

GENERAL ASSEMBLY OF NORTH CAROLINA
1993 SESSION

CHAPTER 467
SENATE BILL 128

AN ACT TO EXEMPT CERTAIN TRANSFERS OF VEHICLES FROM THE HIGHWAY USE TAX, TO REIMBURSE THE HIGHWAY TRUST FUND FOR REVENUE THAT WOULD OTHERWISE BE LOST AS A RESULT OF THE EXEMPTIONS, TO INCREASE REVENUES TO PROVIDE FUNDS TO MAKE THE REIMBURSEMENT, TO LOWER THE MAXIMUM HIGHWAY USE TAX ON CERTAIN COMMERCIAL VEHICLES, TO INCREASE THE ANNUAL REGISTRATION FEES FOR CERTAIN PROPERTY-HAULING VEHICLES, AND TO CREDIT THE INCREASED REVENUE FROM THE REGISTRATION FEES TO THE HIGHWAY TRUST FUND.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-187.6(a) reads as rewritten:

"(a) Full Exemptions. – The tax imposed by this Article does not apply when a certificate of title is issued as the result of a transfer of a motor vehicle:

- (1) To the insurer of the motor vehicle under G.S. 20-109.1 because the vehicle is a salvage vehicle.
- (2) To either a manufacturer, as defined in G.S. 20-286, or a motor vehicle retailer for the purpose of resale.
- (3) To the same owner to reflect a change or correction in the owner's name.
- (4) By will or intestacy.
- (5) By a ~~conveyance~~ gift between a husband and ~~wife~~ or wife, a parent and ~~child~~ child, or a stepparent and a stepchild.
- (6) By a distribution of marital property as a result of a divorce.
- (7) To a handicapped person from the Department of Human Resources after the vehicle has been equipped by the Department for use by the handicapped.
- (8) To a local board of education for use in the driver education program of a public school when the motor vehicle is transferred:
 - a. By a retailer and is to be transferred back to the retailer within 300 days after the transfer to the local board.
 - b. By a local board of education."

Sec. 2. G.S. 20-66 reads as rewritten:

"§ 20-66. **Renewal of vehicle registration; ~~semipermanent plates issued; renewal sticker annually; prorated fees.~~**

(a) ~~Application for renewal of a vehicle registration shall be made by the owner upon proper application and by payment of the registration fee for such vehicle, as provided by law. Annual Renewal. – The registration of a vehicle must be renewed annually. To renew the registration of a vehicle, the owner of the vehicle must file an application with the Division and pay the required registration fee. The Division may receive and grant applications~~ an application for renewal of registration at any time prior to ~~expiration of registration.~~ before the registration expires.

(b) ~~For the registration period beginning January 1, 1975, the Division, upon proper application for renewal of registration for private passenger motor vehicles, shall issue a new registration plate and registration card. For the registration period beginning January 1, 1976, and all subsequent registration periods, the Division, upon application for renewal of registration, shall, in lieu of a new registration plate, issue one or more stickers, tabs or other suitable devices denoting the registration period for which issued; provided that for the registration periods beginning January 1, 1978, and thereafter, the Division may, as it deems advisable in the discretion of the Commissioner, issue new registration plates together with such stickers, tabs or other devices. Method of Renewal. – When the Division renews the registration of a vehicle, it must issue a new registration card for the vehicle and either a new registration plate or a registration renewal sticker. The Division may not renew a registration plate for a vehicle by means of a renewal sticker unless the Division is authorized to use that method of renewal. The Division may renew a registration plate issued for the following types of vehicles by means of a renewal sticker:~~

- (1) Motorcycles.
- (2) Private passenger vehicles.
- (3) U-drive-it passenger vehicles.
- (4) Property-hauling vehicles licensed for 4,000 pounds gross weight.
- (5) Vehicles registered under the International Registration Plan.
- (6) Trailers.

~~(b1) For renewal periods beginning January 1, 1978, and thereafter, renewal registrations of private hauler trucks licensed for 4,000 pounds gross weight, motorcycles, U drive it passenger vehicles and trailers may be made by issuance of stickers, tabs, or other devices in lieu of new registration plates, or in combination with new registration plates, at the discretion of the Commissioner. Such stickers, tabs or other devices shall show the period of validity of registration. This provision shall not apply to trucks licensed as common carriers, for hire trucks, rental trucks or contract carrier trucks.~~

(c) ~~Stickers, tabs or other devices~~ Renewal Stickers. – A registration renewal sticker issued hereunder shall by the Division must be displayed as on the registration plate that it renews in the place prescribed by the Commissioner. Commissioner and must indicate the period for which it and the registration plate on which it is displayed are valid. Except where the physical differences between the stickers, tabs, or devices and registration plates by their nature a registration renewal sticker and a registration plate render any a provision of this Chapter inapplicable, all the provisions of this

Chapter relating to registration plates shall apply to stickers, tabs or devices. registration renewal stickers.

(d) Staggered Expiration. – The Division may also provide for the issuance of license issue registration plates for motor vehicles with the dates of expiration thereof to dates that vary from month to month so as to that an approximately equalize the equal number that will expire during each month of the registration year.

(e) Prorated Fee. – A vehicle license fee shall be computed by dividing the annual license fee by 12 and multiplying the quotient by the number of months remaining prior to the end of the month of expiration of the registration. Amounts so computed shall be rounded to the nearest multiple of twenty-five cents (25¢).

(f) ~~No vehicle owner shall be required to pay the tax required by G.S. 20-88.1 at a rate greater than the annual rate prescribed in G.S. 20-88.1, because of Division of Motor Vehicles' procedures for implementing this subsection. Compliance with this restriction may be accomplished by computing the tax for a portion of a year by dividing the annual amount by 12 and multiplying the quotient by the number of months remaining prior to the end of the month of expiration of the registration. Amounts so computed shall be rounded to the nearest multiple of twenty five cents (25¢).~~

(g) ~~Registration of all vehicles required to be registered under the staggered system shall expire~~ When Renewal Sticker Expires. – The registration of a vehicle that is renewed by means of a registration renewal sticker expires at midnight on the last day of the month designated on the validation sticker, tab or other device issued by the Division of Motor Vehicles to validate that registration. ~~Provided, however, that it shall not be unlawful to continue to operate any vehicle upon the highways of this State after the expiration of the registration of said vehicle, registration card and registration plate during the 15 day period, inclusive of the fifteenth day immediately following the last day of the month designated on the validation sticker, tab or other device issued by the Division of Motor Vehicles to validate that registration if the registration plate validation sticker, tab or other device is registered to the vehicle prior to the first day of expiration month.~~ sticker. It is lawful, however, to operate the vehicle on a highway until midnight on the fifteenth day of the month following the month in which the sticker expired.

(h) ~~Registration of all vehicles not required to be registered under the staggered system shall expire~~ When Calendar-Year Plate Expires. – The registration of a vehicle that is not renewed by means of a registration renewal sticker expires at midnight on the ~~thirty first day of December~~ 31 of each year. ~~Provided, however, that it shall not be unlawful to continue year. It is lawful, however, to operate any vehicle upon the highways of this State after the expiration of the registration of said vehicle, registration card and registration plate during the period between the thirty first day of December and the fifteenth day of February, inclusive, if the license plate is registered to the vehicle on which it is being used prior to the thirty first day of December. Provided further that the fee required under G.S. 20-88.1 shall be paid and collected in its entirety at any time such vehicles are registered and is not to be prorated.~~ the vehicle on a highway until midnight on the following February 15.

(i) Property Tax Consolidation. – When the Division receives an application under subsection (a) for the renewal of registration before the current registration expires, the Division shall grant the application if it is made for the purpose of consolidating the property taxes payable by the applicant on classified motor vehicles, as defined in G.S. 105-330. The registration fee for a motor vehicle whose registration cycle is changed under this subsection shall be reduced by a prorated amount. The prorated amount is one-twelfth of the registration fee in effect when the motor vehicle's registration was last renewed multiplied by the number of full months remaining in the motor vehicle's current registration cycle, rounded to the nearest multiple of twenty-five cents (25¢)."

Sec. 3. G.S. 105-187.3(a) reads as rewritten:

"(a) Amount. – The rate of the use tax imposed by this Article is three percent (3%) of the retail value of a motor vehicle for which a certificate of title is issued. The tax is payable as provided in G.S. 105-187.4. The tax may not be less than forty dollars (\$40.00) for each motor vehicle for which a certificate of title is issued, unless the issuance of a title for the vehicle is exempt from tax under G.S. 105-187.6(a). The tax may not be more than one thousand dollars (\$1,000) for each certificate of title issued for a Class A or Class B motor vehicle that is a commercial motor vehicle, as defined in G.S. 20-4.01. The tax may not be more than one thousand five hundred dollars (\$1,500) for each certificate of title issued for any other motor vehicle for which a certificate of title is issued. vehicle."

Sec. 4. G.S. 20-88(b) reads as rewritten:

"(b) ~~There shall be paid to the Division annually, as of the first day of January, for the registration and licensing of self-propelled property carrying vehicles, fees according to the following classification and schedule and upon the following conditions: The following fees are imposed on the annual registration of self-propelled property-hauling vehicles; the fees are based on the type of vehicle and its weight:~~

SCHEDULE OF WEIGHTS AND RATES

Rates Per Hundred Pound Gross Weight

Not over 4,500 4,000 pounds	Farmer \$0.23
4,501 to 8,500 4,001 to 9,000 pounds inclusive	.29
8,501 to 12,500 9,001 to 13,000 pounds inclusive	.37
12,501 to 16,500 13,001 to 17,000 pounds inclusive	.51
Over 16,500 17,000 pounds	.58

SCHEDULE OF WEIGHTS AND RATES

Rates Per Hundred Pound Gross Weight

Private Hauler,

Contract Carriers, Flat
Rate Common Carriers
Carriers, and Exempt
For-Hire Carriers

Not over 4,500 <u>4,000</u> pounds		\$0.46
4,501 to 8,500 <u>4,001 to 9,000</u> pounds inclusive	.58	<u>.63</u>
8,501 to 12,500 <u>9,001 to 13,000</u> pounds inclusive	.73	<u>.78</u>
12,501 to 16,500 <u>13,001 to 17,000</u> pounds inclusive	1.01	<u>1.06</u>
Over 16,500 <u>17,000</u> pounds	1.15	<u>1.20</u>

- (1) The minimum fee for a vehicle licensed under this subsection ~~shall be~~ is seventeen dollars and fifty cents (\$17.50) at the farmer rate and twenty-one dollars and fifty cents (\$21.50) at the private hauler, contract ~~carrier-carrier,~~ and common carrier rates.
- (2) The term 'farmer' as used in this subsection means any person engaged in the raising and growing of farm products on a farm in North Carolina not less than 10 acres in area, and who does not engage in the business of buying products for resale.
- (3) License plates issued at the farmer rate shall be placed upon trucks and truck-tractors that are operated exclusively in the carrying or transportation of applicant's farm products, raised or produced on his farm, and farm supplies and not operated in hauling for hire.
- (4) 'Farm products' means any food crop, livestock, poultry, dairy products, flower bulbs, or other nursery products and other agricultural products designed to be used for food purposes, including in the term 'farm products' also cotton, tobacco, logs, bark, pulpwood, tannic acid wood and other forest products grown, produced, or processed by the farmer.
- (5) The Division shall issue necessary rules and regulations providing for the recall, transfer, exchange or cancellation of 'farmer' plates, when vehicle bearing such plates shall be sold or transferred.
- (5a) Notwithstanding any other provision of this Chapter, license plates issued pursuant to this subsection at the farmer rate may be purchased for any three-month period at one fourth of the annual fee.
- (6) There shall be paid to the Division annually as of the first of January, the following fees for 'wreckers' as defined under G.S. 20-4.01(50): a wrecker fully equipped weighing 7,000 pounds or less, seventy-five dollars (\$75.00); wreckers weighing in excess of 7,000 pounds shall pay one hundred forty-eight dollars (\$148.00). Fees to be prorated quarterly. Provided, further, that nothing herein shall prohibit a licensed dealer from using a dealer's license plate to tow a vehicle for a customer."

Sec. 5. G.S. 20-85(b) reads as rewritten:

"(b) ~~Six-sevenths of the revenue~~ Thirty-one dollars and fifty cents (\$31.50) of each title fee collected under subdivision (a)(1) of this section and all of the ~~revenue fees~~ collected under the other subdivisions in subsection (a) shall be credited to the North Carolina Highway Trust Fund; the remaining ~~one-seventh~~ three dollars and fifty cents (\$3.50) of the revenue title fee collected under subdivision (a)(1) shall be credited to the Highway Fund. ~~One-half of the amount~~ Fifteen dollars (\$15.00) of each title fee credited to the Trust Fund under subdivision (a)(1) shall be added to the amount allocated for secondary roads under G.S. 136-176 and used in accordance with G.S. 136-44.5."

Sec. 6. Sections 4 and 5 of this act become effective October 1, 1993. The remaining sections of this act become effective August 1, 1993. A person who paid highway use tax on a Class A or Class B motor vehicle that is a commercial motor vehicle, as defined in G.S. 20-4.01, at the maximum rate of one thousand five hundred dollars (\$1,500) instead of the maximum rate of one thousand dollars (\$1,000) set by Section 3 of this act may apply to the Division of Motor Vehicles of the Department of Transportation for a refund of the difference between the amount of tax paid at the higher maximum rate and the amount that would have been paid had Section 3 of this act been in effect when the title to the vehicle was issued. To obtain a refund, a person must submit an application to the Division of Motor Vehicles by January 1, 1994, and provide any information required by the Division to verify the accuracy of the application.

In the General Assembly read three times and ratified this the 23rd day of July, 1993.

Dennis A. Wicker
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives