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SECTION 1.(a) G.S. 14-72.8(b), as enacted by Section 1 of S.L. 2021-154, is repealed.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.
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 thirtieth calendar day after the mailing of the revocation notice. The Division must revoke the permit or license of that person on the tenth thirtieth calendar day after the mailing of the revocation notice. Notwithstanding subsection (d) of this section, the length of revocation must last for the following periods:

…"

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

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

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

…

Ø United States Army Special Forces. – Issuable to a member or veteran of the United States Army Special Forces. The plate shall bear the name "United States Army Special Forces" and the insignia of the United States Army Special Forces.

…"

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

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

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

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

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

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

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

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

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

(2) Is not consigned to the dealer.

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

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

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

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

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

c. Is an employee of the dealer and is driving the vehicle in the course of employment."
d. Is an employee of the dealer or of a contractor of the dealer and is driving the vehicle within a 20-mile radius of a place where the vehicle is being repaired or otherwise prepared for sale.

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

f. Is an officer, sales representative, or other employee of an independent or franchised motor vehicle dealer or is an immediate family member of an officer, sales representative, or other employee of an independent or franchised motor vehicle dealer.

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

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

A dealer may not lend, rent, lease, or otherwise place a dealer license plate at the disposal of a person except as authorized by this subsection.
For purposes of this section, "public service vehicle" means a vehicle that is (i) being used to assist motorists or law enforcement officers with wrecked or disabled vehicles, (ii) being used to install, maintain, or restore utility service, including electric, cable, telephone, water, wastewater, communications, and gas, (iii) being used in the collection of refuse, solid waste, or recycling, or (iv) a highway maintenance vehicle owned and operated by or contracted by the State or a local government and is operating an amber-colored flashing light authorized by G.S. 20-130.2. Violation of this subsection shall be negligence per se."

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

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

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

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

(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 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.""

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

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