

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

**HOUSE BILL 421
RATIFIED BILL**

AN ACT TO CLARIFY VARIOUS MOTOR VEHICLE DEALER LAWS.

The General Assembly of North Carolina enacts:

EXTEND DEALER LICENSE GRACE PERIOD

SECTION 1. G.S. 20-295(b) reads as rewritten:

"(b) Pending License Renewal Grace Period. – When an application for license renewal has been timely submitted prior to expiration of the license, the license shall remain valid for up to ~~30 days~~ 60 days after the expiration date until the Division grants or denies the application. The Division shall (i) ensure that any database maintained by the Division that indicates the status of a license issued under this Article reflects that the license continues to be valid during this period and (ii) send a temporary license to the renewal applicant for display to evidence extension of the validity of the license to engage in business in this State while the Division reviews the renewal application. The temporary license issued by the Division pursuant to this subsection shall contain on its face the following notation: "This temporary license is issued pursuant to G.S. 20-295 during a license renewal application review by the North Carolina Division of Motor Vehicles and is valid to engage in business in this State with all rights and privileges of a license." In accordance with G.S. 20-79(c), a dealer license plate issued to a dealer whose license expires and is extended under this subsection remains valid as long as the temporary license issued under this subsection is valid."

ALIGN DEALER LICENSE PLATE RENEWAL WITH DEALER LICENSE RENEWALS

SECTION 2. G.S. 20-79 reads as rewritten:

"§ 20-79. Dealer license plates.

...

(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 ~~one year~~ 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~~ 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 ~~three~~four years.

...."

EFFECTIVE DATE

SECTION 3. This act becomes effective October 1, 2025.

In the General Assembly read three times and ratified this the 19th day of June, 2025.

s/ Rachel Hunt
President of the Senate

s/ Timothy Reeder, MD
Presiding Officer of the House of Representatives

Josh Stein
Governor

Approved _____m. this _____ day of _____, 2025