

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  
Fourth Edition Engrossed 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**SECTION 1.(a)** G.S. 14-72.8(b), as enacted by Section 1 of S.L. 2021-154, is repealed.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 if the individual knew or should have known that the catalytic converter was unlawfully obtained."

**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.

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

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

...

(c1) Upon receipt of notification from the proper school authority that a person no longer meets the requirements for a driving eligibility certificate under G.S. 20-11(n), the Division must expeditiously notify the person that his or her permit or license is revoked effective on the tenth



1 thirtieth calendar day after the mailing of the revocation notice. The Division must revoke the  
2 permit or license of that person on the ~~tenth~~thirtieth calendar day after the mailing of the  
3 revocation notice. Notwithstanding subsection (d) of this section, the length of revocation must  
4 last for the following periods:

5 ...."

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

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

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

10 ...

11 (i) United States Army Special Forces. – Issuable to a member or veteran of the  
12 United States Army Special Forces. The plate shall bear the name "United  
13 States Army Special Forces" and the insignia of the United States Army  
14 Special Forces.

15 ...."

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

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

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

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

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

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

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

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

33 (1) Is part of the inventory of the dealer.

34 (2) Is not consigned to the dealer.

35 (3) Is covered by liability insurance that meets the requirements of Article 9A of  
36 this Chapter.

37 (4) Is not used by the dealer in another business in which the dealer is engaged.

38 (5) Is driven on a highway by a person who meets one of the following  
39 descriptions:

40 a. Has a demonstration permit to test-drive the motor vehicle and carries  
41 the demonstration permit while driving the motor vehicle.

42 b. Is an officer or sales representative of the dealer and is driving the  
43 vehicle for a business purpose of the dealer.

44 c. Is an employee of the dealer and is driving the vehicle in the course of  
45 employment.

46 d. Is an employee of the dealer or of a contractor of the dealer and is  
47 driving the vehicle within a 20-mile radius of a place where the vehicle  
48 is being repaired or otherwise prepared for sale.

49 e. Is an employee of the dealer or of a contractor of the dealer and is  
50 transporting the vehicle to or from a vehicle auction or to the dealer's  
51 established salesroom.

- 1 f. Is an officer, sales representative, or other employee of an independent  
 2 or franchised motor vehicle dealer or is an immediate family member  
 3 of an officer, sales representative, or other employee of an independent  
 4 or franchised motor vehicle dealer.
- 5 (6) ~~A-Displays a dealer license plate that matches (i) a copy of the registration~~  
 6 ~~card for the dealer plate issued to the dealer is-carried by the person operating~~  
 7 ~~the motor vehicle or, vehicle, or (ii) if the person is operating the motor vehicle~~  
 8 ~~in this State, the-a registration card for the dealer plate issued to the dealer that~~  
 9 ~~is maintained on file at the dealer's address listed on the registration card, card~~  
 10 ~~and the registration card must be able to be produced within 24 hours upon~~  
 11 ~~request of any law enforcement officer.~~

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

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

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

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

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

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

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

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

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

5 "**§ 20-295. Action on application; grace period while application for license renewal is**  
6 **pending.**

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

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

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

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