

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

S

1

SENATE BILL 202

Short Title: No Lapse, No Problem. (Public)

Sponsors: Senators Sawyer and Johnson (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 9, 2021

1 A BILL TO BE ENTITLED
2 AN ACT MODIFYING THE ACTION TO BE TAKEN BY THE DIVISION OF MOTOR
3 VEHICLES WHEN IT IS NOTIFIED OF A LAPSE IN FINANCIAL RESPONSIBILITY.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 20-311 reads as rewritten:

6 "**§ 20-311. Action by the Division when notified of a lapse in financial responsibility.**

7 (a) Action. – When the Division receives evidence, by a notice of termination of a motor
8 vehicle liability policy or otherwise, that the owner of a motor vehicle registered or required to
9 be registered in this State does not have financial responsibility for the operation of the vehicle,
10 the Division shall review its records and confirm whether a lapse in financial responsibility under
11 G.S. 20-309 occurred. If the review indicates a lapse of financial responsibility occurred, the
12 Division shall ~~send-notify~~ the owner a ~~letter~~ by mail or electronically. The ~~letter shall notify~~
13 notice shall inform the owner of the evidence demonstrating lapse and ~~inform the owner~~ that the
14 owner ~~shall~~ must respond to the letter-notice within 10 days of the date ~~on the letter and the notice~~
15 was sent. The owner's response shall explain how the owner has met the duty to have continuous
16 financial responsibility for the vehicle. Based on the owner's response, the Division shall take the
17 appropriate action listed:

18 (1) Division correction. – If the owner responds within the required time and the
19 response establishes that the owner has not had a lapse in financial
20 responsibility, the Division shall correct its records. Evidence demonstrating
21 that a lapse did not occur includes proof of continuous financial responsibility
22 or a form indicating transfer of title under G.S. 20-72 or G.S. 20-109.1 prior
23 to the termination of the liability policy.

24"

25 **SECTION 2.** This act is effective when it becomes law.

