufacturer's statement
14 of origin or an existing certificate of title on a motor vehicle is unavailable, a motor vehicle dealer
15 licensed under Article 12 of this Chapter shall deliver the manufacturer's statement of origin or
16 certificate of title to the Division within 20 days of receipt of the title, but no later than 60 days
17 following the later of the date of the sale or transfer of the vehicle or the date of the creation of a
18 security interest in the vehicle pursuant to G.S. 20-58(b). The dealer may offer the vehicle for
19 sale provided that the purchaser is given written notice prior to sale that the dealer is not in
20 possession of the manufacturer's statement of origin or certificate of title and that the purchaser
21 may be entitled to liquidated damages pursuant to subsection (b) of this section if the dealer fails
22 to deliver the manufacturer's statement of origin or certificate of title to the Division in
23 accordance with this subsection. For purposes of this subsection, a vehicle's manufacturer's
24 statement of origin or existing certificate of title shall be considered unavailable under either of
25 the following circumstances:

26 (1) The manufacturer's statement of origin or certificate of title has not been
27 actually delivered to the dealer on or prior to the date the dealer sold or
28 transferred the vehicle.

29 (2) The manufacturer's statement of origin or certificate of title was lost or
30 misplaced on or prior to the date the dealer sold or transferred the vehicle. If
31 the motor vehicle being sold or transferred is a used motor vehicle, the dealer
32 is required to make application to the Division for a duplicate title within five
33 working days of the date of the sale or transfer of the vehicle. If the vehicle
34 being sold or transferred is a new motor vehicle, the dealer is required to
35 request a new or duplicate manufacturer's statement of origin from the
36 applicable manufacturer or distributor within five working days of the date of
37 the sale or transfer of the vehicle.

38 (b) In any case where a dealer fails to deliver the manufacturer's statement of origin or
39 certificate of title to the Division within the 60-day time period allowed in subsection (a) of this
40 section, the vehicle purchaser may elect to receive liquidated damages from the dealer in the
41 amount of five percent (5%) of the vehicle purchase price, not to exceed one thousand dollars
42 (\$1,000), provided that the dealer receives written demand for liquidated damages from the
43 purchaser within 10 days after the expiration of the 60-day period provided in subsection (a) of
44 this section. The liquidated damages provided in this subsection shall be payable by the dealer
45 within 30 days after the receipt of the purchaser's written demand. Nothing in this section shall
46 be construed to limit any other civil remedies or consumer protections available to the vehicle
47 purchaser."

48 **SECTION 2.(e)** G.S. 20-79.1(h) reads as rewritten:

49 (h) Temporary registration plates or markers shall expire and become void upon the
50 receipt of the limited registration plates or the annual registration plates from the Division, or
51 upon the rescission of a contract to purchase a motor vehicle, or upon the expiration of 30 days

1 from the date of issuance, depending upon whichever event shall first occur. No refund or credit
2 or fees paid by dealers to the Division for temporary registration plates or markers shall be
3 allowed, except in the event that the Division discontinues the issuance of temporary registration
4 plates or markers or unless the dealer discontinues business. In this event the unissued registration
5 plates or markers with the unissued registration certificates shall be returned to the Division and
6 the dealer may petition for a refund. Upon the expiration of the 30 days from the date of issuance,
7 a second 30-day temporary registration plate or marker may be issued by the dealer upon showing
8 the vehicle has been sold, a temporary lien has been filed as provided in G.S. 20-58, and that the
9 dealer, having used reasonable diligence, is unable to obtain the vehicle's statement of origin or
10 certificate of title so that the lien may be perfected. For purposes of this subsection, a dealer shall
11 be considered unable to obtain the vehicle's statement of origin or certificate of title if the
12 statement of origin or certificate of title either (i) has not been delivered to the dealer or (ii) was
13 lost or misplaced."

14 **SECTION 2.(f)** The Division of Motor Vehicles, in consultation with the North
15 Carolina Automobile Dealers Association, Inc., shall study the following:

- 16 (1) The impacts of this section on Division processes and procedures, along with
17 recommended statutory changes to further improve the lawful transfer of
18 motor vehicles.
- 19 (2) Methods to ensure consumer protection in the motor vehicle transfer process.
- 20 (3) Potential changes to the Division's electronic lien and title program or other
21 processes that could assist with reducing the delay in the release of a satisfied
22 security interest in a motor vehicle.
- 23 (4) Any other issues the Division deems appropriate.

24 The Division shall report its findings, including any legislative recommendations, to
25 the Joint Legislative Transportation Oversight Committee by December 31, 2020.

26 **SECTION 2.(g)** G.S. 20-73(a) reads as rewritten:

27 "(a) Time Limit. – A person to whom a vehicle is transferred, whether by purchase or
28 otherwise, must apply to the Division for a new certificate of title. An application for a certificate
29 of title must be submitted within 28 days after the vehicle is transferred. A person who must
30 follow the procedure in G.S. 20-76 to get a certificate of title and who applies for a title within
31 the required 20-day time limit or who transfers title to a vehicle pursuant to a sworn certificate
32 pursuant to G.S. 20-52.1(d) is considered to have complied with this section even when the
33 Division issues a certificate of title to the person after the time limit has elapsed.

34 A person may apply directly for a certificate of title or may allow another person, such as the
35 person from whom the vehicle is transferred or a person who has a lien on the vehicle, to apply
36 for a certificate of title on that person's behalf. A person to whom a vehicle is transferred is
37 responsible for getting a certificate of title within the time limit regardless of whether the person
38 allowed another to apply for a certificate of title on the person's behalf."

39 **SECTION 2.(h)** Subsection 2(f) of this section is effective when it becomes law.
40 The remainder of this section becomes effective January 1, 2019.

41 **SECTION 3.(a)** G.S. 20-79.02(g) reads as rewritten:

42 "(g) Applicability. – Prior to January 1, ~~2019,2021~~, a new motor vehicle dealer may, but
43 is not required to, display an LD license plate on a service loaner vehicle. Beginning on or after
44 January 1, ~~2019,2021~~, a new motor vehicle dealer shall display an LD license plate on any new
45 motor vehicle placed into service as a loaner vehicle if either of the following circumstances
46 exists:

- 47 (1) The new motor vehicle dealer is receiving incentive or warranty compensation
48 from a manufacturer, factory branch, distributor, or distributor branch for the
49 use of the vehicle as a service loaner.
- 50 (2) The new motor vehicle dealer is receiving a fee or other compensation from
51 the dealer's customers for the use of the vehicle as a service loaner."

1 **SECTION 3.(b)** Section 1.1(b) of S.L. 2015-232 reads as rewritten:

2 **"SECTION 1.1.(b)** This section is effective when this act becomes law and expires
3 December 31, ~~2018-2020.~~"

4 **SECTION 3.(c)** Section 1.4(b) of S.L. 2015-232 reads as rewritten:

5 **"SECTION 1.4.(b)** This section is effective when this act becomes law and expires
6 December 31, ~~2018-2020.~~"

7 **SECTION 4.** G.S. 20-79.1(d) reads as rewritten:

8 "(d) A dealer shall:

- 9 (1) Not issue, assign, transfer, or deliver temporary registration plates or markers
10 to anyone other than a bona fide purchaser or owner of a vehicle which he has
11 sold.
- 12 (2) Not issue a temporary registration plate or marker without first obtaining from
13 the purchaser or owner a written application for titling and registration of the
14 vehicle and the applicable fees.
- 15 (3) Within 10 working days, 20 days of the issuance of a temporary registration
16 plate or marker, mail or deliver the application and fees to the Division or
17 deliver the application and fees to a local license agency for processing.
18 Delivery need not be made if the contract for sale has been rescinded ~~in writing~~
19 by all parties to the contract.
- 20 (4) Not deliver a temporary registration plate to anyone purchasing a vehicle that
21 has an unexpired registration plate that is to be transferred to the purchaser.
- 22 (5) Not lend to anyone, or use on any vehicle that he may own, any temporary
23 registration plates or markers.

24 A dealer may issue temporary markers, without obtaining the written application for titling
25 and registration or collecting the applicable fees, to nonresidents for the purpose of removing the
26 vehicle from the State."

27 **SECTION 5.** G.S. 20-183.4C(a)(1) reads as rewritten:

28 "(1) A new vehicle must be inspected before it is ~~sold~~ delivered to a purchaser at
29 retail in this State. Upon purchase, a receipt approved by the Division must be
30 provided to the new owner certifying compliance."

31 **SECTION 6.** G.S. 105-562 reads as rewritten:

32 **"§ 105-562. Collection and scope.**

33 (a) Collection. – A tax or a tax increase levied under this Article becomes effective on
34 the date set by the board of trustees in the resolution levying the tax or the tax increase. The
35 effective date must be the first day of a month and may not be earlier than the first day of the
36 sixth calendar month after the board of trustees adopts the resolution. To the extent the tax applies
37 to vehicles whose tax situs is in a county the entire area of which is within the jurisdiction of the
38 Authority, the Division of Motor Vehicles shall collect and administer the tax. To the extent the
39 tax applies to vehicles whose tax situs is in a county that is only partially within the jurisdiction
40 of the county, the Authority shall collect and administer the tax. The Authority may contract with
41 one or more local governments in its jurisdiction to collect the tax on its behalf.

42 Upon receipt of the resolutions under G.S. 105-561, the Division of Motor Vehicles shall
43 proceed to collect and administer the tax as provided in this Article. The tax is due at the same
44 time and subject to the same restrictions as in G.S. 20-87(1), (2), (4), (5), (6), and (7) and
45 G.S. 20-88. The Division of Motor Vehicles may adopt rules to carry out its responsibilities under
46 this Article.

47 (b) Scope. – Only vehicles required to pay a tax under G.S. 20-87(1), (2), (4), (5), (6),
48 and (7) and G.S. 20-88 shall be subject to the tax provided by this Article. Taxes shall be prorated
49 in accordance with G.S. 20-95.

1 (c) Tax Situs. – The tax situs of a motor vehicle for the purpose of this Article is its ad
2 valorem tax situs. If the vehicle is exempt from ad valorem tax, its tax situs for the purpose of
3 this Article is the ad valorem tax situs it would have if it were not exempt from ad valorem tax.

4 (d) Any tax or tax increase levied under this Article applicable to a motor vehicle sold or
5 leased by a motor vehicle dealer, as defined in G.S. 20-286(11), is only applicable to a motor
6 vehicle sale or lease made on or after the effective date of the tax or tax increase regardless of
7 the date of submission of a title and registration application for the motor vehicle to the Division
8 of Motor Vehicles. No tax or tax increase levied under this Article applies to a motor vehicle sale
9 or lease made prior to the effective date of the tax or tax increase."

10 **SECTION 7.** G.S. 105-570 reads as rewritten:

11 **"§ 105-570. County Vehicle Registration Tax; shared with municipalities.**

12 (a) A county is considered an authority under Article 51 of this Chapter, and the board of
13 commissioners of that county is considered the board of trustees of the authority under Article
14 51, except that the maximum tax that may be levied by a county under this Article is seven dollars
15 (\$7.00) per year.

16 (b) A county may not levy a tax under this Article unless the county or at least one unit
17 of local government in the county operates a public transportation system.

18 (c) Any tax levied under this Article shall, after the receipt of those funds from the
19 Division of Motor Vehicles, be retained or distributed by the county on a per capita basis as it
20 receives those funds as follows:

21 (1) Pro rata (i) retained by the county based on the population of the county that
22 is not in an incorporated area, and (ii) distributed to the municipalities within
23 the county based on the population of that municipality that is located within
24 that county. To determine the population of each county and municipality, the
25 county shall use the most recent annual estimate of population certified by the
26 State Budget Officer.

27 (2) Notwithstanding subdivision (1) of this subsection, if a municipality to which
28 funds are to be distributed does not operate a public transportation system, the
29 population of that municipality shall be excluded from the calculations of
30 subdivision (1) of this subsection and no distribution shall be made to that
31 municipality.

32 (3) Notwithstanding subdivision (1) of this subsection, if a county for which funds
33 are to be retained does not operate a public transportation system, the
34 population of that county not in an incorporated area shall be excluded from
35 the calculations of subdivision (1) of this subsection, and the county shall not
36 retain any funds.

37 If a county that does not retain funds or a municipality that does not receive an allocation of
38 funds on account of subdivision (2) or (3) of this subsection begins to operate a public
39 transportation system, that county or municipality shall begin retaining or receiving funds
40 beginning the first day of July that is more than 30 days thereafter.

41 (d) The proceeds of a tax imposed under this Article may be used by that county or
42 municipality only to operate a public transportation system, including financing, constructing,
43 operating, and maintaining that public transportation system. The term "public transportation
44 system" has the same meaning as defined in G.S. 105-506.1.

45 (e) As used in this section, operation of a public transportation system includes a contract
46 or interlocal agreement for operation of the public transportation system by another county or
47 municipality, or by a transportation authority created under (i) a municipal charter; or (ii) Article
48 25, 26, or 27 of Chapter 160A of the General Statutes. As used in this section, operation of a
49 public transportation system also includes a contract with a private entity for operation of the
50 public transportation system.

1 (f) An interlocal agreement under this section may also deal with allocation of funds
2 between a municipality and county for operation by the county of a human services public
3 transportation system within the municipality when the municipality also operates a public
4 transportation system.

5 (g) This Article is supplemental to Article 51 of this Chapter.

6 (h) Any tax or tax increase levied under this Article applicable to a motor vehicle sold or
7 leased by a motor vehicle dealer, as defined in G.S. 20-286(11), is only applicable to a motor
8 vehicle sale or lease made on or after the effective date of the tax or tax increase regardless of
9 the date of submission of a title and registration application for the motor vehicle to the Division
10 of Motor Vehicles. No tax or tax increase levied under this Article applies to a motor vehicle sale
11 or lease made prior to the effective date of the tax or tax increase."

12 **SECTION 8.** G.S. 20-4.02 reads as rewritten:

13 **"§ 20-4.02. Quadrennial adjustment of certain fees and rates.**

14 (a) Adjustment for Inflation. – Beginning July 1, 2020, and every four years thereafter,
15 the Division shall adjust the fees and rates imposed pursuant to the statutes listed in this
16 subsection for inflation in accordance with the Consumer Price Index computed by the Bureau
17 of Labor Statistics. The adjustment for per transaction rates in subdivision (8a) of this subsection
18 shall be rounded to the nearest cent and all other adjustments under this subsection shall be
19 rounded to the nearest twenty-five cents (25¢):

20 (1) G.S. 20-7.

21 (2) G.S. 20-11.

22 (3) G.S. 20-14.

23 (4) G.S. 20-16.

24 (5) G.S. 20-26.

25 (6) G.S. 20-37.15.

26 (7) G.S. 20-37.16.

27 (8) G.S. 20-42(b).

28 (8a) G.S. 20-63(h), with respect to the per transaction rates set in that subsection.

29 (9) G.S. 20-85(a)(1) through (10).

30 (10) G.S. 20-85.1.

31 (11) G.S. 20-87, except for the additional fee set forth in G.S. 20-87(6) for private
32 motorcycles.

33 (12) G.S. 20-88.

34 (13) G.S. 20-289.

35 (14) G.S. 20-385.

36 (15) G.S. 44A-4(b)(1).

37 (b) Computation. – In determining the rate of inflation to use when making an adjustment
38 pursuant to subsection (a) of this section, the Division shall base the rate on the percent change
39 in the annual Consumer Price Index over the preceding four-year period.

40 (c) Rules. – The provisions of Chapter 150B of the General Statutes shall not apply to
41 the inflation adjustment required by this section.

42 (d) Consultation and Publication. – At least 90 days prior to making an adjustment
43 pursuant to subsection (a) of this section, and notwithstanding any provision of G.S. 12-3.1
44 to the contrary, the Division shall (i) consult with the Joint Legislative Commission on
45 Governmental Operations, (ii) provide a report to the chairs of the Senate Appropriations
46 Committee on Department of Transportation and the House of Representatives Appropriations
47 Committee on Transportation, and (iii) publish notice of the fees that will be in effect in the
48 offices of the Division and on the Division's Web site.

49 (e) Effective Date. – Any adjustment to fees or rates under this section applicable to a
50 motor vehicle sold or leased by a motor vehicle dealer, as defined in G.S. 20-286(11), is only
51 applicable to a motor vehicle sale or lease made on or after the effective date of the fee or rate

1 adjustment regardless of the date of submission of a title and registration application for the motor
2 vehicle to the Division. No adjustment to fees or rates under this section applies to a motor vehicle
3 sale or lease made prior to the effective date of the fee or rate adjustment."

4 **SECTION 9.** Sections 6 and 7 of this act are effective when they become law and
5 apply to any tax or tax increase with an effective date on or after that date. Except as otherwise
6 provided, the remainder of this act is effective when it becomes law.