

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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SENATE BILL 385

Short Title: LPA Transaction Rates and Compensation. (Public)

Sponsors: Senators McInnis, Sawyer, and Britt (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 30, 2021

A BILL TO BE ENTITLED

AN ACT TO ADJUST THE PER TRANSACTION RATES FOR CERTAIN VEHICLE REGISTRATION SERVICES AND PROVIDE FOR COLLABORATION BETWEEN THE DIVISION OF MOTOR VEHICLES AND LICENSE PLATE AGENTS WHEN DETERMINING COMPENSATION FOR TASKS NOT SUBJECT TO THE PER TRANSACTION RATES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-63(h) reads as rewritten:

"(h) Commission Contracts for Issuance of Plates and Certificates. – All registration plates, registration certificates, and certificates of title issued by the Division, outside of those issued from the office of the Division located in Wake, Cumberland, or Mecklenburg Counties and those issued and handled through the United States mail, shall be issued insofar as practicable and possible through commission contracts entered into by the Division for the issuance of the plates and certificates in localities throughout North Carolina, including military installations within this State, with persons, firms, corporations or governmental subdivisions of the State of North Carolina. The Division shall make a reasonable effort in every locality, except as noted above, to enter into a commission contract for the issuance of the plates and certificates and a record of these efforts shall be maintained in the Division. In the event the Division is unsuccessful in making commission contracts, it shall issue the plates and certificates through the regular employees of the Division. Whenever registration plates, registration certificates, and certificates of title are issued by the Division through commission contract arrangements, the Division shall provide proper supervision of the distribution. Nothing contained in this subsection allows or permits the operation of fewer outlets in any county in this State than are now being operated.

The terms of a commission contract entered under this subsection shall specify the duration of the contract and either include or incorporate by reference standards by which the Division may supervise and evaluate the performance of the commission contractor. The duration of an initial commission contract may not exceed eight years and the duration of a renewal commission contract may not exceed two years. The Division may award monetary performance bonuses, not to exceed an aggregate total of ninety thousand dollars (\$90,000) annually, to commission contractors based on their performance.

The amount of compensation payable to a commission contractor is determined on a per transaction basis. The collection of the highway use tax and the removal of ~~an inspection-a~~ registration stop are each considered a separate transaction for which one dollar and fifty-six cents (\$1.56) compensation shall be paid. The collection of a civil penalty imposed by G.S. 20-311 for a lapse in financial responsibility is a separate transaction for which



1 compensation at the rate of three dollars and fifty cents (\$3.50) shall be paid. The issuance of a
2 limited registration "T" sticker and the collection of property tax are each considered a separate
3 transaction for which compensation at the rate of one dollar and thirty cents (\$1.30) and one
4 dollar and eight cents ~~(\$1.08)~~(\$1.08), respectively, shall be paid by counties and municipalities
5 as a cost of the combined motor vehicle registration renewal and property tax collection system.

6 ~~The~~

7 The performance at the same time of one or more of the transactions below is considered a
8 single transaction for which compensation at the rate of one dollar and seventy-five cents (\$1.75)
9 compensation shall be paid:

10 ...

- 11 (7) Receipt of the ~~civil penalty~~ restoration fee imposed by G.S. 20-311 for
12 registering a vehicle after a lapse in financial responsibility or receipt of the
13 restoration fee imposed by that statute. responsibility.

14"

15 **SECTION 2.** G.S. 20-63(h1) reads as rewritten:

16 "(h1) ~~Commission contracts entered into by the~~ The Division under this subsection shall
17 also provide for the payment of pay commission contractors under subsection (h) of this section
18 an additional one dollar (\$1.00) of compensation ~~to commission contract agents~~ for any
19 transaction assessed a fee under subdivision (a)(1), (a)(2), (a)(3), (a)(7), (a)(8), or (a)(9) of
20 G.S.20-85. The Division shall pay these commission contractors at a rate determined in
21 consultation with the License Plate Agent Advisory Committee established under G.S. 20-63.02
22 when the contractors agree to undertake tasks, such as imaging documents, that shift work from
23 the Division to the contractors and are not listed in the transactions set out in subsection (h) of
24 this section."

25 **SECTION 3.** Section 1 of this act becomes effective October 1, 2021, and applies to
26 penalties collected and transactions performed on or after that date. The remainder of this act is
27 effective when it becomes law.