

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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SENATE BILL 201  
Commerce and Insurance Committee Substitute Adopted 4/29/21  
House Committee Substitute Favorable 5/25/22

Short Title: Various Motor Vehicle/Dealer Changes.

(Public)

Sponsors:

Referred to:

March 9, 2021

A BILL TO BE ENTITLED

AN ACT TO CRIMINALIZE THE UNLAWFUL POSSESSION OF A CATALYTIC CONVERTER; TO EXTEND THE EFFECTIVE DATE OF REVOCATIONS FOR A PERMIT OR LICENSE DUE TO DRIVING ELIGIBILITY CERTIFICATE INELIGIBILITY; TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO PRODUCE A UNITED STATES ARMY SPECIAL FORCES SPECIAL REGISTRATION PLATE; TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO PROVIDE A DEALER LICENSE PLATE REGISTRATION CARD AND CLARIFY WHEN DEALER LICENSE PLATES MAY BE DISPLAYED; TO CLARIFY THE APPLICABILITY OF THE EMERGENCY AND PUBLIC SERVICE VEHICLE MOVE OVER LAW; AND TO AMEND THE REQUIREMENTS FOR TEMPORARY DEALER LICENSES.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** G.S. 14-72.8(b), as enacted by Section 1 of S.L. 2021-154, is repealed.

**SECTION 1.(b)** Article 23 of Chapter 14 of the General Statutes is amended by adding a new section to read:

**"§ 14-164.1. Possession of catalytic converter removed from a motor vehicle.**

Unless the conduct is covered under some other provision of law providing greater punishment, possession of a catalytic converter that has been removed from a motor vehicle is a Class I felony unless the person in possession is either of the following:

- (1) An employee or agent of a company, or an individual, acting in their official duties for a motor vehicle dealer, motor vehicle repair shop, secondary metals recycler, or salvage yard that is licensed, permitted, or registered pursuant to State law.
- (2) An individual who possesses vehicle registration documentation indicating that the catalytic converter in the individual's possession is the result of a replacement of a catalytic converter from a vehicle registered in that individual's name."

**SECTION 1.(c)** G.S. 66-424(a)(3a), as enacted by Section 4 of S.L. 2021-154, reads as rewritten:

- "(3a) Purchase any catalytic converters that are not attached to a vehicle, except that a secondary metals recycler may purchase these items from a person listed in ~~G.S. 14-72.8(b)~~.G.S. 14-164.1."

**SECTION 1.(d)** This section becomes effective December 1, 2022, and applies to offenses committed on or after that date.



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1           **SECTION 2.(a)** G.S. 20-13.2 reads as rewritten:

2   "**§ 20-13.2. Grounds for revoking provisional license.**

3       ...

4       (c1) Upon receipt of notification from the proper school authority that a person no longer  
5 meets the requirements for a driving eligibility certificate under G.S. 20-11(n), the Division must  
6 expeditiously notify the person that his or her permit or license is revoked effective on the ~~tenth~~  
7 thirtieth calendar day after the mailing of the revocation notice. The Division must revoke the  
8 permit or license of that person on the ~~tenth-thirtieth~~ calendar day after the mailing of the  
9 revocation notice. Notwithstanding subsection (d) of this section, the length of revocation must  
10 last for the following periods:

11       ...."

12           **SECTION 2.(b)** This section becomes effective October 1, 2022, and applies to  
13 revocation notices mailed on or after that date.

14           **SECTION 3.(a)** G.S. 20-79.4(b) reads as rewritten:

15       "(b) Types. – The Division shall issue the following types of special registration plates:

16       ...

17       () United States Army Special Forces. – Issuable to a member or veteran of the  
18 United States Army Special Forces. The plate shall bear the name "United  
19 States Army Special Forces" and the insignia of the United States Army  
20 Special Forces.

21       ...."

22           **SECTION 3.(b)** The Revisor of Statutes is authorized to alphabetize, number, and  
23 renumber the special registration plates listed in G.S. 20-79.4(b) to ensure that all the special  
24 registration plates are listed in alphabetical order and numbered accordingly.

25           **SECTION 3.(c)** The plate authorized by this act is not subject to the requirements to  
26 establish a new special registration plate in G.S. 20-79.3A and the expiration of special  
27 registration plate authorization in G.S. 20-79.8.

28           **SECTION 3.(d)** This section becomes effective October 1, 2022.

29           **SECTION 4.(a)** G.S. 20-79 is amended by adding a new subsection to read:

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

34           **SECTION 4.(b)** This section becomes effective December 1, 2022, and applies to  
35 dealer plates issued on or after that date.

36           **SECTION 5.(a)** G.S. 20-79(d) reads as rewritten:

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

- 39       (1) Is part of the inventory of the dealer.  
40       (2) Is not consigned to the dealer.  
41       (3) Is covered by liability insurance that meets the requirements of Article 9A of  
42 this Chapter.  
43       (4) Is not used by the dealer in another business in which the dealer is engaged.  
44       (5) Is driven on a highway by a person who meets one of the following  
45 descriptions:  
46       a. Has a demonstration permit to test-drive the motor vehicle and carries  
47 the demonstration permit while driving the motor vehicle.  
48       b. Is an officer or sales representative of the dealer and is driving the  
49 vehicle for a business purpose of the dealer.  
50       c. Is an employee of the dealer and is driving the vehicle in the course of  
51 employment.

- 1 d. Is an employee of the dealer or of a contractor of the dealer and is  
 2 driving the vehicle within a 20-mile radius of a place where the vehicle  
 3 is being repaired or otherwise prepared for sale.
- 4 e. Is an employee of the dealer or of a contractor of the dealer and is  
 5 transporting the vehicle to or from a vehicle auction or to the dealer's  
 6 established salesroom.
- 7 f. Is an officer, sales representative, or other employee of an independent  
 8 or franchised motor vehicle dealer or is an immediate family member  
 9 of an officer, sales representative, or other employee of an independent  
 10 or franchised motor vehicle dealer.

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

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

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

29 **SECTION 5.(b)** This section becomes effective December 1, 2022, and applies to  
 30 offenses committed on or after that date.

31 **SECTION 6.(a)** G.S. 20-157(f) reads as rewritten:

32 "(f) When an authorized emergency vehicle as ~~described listed~~ in subsection (a) of this  
 33 section-section, or any a public service vehicle-vehicle, is parked or standing within 12 feet of a  
 34 roadway and is giving a warning signal by appropriate light, the driver of every other approaching  
 35 vehicle shall, as soon as it is safe and when not otherwise directed by an individual lawfully  
 36 directing traffic, do one of the following:

- 37 (1) Move the vehicle into a lane that is not the lane nearest to the parked or  
 38 standing authorized emergency vehicle or public service vehicle and continue  
 39 traveling in that lane until safely clear of the authorized emergency vehicle or  
 40 public service vehicle. This ~~paragraph~~ subdivision applies only if the roadway  
 41 has at least two lanes for traffic proceeding in the direction of the approaching  
 42 vehicle and if the approaching vehicle may change lanes safely and without  
 43 interfering with any vehicular traffic.
- 44 (2) Slow the vehicle, maintaining a safe speed for traffic conditions, and operate  
 45 the vehicle at a reduced speed and be prepared to stop until completely past  
 46 the authorized emergency vehicle or public service vehicle. This ~~paragraph~~  
 47 subdivision applies only if the roadway has only one lane for traffic  
 48 proceeding in the direction of the approaching vehicle or if the approaching  
 49 vehicle may not change lanes safely and without interfering with any vehicular  
 50 traffic.

1 For purposes of this section, "public service vehicle" means a vehicle that is (i) ~~is~~-being used to  
2 assist motorists or law enforcement officers with wrecked or disabled vehicles, (ii) ~~is~~-being used  
3 to install, maintain, or restore utility service, including electric, cable, telephone, water,  
4 wastewater, communications, and gas, (iii) ~~is~~-being used in the collection of refuse, solid waste,  
5 or recycling, or (iv) ~~is~~-a highway maintenance vehicle owned and operated ~~by~~ or contracted by  
6 the State or a local government and is operating an amber-colored flashing light authorized by  
7 G.S. 20-130.2. Violation of this subsection shall be negligence per se."

8 **SECTION 6.(b)** This section becomes effective July 1, 2022, and applies to offenses  
9 committed on or after that date.

10 **SECTION 7.(a)** G.S. 20-295, as amended by Section 5 of S.L. 2021-134, reads as  
11 rewritten:

12 "**§ 20-295. Action on application; grace period while application for license renewal is**  
13 **pending.**

14 (a) **Division Action.** – The Division shall either grant or deny an application for a license  
15 or license renewal within 30 days after receiving it. Any applicant denied a license shall, upon  
16 filing a written request within 30 days, be given a hearing at the time and place determined by  
17 the Commissioner or a person designated by the Commissioner. A hearing shall be public and  
18 shall be held with reasonable promptness.

19 (b) **Pending License Renewal Grace Period.** – When an application for license renewal  
20 has been timely submitted prior to expiration of the license, the license shall remain valid for up  
21 to 30 days after the expiration date until the Division grants or denies the application. The  
22 Division shall (i) ensure that any database maintained by the Division that indicates the status of  
23 a license issued under this Article reflects that the license continues to be valid during this period  
24 and (ii) send a temporary license to the renewal applicant for display to evidence extension of  
25 the validity of the license to engage in business in this State while the Division reviews the  
26 renewal application. The temporary license issued by the Division pursuant to this subsection  
27 shall contain on its face the following notation: "This temporary license is issued pursuant to  
28 G.S. 20-295 during a license renewal application review by the North Carolina Division of Motor  
29 Vehicles and is valid to engage in business in this State with all rights and privileges of a  
30 license."

31 **SECTION 7.(b)** This section becomes effective October 1, 2022, and applies to  
32 applications for license renewals submitted to the Division of Motor Vehicles on or after that  
33 date.

34 **SECTION 8.** Except as otherwise provided, this act is effective when it becomes  
35 law.