

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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SENATE BILL 411  
Transportation Committee Substitute Adopted 4/24/17  
House Committee Substitute Favorable 6/5/18  
House Committee Substitute #2 Favorable 6/12/18

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 submitted to the Division. The dealer shall hold harmless and indemnify the consumer-purchaser



1 from any damages arising from the use of the procedure authorized by this subsection. No person  
2 shall have a cause of action against the Division or Division contractors arising from the transfer  
3 of a vehicle by a sworn certification pursuant to this section."

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

5 **"§ 20-58. Perfection by indication of security interest on certificate of title.**

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

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

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

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

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

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

12 ...."

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

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

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

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

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

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

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

11 **"§ 20-72.1. Transfer by owner when a certificate of title is unavailable; consumer remedies.**

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

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

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

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

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

48 "(h) Temporary registration plates or markers shall expire and become void upon the  
49 receipt of the limited registration plates or the annual registration plates from the Division, or  
50 upon the rescission of a contract to purchase a motor vehicle, or upon the expiration of 30 days  
51 from the date of issuance, depending upon whichever event shall first occur. No refund or credit

1 or fees paid by dealers to the Division for temporary registration plates or markers shall be  
2 allowed, except in the event that the Division discontinues the issuance of temporary registration  
3 plates or markers or unless the dealer discontinues business. In this event the unissued registration  
4 plates or markers with the unissued registration certificates shall be returned to the Division and  
5 the dealer may petition for a refund. Upon the expiration of the 30 days from the date of issuance,  
6 a second 30-day temporary registration plate or marker may be issued by the dealer upon showing  
7 the vehicle has been sold, a temporary lien has been filed as provided in G.S. 20-58, and that the  
8 dealer, having used reasonable diligence, is unable to obtain the vehicle's statement of origin or  
9 certificate of title so that the lien may be perfected. For purposes of this subsection, a dealer shall  
10 be considered unable to obtain the vehicle's statement of origin or certificate of title if the  
11 statement of origin or certificate of title either (i) has not been delivered to the dealer or (ii) was  
12 lost or misplaced."

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

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

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

25 **SECTION 2.(g)** Subsection 2(f) of this section is effective when it becomes law.  
26 The remainder of this section becomes effective January 1, 2019.

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

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

- 33 (1) The new motor vehicle dealer is receiving incentive or warranty compensation  
34 from a manufacturer, factory branch, distributor, or distributor branch for the  
35 use of the vehicle as a service loaner.
- 36 (2) The new motor vehicle dealer is receiving a fee or other compensation from  
37 the dealer's customers for the use of the vehicle as a service loaner."

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

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

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

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

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

45 "(d) A dealer shall:

- 46 (1) Not issue, assign, transfer, or deliver temporary registration plates or markers  
47 to anyone other than a bona fide purchaser or owner of a vehicle which he has  
48 sold.
- 49 (2) Not issue a temporary registration plate or marker without first obtaining from  
50 the purchaser or owner a written application for titling and registration of the  
51 vehicle and the applicable fees.

- 1 (3) ~~Within 10 working days,~~ 20 days of the issuance of a temporary registration  
2 plate or marker, mail or deliver the application and fees to the Division or  
3 deliver the application and fees to a local license agency for processing.  
4 Delivery need not be made if the contract for sale has been rescinded ~~in writing~~  
5 by all parties to the contract.
- 6 (4) Not deliver a temporary registration plate to anyone purchasing a vehicle that  
7 has an unexpired registration plate that is to be transferred to the purchaser.
- 8 (5) Not lend to anyone, or use on any vehicle that he may own, any temporary  
9 registration plates or markers.

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

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

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

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

18 **"§ 105-562. Collection and scope.**

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

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

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

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

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

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

46 **"§ 105-570. County Vehicle Registration Tax; shared with municipalities.**

47 (a) A county is considered an authority under Article 51 of this Chapter, and the board of  
48 commissioners of that county is considered the board of trustees of the authority under Article  
49 51, except that the maximum tax that may be levied by a county under this Article is seven dollars  
50 (\$7.00) per year.

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

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

6 (1) Pro rata (i) retained by the county based on the population of the county that  
7 is not in an incorporated area, and (ii) distributed to the municipalities within  
8 the county based on the population of that municipality that is located within  
9 that county. To determine the population of each county and municipality, the  
10 county shall use the most recent annual estimate of population certified by the  
11 State Budget Officer.

12 (2) Notwithstanding subdivision (1) of this subsection, if a municipality to which  
13 funds are to be distributed does not operate a public transportation system, the  
14 population of that municipality shall be excluded from the calculations of  
15 subdivision (1) of this subsection and no distribution shall be made to that  
16 municipality.

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

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

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

30 (e) As used in this section, operation of a public transportation system includes a contract  
31 or interlocal agreement for operation of the public transportation system by another county or  
32 municipality, or by a transportation authority created under (i) a municipal charter; or (ii) Article  
33 25, 26, or 27 of Chapter 160A of the General Statutes. As used in this section, operation of a  
34 public transportation system also includes a contract with a private entity for operation of the  
35 public transportation system.

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

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

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

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

48 **"§ 20-4.02. Quadrennial adjustment of certain fees and rates.**

49 (a) Adjustment for Inflation. – Beginning July 1, 2020, and every four years thereafter,  
50 the Division shall adjust the fees and rates imposed pursuant to the statutes listed in this  
51 subsection for inflation in accordance with the Consumer Price Index computed by the Bureau

1 of Labor Statistics. The adjustment for per transaction rates in subdivision (8a) of this subsection  
2 shall be rounded to the nearest cent and all other adjustments under this subsection shall be  
3 rounded to the nearest twenty-five cents (25¢):

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

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

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

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

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

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

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

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

12 (8a) G.S. 20-63(h), with respect to the per transaction rates set in that subsection.

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

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

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

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

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

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

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

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

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

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

33 (e) Effective Date. – Any adjustment to fees or rates under this section applicable to a  
34 motor vehicle sold or leased by a motor vehicle dealer, as defined in G.S. 20-286(11), is only  
35 applicable to a motor vehicle sale or lease made on or after the effective date of the fee or rate  
36 adjustment regardless of the date of submission of a title and registration application for the motor  
37 vehicle to the Division. No adjustment to fees or rates under this section applies to a motor vehicle  
38 sale or lease made prior to the effective date of the fee or rate adjustment."

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