Part 5. Issuance of Special Plates.

§ 20-79. Dealer license plates.

(a) How to Get a Dealer Plate. – The Division may issue a person licensed under Article 12 of this Chapter the appropriate classification of dealer license plate. A person eligible for a dealer license plate may obtain one by filing an application with the Division and paying the required fee. An application must be filed on a form provided by the Division. The required fee is the amount set by G.S. 20-87(7).

(b) Number of Plates. – A dealer who was licensed under Article 12 of this Chapter for the previous 12-month period ending December 31 may obtain the number of dealer license plates allowed by the following table; the number allowed is based on the number of motor vehicles the dealer sold during the relevant 12-month period and the average number of qualifying sales representatives the dealer employed during that same 12-month period:

Vehicles Sold In Relevant 12-Month Period	Maximum Number of Plates
Fewer than 12	3
At least 12 but less than 25	6
At least 25 but less than 37	7
At least 37 but less than 49	8
49 or more	At least 8, but no more than 5 times the average number of qualifying sales representatives employed by the dealer during the relevant 12-month period.

A dealer who was not licensed under Article 12 of this Chapter for part or all of the previous 12-month period ending December 31 may obtain the number of dealer license plates that equals four times the number of qualifying sales representatives employed by the dealer on the date the dealer files the application. A "qualifying sales representative" is a sales representative who works for the dealer at least 25 hours a week on a regular basis and is compensated by the dealer for this work.

A dealer who sold fewer than 49 motor vehicles the previous 12-month period ending December 31 but has sold at least that number since January 1 may apply for additional dealer license plates at any time. The maximum number of dealer license plates the dealer may obtain is the number the dealer could have obtained if the dealer had sold at least 49 motor vehicles in the previous 12-month period ending December 31.

A dealer who applies for a dealer license plate must certify to the Division the number of motor vehicles the dealer sold in the relevant period. Making a material misstatement in an application for a dealer license plate is grounds for the denial, suspension, or revocation of a dealer's license under G.S. 20-294.

A dealer engaged in the alteration and sale of specialty vehicles may apply for up to two dealer plates in addition to the number of dealer plates that the dealer would otherwise be entitled to under this section.

This subsection does not apply to manufacturers licensed under Article 12 of this Chapter.

(b1) Dealer Plate Registration Card. – For each dealer license plate issued pursuant to this section, the Division must provide a registration card that lists all valid dealer license plates issued to that dealer pursuant to this section. The Division shall reissue registration cards as needed to ensure the accuracy of dealer license plate information.

(c) Form and Duration. – A dealer license plate is subject to G.S. 20-63, except for the requirement that the plate display the registration number of a motor vehicle and the requirement

that the plate be a "First in Flight" plate, a "First in Freedom" plate, or a "National/State Mottos" plate. A dealer license plate must have a distinguishing symbol identifying the plate as a dealer license plate. The symbol may vary depending upon the classification of dealer license plate issued. The Division must provide suitably reduced sized license plates for motorcycle dealers and manufacturers.

A dealer license plate is issued for a period of two years. The Division shall vary the expiration dates of dealer registration renewals so that an approximately equal number expires at the end of each month, quarter, or other period consisting of one or more months to coincide with G.S. 20-288(c). An otherwise valid dealer license plate issued to a dealer that expires on the expiration date of the dealer's license or during the applicable pending dealer license renewal grace period remains valid as long as the temporary license issued under G.S. 20-295(b) is valid. A dealer license plate may be transferred from one vehicle to another. When the Division issues a dealer plate, it may issue a registration that expires at the end of any monthly interval. When one of the following occurs, a dealer must surrender to the Division all dealer license plates issued to the dealer:

(1) The dealer surrenders the license issued to the dealer under Article 12 of this Chapter.
(2) The Division suspends or revokes the license issued to the dealer under Article 12 of this Chapter.
(3) The Division rescinds the dealer license plates because of a violation of the restrictions on the use of a dealer license plate.

To obtain a dealer license plate after it has been surrendered, the dealer must file a new application for a dealer license plate and pay the required fee for the plate.

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

(d) Restrictions on Use. – A dealer license plate may be displayed only on a motor vehicle that meets all of the following requirements:

(1) Is part of the inventory of the dealer.
(2) Is not consigned to the dealer.
(3) Is covered by liability insurance that meets the requirements of Article 9A of this Chapter.
(4) Is not used by the dealer in another business in which the dealer is engaged.
(5) Is driven on a highway by a person who meets one of the following descriptions:
    a. Has a demonstration permit to test-drive the motor vehicle and carries the demonstration permit while driving the motor vehicle.
    b. Is an officer or sales representative of the dealer and is driving the vehicle for a business purpose of the dealer.
    c. Is an employee of the dealer and is driving the vehicle in the course of employment.
    d. Is an employee of the dealer or of a contractor of the dealer and is driving the vehicle within a 20-mile radius of a place where the vehicle is being repaired or otherwise prepared for sale.
    e. Is an employee of the dealer or of a contractor of the dealer and is transporting the vehicle to or from a vehicle auction or to the dealer's established salesroom.
    f. Is an officer, sales representative, or other employee of an independent or franchised motor vehicle dealer or is an immediate family member of an officer, sales representative, or other employee of an independent or franchised motor vehicle dealer.

(6) Displays a dealer license plate that matches (i) a copy of the registration card for the dealer plate issued to the dealer carried by the person operating the motor vehicle, or (ii) if the person is operating the motor vehicle in this State, a registration card for the dealer plate issued to the dealer that is maintained on file at the dealer's address listed on the registration card and the registration card must be able to be produced within 24 hours upon request of any law enforcement officer.

A dealer may issue a demonstration permit for a motor vehicle to a person licensed to drive that type of motor vehicle. A demonstration permit authorizes each person named in the permit to drive the motor vehicle described in the permit for up to 96 hours after the time the permit is issued. A dealer may, for good cause, renew a demonstration permit for one additional 96-hour period. A franchised motor vehicle dealer is not prohibited from using a demonstration permit pursuant to this subsection by reason of the dealer's receipt of (i) incentive or warranty compensation or other reimbursement or consideration from a manufacturer, factory branch, distributor, distributor branch or (ii) a third-party warranty, maintenance, or service contract company relating to the use of the vehicle as a demonstrator or service loaner.

A dealer may not lend, rent, lease, or otherwise place a dealer license plate at the disposal of a person except as authorized by this subsection.

(e) Sanctions. – The following sanctions apply when a motor vehicle displaying a dealer license plate is driven in violation of the restrictions on the use of the plate:

(1) The individual driving the motor vehicle is responsible for an infraction and is subject to a penalty of one hundred dollars ($100.00).

(2) The dealer to whom the plate is issued is subject to a civil penalty imposed by the Division of two hundred fifty dollars ($250.00).

(3) The Division may rescind all dealer license plates issued to the dealer whose plate was displayed on the motor vehicle.

A penalty imposed under subdivision (1) of this subsection is payable to the county where the infraction occurred, as required by G.S. 14-3.1. A civil penalty imposed under subdivision (2) of this subsection shall be credited to the Highway Fund as nontax revenue.

(f) Transfer of Dealer Registration. – No change in the name of a firm, partnership or corporation, nor the taking in of a new partner, nor the withdrawal of one or more of the firm, shall be considered a new business; but if any one or more of the partners remain in the firm, or if there is change in ownership of less than a majority of the stock, if a corporation, the business shall be regarded as continuing and the dealers' plates originally issued may continue to be used.

(g) Penalties. – The clear proceeds of all civil penalties, civil forfeitures, and civil fines that are collected by the Department of Transportation pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(h) Definition. – For purposes of this section, the term "dealer" means a person who is licensed under Article 12 of this Chapter. (1937, c. 407, s. 43; 1947, c. 220, s. 2; 1949, c. 583, s. 3; 1951, c. 985, s. 2; 1959, c. 1264, s. 3.5; 1961, c. 360, s. 15; 1975, c. 716, s. 5; 1979, c. 239; c. 612, s. 1; 1985, c. 764, s. 21; 1985 (Reg. Sess., 1986), c. 852, s. 17; 1989, c. 770, s. 74.1(a); 1993, c. 321, s. 169.4; c. 440, s. 2; c. 539, s. 343; 1993 (Reg. Sess., 1994), c. 697, ss. 1, 2; c. 761, s. 6; 1994, Ex. Sess., c. 24, s. 14(c); 1997-335, s. 1; 2001-212, s. 1; 2004-167, s. 4; 2004-199, s. 59; 2005-276, s. 6.37(q); 2007-291, s. 1; 2007-481, s. 1; 2010-132, s. 5; 2011-318, s. 2; 2014-100, s. 34.28(b); 2015-232, s. 1.4(a); 2015-264, s. 42(b); 2016-90, s. 13.5; 2018-5, s. 34.27(b); 2018-27, s. 4.5(c); 2018-42, s. 3(c); 2020-51, s. 1(c); 2021-134, s. 4; 2022-68, ss. 4(a), 5(a); 2024-30, s. 24(c); 2025-22, s. 2.)