



HOUSE BILL 421: Motor Vehicle Dealers.

2025-2026 General Assembly

Committee:	Senate Rules and Operations of the Senate	Date:	June 12, 2025
Introduced by:	Reps. B. Jones, Tyson, Ross	Prepared by:	Wendy Ray
Analysis of:	Second Edition		Staff Attorney

OVERVIEW: House Bill 421 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.*
- *Extend dealer plate validity to coincide with the dealer license grace period.*

CURRENT LAW: Motor vehicle dealer licenses issued by the Division of Motor Vehicles under Article 12 of the 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: House Bill 421 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.

Extend dealer license plate validity with grace period. Sections 1 and 2 of the bill would also add language providing for an extension of dealer license plate validity to coincide with any applicable extension of dealer license validity provided by the renewal grace period.

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

Kara McCraw
Director



Legislative Analysis
Division
919-733-2578