



# SENATE BILL 401: Dealer License Renewal Modifications.

2025-2026 General Assembly

<b>Committee:</b>	Senate Rules and Operations of the Senate	<b>Date:</b>	May 1, 2025
<b>Introduced by:</b>	Sens. Jackson, Lazzara, Sawyer	<b>Prepared by:</b>	Wendy Ray
<b>Analysis of:</b>	First Edition		Staff Attorney

**OVERVIEW:** Senate Bill 401 would amend the law related to motor vehicle dealers as follows:

- *Extend the grace period during which dealer licenses continue to be valid while renewal is pending from 30 days to 60 days after the license expiration date.*
- *Make dealer plates valid for two years and require replacement of dealer plates every four years.*

**CURRENT LAW:** Motor vehicle dealer licenses issued by the Division of Motor Vehicles under Article 12 of Chapter 20 of the General Statutes are granted for a period of two years. G.S. 20-295 provides that when an application for renewal of a license has been properly submitted prior to the license expiration date, the validity of the license is extended for up to 30 days while the Division determines whether to grant or deny the renewal.

Applications for licensure must be accompanied by applications for dealer plates. Dealer plates are issued by the Division under G.S. 20-79 to be used on vehicles that are part of the dealer's inventory. Dealer plates are issued for a period of one year. Dealer plates are required to be replaced every three years.

**BILL ANALYSIS:** Senate Bill 401 would amend the law related to motor vehicle dealers in the following ways:

Extend grace period for dealer license renewal. Section 1 of the bill would extend the grace period provided under G.S. 20-295 during which a dealer license continues to be valid after its expiration date while the Division is considering a properly submitted renewal application. The period, which is currently up to 30 days, would be extended to up to 60 days.

Dealer plate validity and replacement. Section 2 of the bill would increase the validity period of dealer plates issued under G.S. 20-79 from one to two years, to align with the validity period of dealer licenses, which was increased from one to two years in 2024. It would also amend G.S. 20-79 to require dealer plates to be replaced every four years instead of every three years.

**EFFECTIVE DATE:** The act would become effective October 1, 2025.

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Director



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Legislative Analysis  
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