

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 650

Short Title: Omnibus DMV Bill. (Public)

Sponsors: Representatives B. Jones, Iler, and Shepard (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Transportation, if favorable, Rules, Calendar, and Operations of the House

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
19 and 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, and (iii) the applicant has not been previously convicted of a felony.
23 Any license issued by the Division to a motor vehicle dealer, manufacturer, factory branch,
24 factory representative, distributor, distributor branch, distributor representative, or wholesaler
25 under this Article may not be assigned, sold, or otherwise transferred to any other person or
26 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. It shall be an affirmative
 10 defense if the person subject to this penalty promptly applies and is issued the appropriate motor
 11 vehicle license. A person acting in a specific licensed activity must be issued the appropriate
 12 license for that activity. The investigative report of a violation must be considered in the issuance
 13 of any license."

14 **SECTION 1.2.** G.S. 20-294 reads as rewritten:

15 "**§ 20-294. Grounds for denying, suspending, placing on probation, or revoking licenses.**

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

- 19 (1) ~~Making~~ Knowingly making a material misstatement in an application for a
 20 license.
- 21 (2) Willfully and intentionally failing to comply with this Article, Article 15 of
 22 this Chapter, or G.S. 20-52.1, 20-75, 20-79.1, 20-79.2, 20-108, 20-109,
 23 20-109.3, or a rule adopted by the Division under this Article. It shall be an
 24 affirmative defense, exclusive to the dealer licensee, if the violation is a result
 25 of fraud, theft, or embezzlement against the licensee. Responsible persons,
 26 including officers, directors, and sales representative licensees, shall be
 27 charged individually. This affirmative defense is waived if any violation
 28 charged creates an unrecoverable loss for a citizen or another licensed motor
 29 vehicle dealer of this State.
- 30 ...
- 31 (4) Willfully defrauding any retail or wholesale buyer, to the buyer's damage, or
 32 any other person in the conduct of the licensee's business.
- 33 ...
- 34 (6) Using unfair methods of competition or unfair or deceptive acts or
 35 practices.practices that cause actual damages to the buyer.
- 36 ...
- 37 (9) Being convicted of an offense set forth under G.S. 20-106, 20-106.1, 20-107,
 38 or 20-112 while holding such a license or within five years next preceding the
 39 date of filing the application; or being convicted of a felony involving moral
 40 turpitude under the laws of this State, another state, or the United States. It
 41 shall be an affirmative defense, and will operate as a stay of this violation, if
 42 the person charged is determined to qualify and obtains expunction, certificate
 43 of relief, or pardon, or, if the violative conviction is vacated. If relief is
 44 granted, this violation is dismissed. If relief is denied, the stay is lifted.
- 45 ...
- 46 (11) Knowingly giving an incorrect certificate of title, or failing to give a certificate
 47 of title to a purchaser, a lienholder, or the Division, as appropriate, after a
 48 vehicle is sold. It shall be an affirmative defense, exclusive to the dealer
 49 licensee, if it is found the violation is a result of fraud, theft, or embezzlement
 50 against the licensee. Officers, directors, members, and sales representative
 51 licensees shall be charged individually. This affirmative defense is waived if

1 any violation charged creates an unrecoverable loss for a citizen or another
 2 licensed motor vehicle dealer of this State.

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

5 "

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

7 **"§ 20-299. Acts of officers, directors, partners, salesmen and other representatives.**

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

22 "

23
 24 **TRANSFER VEHICLE DEALER LICENSE HEARINGS FROM DMV TO OAH**

25 **SECTION 2.1.** G.S. 150B-1(e)(8) reads as rewritten:

26 "(8) The Department of Transportation, except as provided in ~~G.S. 136-29~~
 27 G.S. 20-295, 20-296, and 136-29."

28 **SECTION 2.2.** G.S. 20-295(a) reads as rewritten:

29 **"§ 20-295. Action on application; grace period while application for license renewal is**
 30 **pending.**

31 (a) ~~Division Action. – The Division shall either grant or deny an application for a license~~
 32 ~~or license renewal within 30 days after receiving it. Any applicant denied a license shall, upon~~
 33 ~~filing a written request within 30 days, be given a hearing at the time and place determined by~~
 34 ~~the Commissioner or a person designated by the Commissioner. A hearing shall be public and~~
 35 ~~shall be held with reasonable promptness.~~ No later than 30 days after the Division denies an
 36 application, an applicant may petition for a hearing with the Office of Administrative Hearings
 37 pursuant to Article 3 of Chapter 150B of the General Statutes."

38 **SECTION 2.3.** G.S. 20-296 reads as rewritten:

39 **"§ 20-296. Notice and hearing upon ~~denial, license suspension, revocation, or placing on~~**
 40 **~~probation, or refusal to renew license.~~ probation.**

41 ~~No license shall be suspended, revoked, denied, placed on probation, or renewal thereof~~
 42 ~~refused, until a written notice of the complaint made has been furnished to the licensee against~~
 43 ~~whom the same is directed, and a hearing thereon has been had before the Commissioner, or a~~
 44 ~~person designated by him. At least 10 days' written notice of the time and place of such hearing~~
 45 ~~shall be given to the licensee by certified mail with return receipt requested to his last known~~
 46 ~~address as shown on his license or other record of information in possession of the Division. At~~
 47 ~~any such hearing, the licensee shall have the right to be heard personally or by counsel. After~~
 48 ~~hearing, the Division shall have power to suspend, revoke, place on probation, or refuse to renew~~
 49 ~~the license in question. Immediate notice of any such action shall be given to the licensee in~~
 50 ~~accordance with G.S. 1A-1, Rule 4(j) of the Rules of Civil Procedure.~~ No license shall be
 51 suspended, revoked, or placed on probation by the Division until the Division has notified the

1 licensee by certified mail of the proposed action and the Division and the licensee have
2 participated in informal settlement procedures under G.S. 150B-22(a). If the Division and the
3 licensee are unable to agree to a resolution, the Division may commence a contested case under
4 Article 3 of Chapter 150B of the General Statutes for the suspension, revocation, or placing on
5 probation of the license."
6

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

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

9 "(6) To make a color photocopy or otherwise make a color reproduction of a
10 drivers license, learner's permit, or special identification card which has been
11 color-photocopied or otherwise reproduced in color, unless such color
12 photocopy or other color reproduction was authorized by the Commissioner
13 or is made to comply with G.S. 163-230.2. It shall be lawful to make a black
14 and white photocopy of a drivers license, learner's permit, or special
15 identification card or otherwise make a black and white reproduction of a
16 drivers license, learner's permit, or special identification card. This
17 subdivision does not apply to a lender that is licensed or otherwise authorized
18 to engage in the lending business in this State from creating, storing, or
19 receiving, in the ordinary course of business, a color image of a drivers license,
20 learners permit, or special identification card of a borrower or loan applicant."
21

22 **MANDATORY REPLACEMENT OF DEALER PLATES**

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

24 "(c1) Dealer Plate Mandatory Replacement. – Notwithstanding G.S. 20-63.1, registration
25 plates issued under this section shall be replaced every three years."
26

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

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

29 "(b) Pending License Renewal Grace Period. – When an application for license renewal
30 has been timely submitted prior to expiration of the license, the license shall remain valid for up
31 to 30 days after the expiration date until the Division grants or denies the application. The
32 Division shall (i) ensure that any database maintained by the Division that indicates the status of
33 a license issued under this Article reflects that the license continues to be valid during this
34 ~~period~~ period and (ii) send a temporary license to the applicant for display while the Division
35 reviews the application."
36

37 **SAFETY INSPECTIONS AND EMISSIONS**

38 **SECTION 6.1.** G.S. 20-183.7A(d1) reads as rewritten:

39 "(d1) Multiple Violations in Separate Safety Inspections. – In the case of two or more
40 violations committed in separate safety inspections, considered at one time, the Division shall
41 consider each violation as a separate occurrence and shall impose a separate penalty for each
42 violation as a first, second, or third or subsequent violation as found in the applicable penalty
43 schedule. The Division may in its discretion direct that any suspensions for the first, second, or
44 third or subsequent violations run concurrently. If the Division does not direct that the
45 suspensions run concurrently, they shall run consecutively. Nothing in this section shall prohibit
46 or limit ~~a reviewing court's ability~~ the ability of a reviewing administrative law judge or court to
47 affirm, reverse, remand, or modify the Division's decisions, decisions involving penalties,
48 suspensions, or revocations, whether discretionary or otherwise, pursuant to Article 3 and Article
49 4 of Chapter 150B of the General Statutes."

50 **SECTION 6.2.** G.S. 20-183.8B(c2) reads as rewritten:

1 "(c2) Multiple Violations in Separate Emissions Inspections. – In the case of two or more
2 violations committed in separate emissions inspections, considered at one time, the Division shall
3 consider each violation as a separate occurrence and shall impose a separate penalty for each
4 violation as a first, second, or third or subsequent violation as found in the applicable penalty
5 schedule. The Division may in its discretion direct that any suspensions for the first, second, or
6 third or subsequent violations run concurrently. If the Division does not direct that the
7 suspensions run concurrently, they shall run consecutively. Nothing in this section shall prohibit
8 or limit ~~a reviewing court's ability~~ the ability of a reviewing administrative law judge or court to
9 affirm, reverse, remand, or modify the Division's decisions, decisions involving penalties,
10 suspensions, or revocations, whether discretionary or otherwise, pursuant to Article 3 and Article
11 4 of Chapter 150B of the General Statutes."

12 **SECTION 6.3.** G.S. 20-183.8G reads as rewritten:

13 **"§ 20-183.8G. Administrative and judicial review.**

14 (a) Right to Hearing. – A person who applies for a license or registration under this Part
15 or who has a license or registration issued under this Part has the right to ~~a hearing~~ commence a
16 contested case under Article 3 of Chapter 150B of the General Statutes when any of the following
17 occurs:

- 18 (1) The Division denies the person's application for a license or registration.
- 19 (2) The Division delivers to the person a written statement of charges of a
20 violation that could result in the suspension or revocation of the person's
21 license.
- 22 (3) The Division summarily suspends or revokes the person's license following
23 review and authorization of the proposed adverse action by a judge.
- 24 (4) The Division assesses a civil penalty against the person.
- 25 (5) The Division issues a warning letter to the person.
- 26 (6) The Division cancels the person's registration.

27 (b) Hearing After Statement of Charges. – When a license holder receives a statement of
28 charges of a violation that could result in the suspension or revocation of the person's license, the
29 person ~~can obtain a hearing by making a request for a hearing. The person must make the request~~
30 ~~to the Division within 10 days after receiving the statement of the charges. A person who does~~
31 ~~not request a hearing within this time limit waives the right to a hearing.~~ may, within 10 days after
32 receiving the statement of charges, commence a contested case under Article 3 of Chapter 150B
33 of the General Statutes. Suspension or revocation of the license is stayed until a final decision is
34 made by an administrative law judge.

35 The Division must hold a hearing requested under this subsection within 30 days after
36 receiving the request, unless the matter is continued for good cause. The hearing must be held at
37 the location designated by the Division. Suspension or revocation of the license is stayed until a
38 decision is made following the hearing.

39 If a person does not ~~request a hearing~~ commence an administrative proceeding within the
40 time allowed for making the request, the proposed suspension or revocation becomes effective
41 the day after the time for making the request ends. If a person requests a hearing but does not
42 attend the hearing, the proposed suspension or revocation becomes effective the day after the
43 date set for the hearing.

44 (c) Hearing After Summary Action. – When the Division summarily suspends a license
45 issued under this Part after judicial review and authorization of the proposed action, the person
46 whose license ~~was suspended or revoked may obtain a hearing by filing with the Division a~~
47 ~~written request for a hearing. The request must be filed within 10 days after the person was~~
48 ~~notified of the summary action. The Division must hold a hearing requested under this subsection~~
49 ~~within 14 days after receiving the request.~~ is suspended or revoked may, within 10 days after
50 receiving notice of the summary action, commence a contested case under Article 3 of Chapter
51 150B of the General Statutes.

1 (d) All Other Hearings. – When this section gives a person the right to a hearing
2 commence a contested case under Article 3 of Chapter 150B of the General Statutes and
3 subsection (b) or (c) of this section does not apply to the hearing, the person may obtain a hearing
4 by filing with the Division a written request for a hearing. The request must be filed apply, the
5 contested case must be commenced within 10 days after the person receives written notice of the
6 action for which a hearing is requested. ~~The Division must hold a hearing within 90 days after~~
7 ~~the Division receives the request, unless the matter is continued for good cause.~~

8 (e) Review by Commissioner. ~~The Commissioner may conduct a hearing required~~
9 ~~under this section or may designate a person to conduct the hearing. When a person designated~~
10 ~~by the Commissioner holds a hearing and makes a decision, the person who requested the hearing~~
11 ~~has the right to request the Commissioner to review the decision. The procedure set by the~~
12 ~~Division governs the review by the Commissioner of a decision made by a person designated by~~
13 ~~the Commissioner.~~

14 (f) Decision. – ~~Upon the Commissioner's review of a decision made after a hearing on~~
15 ~~the imposition of a monetary penalty against a motorist for an emissions violation or on a Type~~
16 ~~I, II, or III violation by a license holder, the Commissioner must uphold any monetary penalty,~~
17 ~~license suspension, license revocation, or warning required by G.S. 20-183.7A, G.S. 20-183.8A~~
18 ~~or G.S. 20-183.8B, respectively, if the decision is based on evidence presented at the hearing that~~
19 ~~supports the hearing officer's determination that the motorist or license holder committed the act~~
20 ~~for which the monetary penalty, license suspension, license revocation, or warning was imposed.~~
21 ~~Pursuant to the authority under G.S. 20-183.7A(c) and G.S. 20-183.8B(c), the Commissioner~~ The
22 administrative law judge may order a suspension for a first occurrence Type I violation of a
23 station to be stayed upon reasonable compliance terms to be determined by the Commissioner.
24 ~~Pursuant to the authority under G.S. 20-183.7A(d1) and G.S. 183.8B(c2), the Commissioner~~
25 administrative law judge. The administrative law judge may order the suspensions against a
26 license holder to run consecutively or concurrently. The Commissioner may uphold, dismiss, or
27 modify a decision made after a hearing on any other action. administrative law judge may affirm,
28 reverse, remand, or modify a Division decision after a contested case hearing on any other action.
29 Notwithstanding G.S. 150B-48, suspension or revocation of the license is automatically stayed
30 for 30 days after the person is served with a written copy of the decision.

31 (g) Judicial Review. – Article 4 of Chapter 150B of the General Statutes governs judicial
32 review of an administrative decision made under this section."

33 **SECTION 6.4.** G.S. 150B-2(3) reads as rewritten:

34 "(3) "License" means any certificate, permit or other evidence, by whatever name
35 called, of a right or privilege to engage in any activity, ~~except including~~
36 licenses issued under Article 3A and Article 12 of Chapter 20 of the General
37 Statutes, but excluding all other licenses issued under Chapter 20 and Chapter
38 20 of the General Statutes, licenses issued under Subchapter I of Chapter 105
39 of the General Statutes, occupational licenses, and certifications of electronic
40 poll books, ballot duplication systems, or voting systems under
41 G.S. 163-165.7."
42

43 MANUFACTURED HOMES

44 **SECTION 7.1.** G.S. 20-109.2 reads as rewritten:

45 **"§ 20-109.2. Surrender of title to manufactured home.**

46 ...

47 (d) Application for Title After Cancellation. – If the owner of a manufactured home
48 whose certificate of title has been cancelled under this section subsequently seeks to separate the
49 manufactured home from the real property, the owner may apply for a new certificate of title.
50 The owner must submit to the Division an affidavit containing the same information set out in
51 subsection (b) of this section, verification that the manufactured home has been removed from

1 the real property, verification of the identity of the current owner of the real property upon which
2 the manufactured home was located, and written consent of any affected owners of recorded
3 mortgages, deeds of trust, or security interests in the real property where the manufactured home
4 was placed. ~~The Commissioner may require evidence sufficient to demonstrate that all affected~~
5 ~~owners of security interests have been notified and consent.~~ Upon receipt of this information,
6 together with a title application and required fee, the Division shall issue a new title for the
7 manufactured home in the name of the current owner of the real property upon which the
8 manufactured home was located.

9 ...

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

13 **SECTION 7.2.** G.S. 20-58.3A(g) reads as rewritten:

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

22 **SECTION 7.3.** G.S. 20-58.4 reads as rewritten:

23 **"§ 20-58.4. Release of security interest.**

24 ...

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

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

39 ...

40 (e2) The Division may treat either of the methods employed by the owner pursuant to
41 subsection (e) or subsection (e1) of this section as a proper release for purposes of this section
42 when satisfied as to the genuineness, truth and sufficiency thereof. ~~Prior to cancellation of a~~
43 ~~security interest under the provisions of this subsection, at least 15 days' notice of the pendency~~
44 ~~thereof shall be given to the secured party at his last known address by the Division by registered~~
45 ~~letter. The Division shall not cancel a security interest pursuant to this subsection if, within 15~~
46 ~~days after the Division gives notice, the secured party responds to the Division indicating that~~
47 ~~the security interest remains in effect.~~of the evidence. Before cancelling a security interest under
48 this section, the Division, or a license plate contractor of the Division, shall send notice to the
49 last known address of the secured party. If the secured party files an objection no later than 15
50 days after notice was sent, the Division shall not cancel the security interest until the secured

1 party consents or receives an order issued by a court of competent jurisdiction that directs the
2 Division to cancel the security interest.

3 (f) ~~The Division~~Division, or a license plate contractor of the Division, shall not be
4 subject to a claim under Article 31 of Chapter 143 of the General Statutes related to the release
5 of the perfection of a security interest on a certificate of title for a manufactured home pursuant
6 to this section if the claim is based on reliance by the ~~Division~~Division, or a license plate
7 contractor of the Division, on any release, affidavit, notation of the certificate of title, or
8 documents evidencing the release or satisfaction of a security interest submitted to the ~~Division~~
9 Division, or a license plate contractor of the Division, by a third party pursuant to this section."

10 11 **REMOVE SUNSET ON NOTATIONS OF SECURITY INTERESTS MODIFICATIONS**

12 **SECTION 8.** Section 3(e) of S.L. 2020-77 reads as rewritten:

13 "SECTION 3.(e) This section is effective when it becomes law and applies to applications
14 for notation of security interests submitted to the Division of Motor Vehicles on or after that ~~date~~
15 ~~and before December 1, 2020.~~date."

16 17 **ELECTRONIC LIEN SYSTEM CONTRACTORS MUST HAVE EXPERIENCE IN** 18 **ELECTRONIC LIENS**

19 **SECTION 9.** G.S. 20-58.4A(d) reads as rewritten:

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

22 23 **HIGHLIGHT IMPORTANCE OF VEHICLE DEALERS TO THE STATE**

24 **SECTION 10.** G.S. 20-285 reads as rewritten:

25 "**§ 20-285. Regulation of motor vehicle distribution in public interest.**

26 The General Assembly finds and declares that the distribution and sale of motor vehicles in
27 the State of North Carolina vitally affects and contributes to the general economy of the State
28 and the public interest ~~and public welfare, and in the exercise of its police power, it is necessary~~
29 ~~to regulate and license motor vehicle manufacturers, distributors, dealers, salesmen, and their~~
30 ~~representatives doing business in North Carolina, in order to prevent frauds, impositions and~~
31 ~~other abuses upon its citizens and to protect and preserve the investments and properties of the~~
32 ~~citizens of this State.~~and welfare of its citizens. In order to protect and preserve the investments
33 and properties of the citizens and licensed motor vehicle businesses of this State, the State must
34 prevent fraud and other abuses upon the citizens and licensed motor vehicle businesses of this
35 State by licensing and regulating manufacturers, distributors, wholesalers, dealers, and motor
36 vehicle sales representatives."

37 38 **EFFECTIVE DATE**

39 **SECTION 11.** Except as otherwise provided, this act becomes effective October 1,

40 2021.