

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 414

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

Sponsors: Representative Shepard.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

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

March 29, 2021

A BILL TO BE ENTITLED

AN ACT TO ADJUST THE PER TRANSACTION RATES FOR CERTAIN VEHICLE REGISTRATION SERVICES AND TO 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



1 cents (\$1.56) compensation shall be paid. The collection of a civil penalty imposed by  
2 G.S. 20-311 for a lapse in financial responsibility is a separate transaction for which  
3 compensation at the rate of three dollars and fifty cents (\$3.50) shall be paid. The issuance of a  
4 limited registration "T" sticker and the collection of property tax are each considered a separate  
5 transaction for which compensation at the rate of one dollar and thirty cents (\$1.30) and one  
6 dollar and eight cents (~~\$1.08~~)(~~\$1.08~~), respectively, shall be paid by counties and municipalities  
7 as a cost of the combined motor vehicle registration renewal and property tax collection system.

8 ~~The~~ The performance at the same time of one or more of the transactions below is considered  
9 a single transaction for which compensation at the rate of one dollar and seventy-five cents  
10 (\$1.75) compensation shall be paid:

11 ...

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

15 ...."

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

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

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