

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 650
Committee Substitute Favorable 5/5/21
Senate Transportation Committee Substitute Adopted 8/9/21
Fourth Edition Engrossed 8/19/21

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



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

3 (c) Civil Penalty for Violations by Person Without a License. – In addition to any other
4 punishment or remedy under the law for any violation of this section, the Division may levy and
5 collect a civil penalty, in an amount not to exceed five thousand dollars (\$5,000) for each
6 violation, against any person who is required to obtain a license under this section and has not
7 obtained the license, if it finds that the person has violated any of the provisions of G.S. 20-285
8 through G.S. 20-303, Article 15 of this Chapter, or any statute or rule adopted by the Division
9 relating to the sale of vehicles, vehicle titling, or vehicle registration."

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

11 **"§ 20-294. Grounds for denying, suspending, placing on probation, or revoking licenses.**

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

15 ...

16 (2) Willfully and intentionally failing to comply with this Article, Article 15 of
17 this Chapter, or G.S. 20-52.1, 20-75, 20-79.1, 20-79.2, 20-108, 20-109,
18 20-109.3, or a rule adopted by the Division under this Article. It shall be an
19 affirmative defense, exclusive to the dealer licensee, if the violation is a result
20 of fraud, theft, or embezzlement against the licensee. Responsible persons,
21 including officers, directors, and sales representative licensees, may be
22 charged individually if they actively and knowingly participated in the
23 unlawful activity. This affirmative defense is waived if any violation charged
24 creates an unrecoverable loss for a citizen or another licensed motor vehicle
25 dealer of this State.

26 ...

27 (4) Willfully defrauding any retail or wholesale buyer, to the buyer's damage, or
28 any other person in the conduct of the licensee's business.

29 ...

30 (6) Using unfair methods of competition or unfair or deceptive acts or
31 practices that cause actual damages to the buyer.

32 ...

33 (9) Being convicted of an offense set forth under ~~G.S. 20-106, G.S. 14-71.2,~~
34 20-106.1, 20-107, or 20-112 while holding such a license or within five years
35 next preceding the date of filing the application; or being convicted of a felony
36 involving moral turpitude under the laws of this State, another state, or the
37 United States. It shall be an affirmative defense, and will operate as a stay of
38 this violation, if the person charged is determined to qualify and obtains
39 expunction, certificate of relief, or pardon, or, if the violative conviction is
40 vacated. If relief is granted, this violation is dismissed. If relief is denied, the
41 stay is lifted.

42 ...

43 (11) Knowingly giving an incorrect certificate of title, or failing to give a certificate
44 of title to a purchaser, a lienholder, or the Division, as appropriate, after a
45 vehicle is sold. It shall be an affirmative defense, exclusive to the dealer
46 licensee, if it is found the violation is a result of fraud, theft, or embezzlement
47 against the licensee. Responsible persons, including officers, directors, and
48 sales representative licensees, may be charged individually if they actively
49 and knowingly participated in the unlawful activity. This affirmative defense
50 is waived if any violation charged creates an unrecoverable loss for a citizen
51 or another licensed motor vehicle dealer of this State.

1 "

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

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

9 "

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

11 "**§ 20-299. Acts of officers, directors, partners, salesmen and other representatives.**

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

26 "

27
28 **DMV/STUDY TRANSFERRING VEHICLE DEALER LICENSE AND SAFETY AND**
29 **EMISSIONS INSPECTION HEARINGS FROM DMV TO OFFICE OF**
30 **ADMINISTRATIVE HEARINGS**

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

- 36 (1) Provide a five-year history of the number of dealer license and safety and
37 emissions inspection hearings conducted by the Division, including annually
38 collected receipts.
- 39 (2) Identify personnel requirements for these hearings, including the total number
40 of Division staff assigned to the hearings and the educational and professional
41 requirements associated with all assigned positions.
- 42 (3) Provide an itemized estimate of costs incurred by the Division when
43 conducting these hearings.
- 44 (4) Describe the Division's current procedures for administrating these hearings,
45 including the appeals process.
- 46 (5) Propose new procedures for administrating these hearings if they are
47 transferred, including the new fee structure and appeals process. This proposal
48 shall clearly highlight the differences between the current administrative
49 procedures and the proposed new procedures.
- 50 (6) Evaluate the advantages and disadvantages of the current administrative
51 procedures and the proposed new procedures.

- 1 (7) Examine the applicable federal and State law, noting any due process
2 implications.
- 3 (8) Provide a plan for implementing the transfer of hearings. The plan shall
4 address (i) anticipated workload changes, (ii) anticipated changes to staffing
5 needs for any entity affected by the transfer, (iii) estimated one-time and
6 annual costs to the Division or any other State agency resulting from the
7 transfer, (iv) estimated cost-savings for the Division or any other State agency
8 resulting from the transfer, (v) changes in revenue for the Division or any
9 other State agency resulting from the transfer, (vi) legislative changes
10 necessary to implement the plan, and (vii) an estimated time line for
11 implementation, including steps required to facilitate the transfer.
- 12 (9) Provide separate statements from the Division, the Attorney General, and the
13 Office of Administrative Hearings indicating whether they are in favor of or
14 opposed to implementing the transfer.
- 15 (10) Explore any other issue deemed relevant.

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

19
20 **LENDERS MAY OBTAIN COLOR IMAGE OF BORROWER'S DRIVERS LICENSE**

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

- 22 "(6) To make a color photocopy or otherwise make a color reproduction of a
23 drivers license, learner's permit, or special identification card ~~which has been~~
24 ~~color photocopied or otherwise reproduced in color, card,~~ unless such color
25 photocopy or other color reproduction was authorized by the Commissioner
26 or is made to comply with G.S. 163-230.2. It shall be lawful to make a black
27 and white photocopy of a drivers license, learner's permit, or special
28 identification card or otherwise make a black and white reproduction of a
29 drivers license, learner's permit, or special identification card. This
30 subdivision does not apply to: (i) a lender that is licensed or otherwise
31 authorized to engage in the lending business in this State; (ii) a licensed motor
32 vehicle dealer creating, storing, or receiving, in the ordinary course of
33 business, a color image of a drivers license, learner's permit, or special
34 identification card of a borrower or loan applicant; or (iii) a federally insured
35 depository institution or its affiliates creating, storing, or receiving, in the
36 ordinary course of business, a color image of a drivers license, learner's
37 permit, or special identification card of a consumer."

38
39 **MANDATORY REPLACEMENT OF DEALER PLATES**

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

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

43
44 **PERMIT SURVIVING MILITARY SPOUSES TO RENEW SPECIAL REGISTRATION**
45 **PLATES**

46 **SECTION 4.5.(a)** G.S. 20-79.4 reads as rewritten:

47 "**§ 20-79.4. Special registration plates.**

48 ...

49 (a2) Special Plates Based Upon Military Service. – The Department of Military and
50 Veterans Affairs shall be responsible for verifying and maintaining all verification
51 documentation for all special plates that are based upon military service. The Department shall

1 not issue a special plate that is based on military service unless the application is accompanied
 2 by a motor vehicle registration (MVR) verification form signed by the Secretary of Military and
 3 Veterans Affairs, or the Secretary's designee, showing that the Department of Military and
 4 Veterans Affairs has verified the applicant's credentials and qualifications to hold the special
 5 plate applied for. The following shall apply to special plates issued under this subsection:

- 6 (1) Unless a qualifying condition exists requiring annual verification, no
 7 additional verification shall be required to renew a special registration plate
 8 either in person or through an online service.
- 9 (2) If the Department of Military and Veterans Affairs determines a special
 10 registration plate has been issued due to an error on the part of the Division of
 11 Motor Vehicles, the plate shall be recalled and canceled.
- 12 (3) If the Department of Military and Veterans Affairs determines a special
 13 registration plate has been issued to an applicant who falsified documents or
 14 has fraudulently applied for the special registration plate, the Division of
 15 Motor Vehicles shall revoke the special plate and take appropriate
 16 enforcement action.
- 17 (4) The surviving spouse of a person who had a special plate issued under the
 18 terms of this subsection may continue to renew the plate so long as the
 19 surviving spouse does not remarry. This is a qualifying condition requiring
 20 verification under subdivision (1) of this subsection.

21 ...
 22 (b) Types. – The Division shall issue the following types of special registration plates:

- 23 ...
- 24 (195) Prisoner of War. – Issuable to ~~the following:~~
 - 25 a. ~~A~~ a member or veteran member of the Armed Forces of the United
 26 States who has been captured and held prisoner by forces hostile to the
 27 United States while serving in the Armed Forces of the United States.
 - 28 b. ~~The surviving spouse of a person who had a prisoner of war plate at~~
 29 ~~the time of death so long as the surviving spouse continues to renew~~
 30 ~~the plate and does not remarry.~~

31"

32 **SECTION 4.5.(b)** This section becomes effective December 1, 2021, and applies to
 33 registration plates issued or renewed on or after that date.

34
 35 **PRINT LICENSE RENEWAL GRACE PERIOD ON DEALER'S BLUE LICENSE**

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

37 "(b) Pending License Renewal Grace Period. – When an application for license renewal
 38 has been timely submitted prior to expiration of the license, the license shall remain valid for up
 39 to 30 days after the expiration date until the Division grants or denies the application. The
 40 Division shall (i) ensure that any database maintained by the Division that indicates the status of
 41 a license issued under this Article reflects that the license continues to be valid during this
 42 period. period and (ii) send a temporary license to the applicant for display while the Division
 43 reviews the application."

44
 45 **MANUFACTURED HOMES**

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

47 "**§ 20-109.2. Surrender of title to manufactured home.**

48 ...

49 (d) Application for Title After Cancellation. – If the owner of a manufactured home
 50 whose certificate of title has been cancelled under this section subsequently seeks to separate the
 51 manufactured home from the real property, the owner may apply for a new certificate of title.

1 The owner must submit to the Division an affidavit containing the same information set out in
2 subsection (b) of this section, verification that the manufactured home has been removed from
3 the real property, verification of the identity of the current owner of the real property upon which
4 the manufactured home was located, and written consent of any affected owners of recorded
5 mortgages, deeds of trust, or security interests in the real property where the manufactured home
6 was placed. ~~The Commissioner may require evidence sufficient to demonstrate that all affected~~
7 ~~owners of security interests have been notified and consent.~~ Upon receipt of this information,
8 together with a title application and required fee, the Division shall issue a new title for the
9 manufactured home in the name of the current owner of the real property upon which the
10 manufactured home was located.

11 ...

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

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

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

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

26 "**§ 20-58.4. Release of security interest.**

27 ...

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

34 (d) If an owner exhibits documents evidencing the release of a security interest as
35 provided in subsection (c) of this section but is unable to furnish the certificate of title to the
36 ~~Division.~~Division, or a commission contractor of the Division, because it is in possession of a
37 prior secured party, the Division, when satisfied as to the genuineness ~~and regularity~~ of the
38 release, shall procure the certificate of title from the person in possession thereof for the sole
39 purpose of noting thereon the release of the subsequent security interest, following which the
40 Division shall return the certificate of title to the person from whom it was obtained and notify
41 the owner that the release has been noted on the certificate of title.

42 ...

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

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

50 For purposes of this subsection, the term "owner" shall mean any of the following: (i) the
51 owner of the manufactured home; (ii) the owner of real property on which the manufactured

1 home is affixed; or (iii) a title insurance company as insurer of an insured owner of real property
2 on which the manufactured home is affixed.

3 (e2) The Division ~~may shall~~ treat either of the methods employed by the owner pursuant
4 to subsection (e) or subsection (e1) of this section as a proper release for purposes of this section
5 when satisfied as to the genuineness, truth and sufficiency thereof. ~~Prior to cancellation of a~~
6 ~~security interest under the provisions of this subsection, at least 15 days' notice of the pendency~~
7 ~~thereof shall be given to the secured party at his last known address by the Division by registered~~
8 ~~letter. The Division shall not cancel a security interest pursuant to this subsection if, within 15~~
9 ~~days after the Division gives notice, the secured party responds to the Division indicating that~~
10 ~~the security interest remains in effect. Before cancelling a security interest under this section, the~~
11 Division shall send notice to the last known address of the secured party. If the secured party
12 files an objection within 15 days after notice was sent, the security interest shall not be cancelled.

13 (f) The Division shall not be subject to a claim under Article 31 of Chapter 143 of the
14 General Statutes and a commission contractor of the Division shall not be subject to a claim or
15 cause of action related to the release of the perfection of a security interest on a certificate of title
16 for a manufactured home pursuant to this section if the claim is based on reliance by the ~~Division~~
17 Division, or a commission contractor of the Division, on any release, affidavit, notation of the
18 certificate of title, or documents evidencing the release or satisfaction of a security interest
19 submitted to the ~~Division~~ Division, or a commission contractor of the Division, by a third party
20 pursuant to this section."

21 **SECTION 6.4.** The Division of Motor Vehicles shall create a form for use by
22 employees, agents, and commission contractors of the Division in the cancellation, release, or
23 renewal of a security interest in a manufactured home and the surrender of title to a manufactured
24 home. On or before December 1, 2021, the Division shall publish this form on its website and
25 otherwise make it available to the public.
26

27 APPLICATION FOR NOTATION OF SECURITY INTEREST BY LENDER 28 MODIFICATIONS

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

30 "(2) If the vehicle is registered in this State, the application for notation of a
31 security interest shall be in the form prescribed by the Division, signed by the
32 debtor, and contain the date of application of each security interest, and name
33 and address of the secured party from whom information concerning the
34 security interest may be obtained. The application may be signed by electronic
35 signature by the debtor without notarization, provided the application is
36 submitted by a licensed or regulated lender in this State having a lienholder
37 identification number issued by the Division. The application must be
38 accompanied by the existing certificate of title unless in the possession of a
39 prior secured party or in the event the manufacturer's statement of origin or
40 existing certificate of title (i) was not delivered to the dealer or (ii) was lost or
41 misplaced on the date the dealer sells or transfers the motor vehicle. If there
42 is an existing certificate of title issued by this or any other jurisdiction in the
43 possession of a prior secured party, the application for notation of the security
44 interest shall in addition contain the name and address of such prior secured
45 party. An application for notation of a security interest may be signed by the
46 secured party instead of the debtor when the application is accompanied by
47 documentary evidence of the applicant's security interest in that motor vehicle
48 signed by the debtor and by affidavit of the applicant stating the reason the
49 debtor did not sign the application. An application for a notation of a security
50 interest submitted to the Division signed by the secured party instead of the
51 debtor does not require documentary evidence of the applicant's security

1 interest in that motor vehicle signed by the debtor, provided the application is
2 submitted by a licensed or regulated lender in this State having a lienholder
3 identification number issued by the Division. In the event the certificate
4 cannot be obtained for recordation of the security interest, when title remains
5 in the name of the debtor, the Division shall cancel the certificate and issue a
6 new certificate of title listing all the respective security interests. Neither the
7 Division nor its commission contractors shall be liable for any cause of action
8 arising from a notation of security interest placed on a certificate of title
9 pursuant to applications submitted to the Division fraudulently or erroneously
10 by a licensed or regulated lender in this State having a lienholder identification
11 number issued by the Division. Any entity offering an electronic signature
12 process for applications submitted pursuant to this subdivision assumes all
13 responsibility and liability for the accuracy of the signature. The Division and
14 its commission contractors shall be held harmless from any liability to a claim
15 arising from applications submitted with an inaccurate electronic signature
16 pursuant to this subdivision."

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

20 21 **ELECTRONIC LIEN SYSTEM CONTRACTORS MUST HAVE EXPERIENCE IN** 22 **ELECTRONIC LIENS**

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

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

26 **SECTION 8.(b)** This section becomes effective January 15, 2022, and applies to
27 contracts with qualified vendors and service providers entered into by the Division of Motor
28 Vehicles pursuant to G.S. 20-58.4A on or after that date.

29 30 **AMEND EFFECTIVE DATE OF CERTAIN LICENSE REVOCATIONS**

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

32 "(d) Consequences of Refusal; Right to Hearing before Division; Issues. – Upon receipt
33 of a properly executed affidavit required by subsection (c1), the Division shall expeditiously
34 notify the person charged that the person's license to drive is revoked for 12 months, effective on
35 the ~~tenth~~ thirtieth calendar day after the mailing of the revocation order unless, before the
36 effective date of the order, the person requests in writing a hearing before the Division. Except
37 for the time referred to in G.S. 20-16.5, if the person shows to the satisfaction of the Division
38 that his or her license was surrendered to the court, and remained in the court's possession, then
39 the Division shall credit the amount of time for which the license was in the possession of the
40 court against the 12-month revocation period required by this subsection. If the person properly
41 requests a hearing, the person retains his or her license, unless it is revoked under some other
42 provision of law, until the hearing is held, the person withdraws the request, or the person fails
43 to appear at a scheduled hearing. The hearing officer may subpoena any witnesses or documents
44 that the hearing officer deems necessary. The person may request the hearing officer to subpoena
45 the charging officer, the chemical analyst, or both to appear at the hearing if the person makes
46 the request in writing at least three days before the hearing. The person may subpoena any other
47 witness whom the person deems necessary, and the provisions of G.S. 1A-1, Rule 45, apply to
48 the issuance and service of all subpoenas issued under the authority of this section. The hearing
49 officer is authorized to administer oaths to witnesses appearing at the hearing. The hearing shall
50 be conducted in the county where the charge was brought, and shall be limited to consideration
51 of whether:

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

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

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

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

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

23 "(c5) Right to Hearing Before Division; Issues. – Upon receipt of a properly executed
24 affidavit required by G.S. 20-16.2(c1), the Division must expeditiously notify the person charged
25 that the person's license to drive is revoked for the period of time specified in this section,
26 effective on the ~~tenth~~thirtieth calendar day after the mailing of the revocation order unless, before
27 the effective date of the order, the person requests in writing a hearing before the Division. Except
28 for the time referred to in G.S. 20-16.5, if the person shows to the satisfaction of the Division
29 that the person's license was surrendered to the court and remained in the court's possession, then
30 the Division shall credit the amount of time for which the license was in the possession of the
31 court against the revocation period required by this section. If the person properly requests a
32 hearing, the person retains the person's license, unless it is revoked under some other provision
33 of law, until the hearing is held, the person withdraws the request, or the person fails to appear
34 at a scheduled hearing. The hearing officer may subpoena any witnesses or documents that the
35 hearing officer deems necessary. The person may request the hearing officer to subpoena the
36 charging officer, the chemical analyst, or both to appear at the hearing if the person makes the
37 request in writing at least three days before the hearing. The person may subpoena any other
38 witness whom the person deems necessary, and the provisions of G.S. 1A-1, Rule 45, apply to
39 the issuance and service of all subpoenas issued under the authority of this section. The hearing
40 officer is authorized to administer oaths to witnesses appearing at the hearing. The hearing must
41 be conducted in the county where the charge was brought, and must be limited to consideration
42 of whether:

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

50 If the Division finds that the conditions specified in this subsection are met, it must order the
51 revocation sustained. If the Division finds that any of the conditions (1), (2), (3), or (4) is not

1 met, it must rescind the revocation. If the revocation is sustained, the person must surrender the
2 person's license immediately upon notification by the Division."

3 **SECTION 9.(d)** This section becomes effective October 1, 2021, and applies to
4 notifications of revocations mailed by the Division of Motor Vehicles on or after that date.
5

6 **EXEMPT VEHICLES OFFERED FOR SALE PURSUANT TO COURT PROCEEDINGS** 7 **FROM INSPECTIONS**

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

9 "(2) A used vehicle must be inspected before it is offered for sale at retail in this
10 State by a dealer. Upon purchase, a receipt approved by the Division must be
11 provided to the new owner certifying compliance. This subdivision does not
12 apply to a used vehicle offered for sale in this State by an auctioneer pursuant
13 to the judgment or order of any court, on behalf of receivers, trustees,
14 administrators, executors, guardians, governmental entities, or other persons,
15 appointed by or acting under a judgment or order of any court."
16

17 **LIMITED EXEMPTION FROM DEPARTMENT OF INFORMATION TECHNOLOGY** 18 **OVERSIGHT AND REQUIREMENTS FOR DIVISION OF MOTOR VEHICLES** 19 **INFORMATION TECHNOLOGY MODERNIZATION PROJECTS**

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

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

32 **SECTION 11.(c)** The Department of Transportation shall report to the Joint
33 Legislative Transportation Oversight Committee, the Joint Legislative Oversight Committee on
34 Information Technology, and the Fiscal Research Division within 30 days of entering into a
35 contract for an information technology project the Department of Transportation is undertaking
36 pursuant to the exemption under subsection (a) of this section.
37

38 **EXTEND EXPIRATION OF LEVEL 2 LIMITED PROVISIONAL LICENSE** 39 **REQUIREMENT MODIFICATION**

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

41 "SECTION 2. This act is effective when it becomes law and applies to applications for
42 licenses submitted on or after that date. Section 1 of this act expires on ~~December 31,~~
43 2021-December 31, 2022."
44

45 **EFFECTIVE DATE**

46 **SECTION 13.** Except as otherwise provided, this act becomes effective October 1,
47 2021.