**South Carolina General Assembly**

125th Session, 2023-2024

**A51, R72, S549**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Grooms

Companion/Similar bill(s): 3518

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Introduced in the Senate on February 21, 2023

Introduced in the House on April 4, 2023

Last Amended on May 4, 2023

Currently residing in the Senate

Summary: Auto Dealers

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/21/2023 Senate Introduced and read first time ([Senate Journal‑page 3](h:\sj\20230221.docx))

2/21/2023 Senate Referred to Committee on **Transportation** ([Senate Journal‑page 3](h:\sj\20230221.docx))

3/2/2023 Scrivener's error corrected

3/9/2023 Senate Committee report: Favorable with amendment **Transportation** ([Senate Journal‑page 5](h:\sj\20230309.docx))

3/13/2023 Scrivener's error corrected

3/29/2023 Senate Committee Amendment Adopted ([Senate Journal‑page 30](h:\sj\20230329.docx))

3/29/2023 Senate Amended ([Senate Journal‑page 30](h:\sj\20230329.docx))

3/29/2023 Senate Read second time ([Senate Journal‑page 30](h:\sj\20230329.docx))

3/30/2023 Senate Read third time and sent to House ([Senate Journal‑page 21](h:\sj\20230330.docx))

3/30/2023 Senate Roll call Ayes-42 Nays-0 ([Senate Journal‑page 21](h:\sj\20230330.docx))

3/30/2023 Scrivener's error corrected

4/4/2023 House Introduced and read first time ([House Journal‑page 11](h:\hj\20230404.docx))

4/4/2023 House Referred to Committee on **Education and Public Works** ([House Journal‑page 11](h:\hj\20230404.docx))

5/2/2023 House Committee report: Favorable with amendment **Education and Public Works** ([House Journal‑page 60](h:\hj\20230502.docx))

5/3/2023 Scrivener's error corrected

5/3/2023 House Debate adjourned ([House Journal‑page 73](h:\hj\20230503.docx))

5/4/2023 House Amended ([House Journal‑page 57](h:\hj\20230504.docx))

5/4/2023 House Read second time ([House Journal‑page 57](h:\hj\20230504.docx))

5/4/2023 House Roll call Yeas-109 Nays-0 ([House Journal‑page 66](h:\hj\20230504.docx))

5/4/2023 House Unanimous consent for third reading on next legislative day ([House Journal‑page 68](h:\hj\20230504.docx))

5/5/2023 House Read third time and returned to Senate with amendments ([House Journal‑page 2](h:\hj\20230505.docx))

5/10/2023 Senate Concurred in House amendment and enrolled ([Senate Journal‑page 103](h:\sj\20230510.docx))

5/10/2023 Senate Roll call Ayes-45 Nays-0 ([Senate Journal‑page 103](h:\sj\20230510.docx))

5/16/2023 Scrivener's error corrected

5/17/2023 Ratified R 72

5/18/2023 Signed By Governor

5/30/2023 Effective date See Act for Effective Date

5/30/2023 Act No. 51

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5/10/2023 Senate Roll call Ayes-45 Nays-0 ([Senate Journal‑page 103](file:///h:\sj\20230510.docx))

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5/18/2023 Signed By Governor

5/30/2023 Effective date See Act for Effective Date

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(A51, R72, S549)

AN ACT TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 56‑1‑395, RELATING TO the DRIVER’S LICENSE REINSTATEMENT FEE PAYMENT PROGRAM, SO AS TO PROVIDE THE DRIVERS’ LICENSES ISSUED UNDER THIS PROGRAM ARE VALID FOR AN ADDITIONAL SIX MONTHS, TO REVISE THE AMOUNT OF REINSTATEMENT FEES OWED BY PERSONS TO BECOME ELIGIBLE TO OBTAIN THESE DRIVERS’ LICENSES, TO REVISE THE DISTRIBUTION OF THE ADMINISTRATIVE FEES COLLECTED, TO PROVIDE THE DEPARTMENT OF MOTOR VEHICLES MAY PROVIDE PERSONS IN THE PROGRAM A FEE SCHEDULE OF THE AMOUNTS OWED AND THE ABILITY TO MAKE ONLINE PAYMENTS, TO REVISE THE TYPES OF DRIVER’S LICENSE SUSPENSIONS THAT ARE COVERED BY THIS SECTION, AND TO REVISE THE FREQUENCY THAT PERSONS MAY PARTICIPATE IN THE PROGRAM AND THE CONDITIONS FOR FUTURE PARTICIPATION; BY AMENDING SECTION 56‑1‑396, RELATING TO the DRIVER’S LICENSE SUSPENSION AMNESTY PERIOD, SO AS TO LIMIT THE TYPES OF QUALIFYING SUSPENSIONS; BY AMENDING SECTION 56‑10‑240, RELATING TO the REQUIREMENT THAT UPON LOSS OF INSURANCE, INSUREDs must OBTAIN NEW INSURANCE OR SURRENDER REGISTRATIONs AND PLATES, WRITTEN NOTICEs BY INSURER, SUSPENSION OF REGISTRATIONs AND PLATES, APPEALs OF SUSPENSIONs, ENFORCEMENT, AND PENALTIES, SO AS TO REVISE THE PERIOD OF TIME VEHICLE OWNERS MUST SURRENDER MOTOR VEHICLE LICENSE PLATES AND REGISTRATION CERTIFICATES FOR CERTAIN UNINSURED MOTOR VEHICLES, TO DELETE THE PROVISION THAT GIVES THE DEPARTMENT OF MOTOR VEHICLES DISCRETION TO AUTHORIZE INSURERS TO UTILIZE ALTERNATE METHODS OF PROVIDING CERTAIN NOTICES TO THE DEPARTMENT, TO DELETE THE PROVISION THAT ALLOWS CERTAIN PERSONS TO APPEAL CERTAIN SUSPENSIONS TO THE DEPARTMENT OF INSURANCE FOR FAILURE TO MEET THE STATE’S FINANCIAL RESPONSIBILITY REQUIREMENTS IN ERROR, AND TO ALLOW THESE PERSONS TO PROVIDE CERTAIN DOCUMENTS TO SHOW THE SUSPENSION WAS ISSUED IN ERROR; BY AMENDING SECTION 56‑10‑245, RELATING TO the PER DIEM FINEs FOR LAPSE IN REQUIRED MOTOR VEHICLE INSURANCE COVERAGE, SO AS TO PROVIDE THE FINES CONTAINED IN THE SECTION MAY NOT EXCEED TWO HUNDRED DOLLARS PER VEHICLE FOR A FIRST OFFENSE; BY AMENDING article 5 of CHAPTER 10, title 56, RELATING TO THE ESTABLISHMENT OF THE UNINSURED MOTORIST FUND, SO AS TO REVISE THE PROVISIONS OF THIS ARTICLE TO REGULATE THE OPERATION OF UNINSURED MOTOR VEHICLES, TO DELETE PROVISIONS RELATING TO THE ESTABLISHMENT AND COLLECTION OF UNINSURED MOTOR VEHICLE FEES, TO MAKE TECHNICAL CHANGES, TO REVISE THE AMOUNT OF THE MOTOR VEHICLE REINSTATEMENT FEE AND PROVIDE IT SHALL BE INCREASED ANNUALLY, TO PROVIDE SUSPENDED LICENSES, REGISTRATION CERTIFICATES, LICENSE PLATES, AND DECALS MAY BE RETURNED TO THE DEPARTMENT OF MOTOR VEHICLES BY ELECTRONIC MEANS OR IN PERSON, AND TO DELETE THE PROVISIONS THAT REQUIRE THE DEPARTMENT OF MOTOR VEHICLES TO COLLECT STATISTICS REGARDING VARIOUS MOTOR VEHICLE REGISTRATION, INSURANCE, AND UNINSURED MOTORIST FUND ISSUES; BY AMENDING SECTION 56‑9‑20, RELATING TO DEFINITIONS FOR THE MOTOR VEHICLE FINANCIAL RESPONSIBILITY ACT, SO AS TO REVISE REFERENCEs IN THE DEFINITIONs OF “insured motor vehicle” and “UNINSURED MOTOR VEHICLE”; BY AMENDING SECTION 56‑3‑210, RELATING TO the TIME PERIOD FOR PROCURING MOTOR VEHICLE REGISTRATIONs AND LICENSEs, TEMPORARY LICENSE PLATES, AND the TRANSFER OF LICENSE PLATES, SO AS TO REVISE THE REQUIREMENT FOR TEMPORARY LICENSE PLATEs AND WHO MAY DISTRIBUTE TEMPORARY LICENSE PLATES; BY ADDING SECTION 56‑3‑211 SO AS TO PROVIDE FOR THE ISSUANCE OF TEMPORARY LICENSE PLATES TO CERTAIN MOTOR VEHICLES AND FARM TRUCKS; BY ADDING SECTION 56‑3‑212 SO AS TO PROVIDE FOR THE ISSUANCE OF TEMPORARY LICENSE PLATES TO CERTAIN MOTOR VEHICLES; BY ADDING SECTION 56‑3‑213 SO AS TO PROVIDE THAT THE DEPARTMENT of motor vehicles MAY ISSUE SPECIAL PERMITS TO OPERATE CERTAIN MOTOR VEHICLES; BY AMENDING SECTION 56‑3‑2340, RELATING TO LICENSED MOTOR VEHICLE DEALERS ISSUING FIRST-TIME REGISTRATIONS AND LICENSE PLATES FROM DEALERSHIPs, CERTIFICATIONs OF THIRD‑PARTY PROVIDERS, AND FEES, SO AS TO REVISE THE ISSUANCE OF TEMPORARY MOTOR VEHICLE REGISTRATIONS AND LICENSE PLATES; BY ADDING SECTION 56‑3‑214 SO AS TO PROVIDE THAT THE DEPARTMENT OF MOTOR VEHICLES SHALL IMPLEMENT A QUALITY ASSURANCE PROGRAM TO ENSURE THE INTEGRITY OF THE ELECTRONIC REGISTRATION AND TITLING PROGRAM; BY AMENDING SECTION 8‑21‑15, RELATING TO NO FEEs FOR PERFORMING DUTies, RESPONSIBILITies, OR FUNCTIONs OF the AGENCy UNLESS AUTHORIZED BY STATUTE AND REGULATION, SO AS TO PROVIDE THAT the AGENCy MAY COLLECT VENDOR FEES, CONVENIENCE FEES, TRANSACTION FEES, OR SIMILAR FEES WHEN RECEIVING PAYMENTs BY any payment method other than cash; BY AMENDING SECTION 56‑14‑30, RELATING TO LICENSEs FOR RECREATIONAL VEHICLE DEALERs, EXHIBITION LICENSEs, FEES, AND PENALTIES, SO AS TO REVISE the expiration date of licenses and fees, to require the department of motor vehicles provide certain information to license applicants needed in audits or reviews, and to provide for departmental inspections and complaints arising from alleged violations, to revise PENALTIES FOR THE UNAUTHORIZED SALE OF RECREATIONAL VEHICLES, and to provide for the enforcement of this section and disbursement of fines; BY AMENDING SECTION 56‑14‑40, RELATING TO APPLICATIONS FOR RECREATIONAL VEHICLE DEALER LICENSES, BONDS, AND THE DUTY TO NOTIFY the DEPARTMENT of motor vehicles WHERE INFORMATION GIVEN BY APPLICANTs CHANGEs OR LICENSEes CEASE OPERATIONS, SO AS TO REVISE THE BOND AMOUNTS REQUIRED, TO PROVIDE FOR THE PAYMENT OF BACK TAXES OR FEES, AND TO PROVIDE FOR THE CONTINUANCE OF THE BUSINESS IN THE EVENT OF LICENSEES’ DEATHs; BY AMENDING SECTION 56‑14‑50, RELATING TO REQUIREMENTS REGARDING DEALERS’ MAINTENANCE OF BONA FIDE PLACEs OF BUSINESS AND PERMANENT SIGNS, SO AS TO PROVIDE FOR BUSINESS OPERATIONS ON PROPERTY ADJACENT TO A LICENSEE’S BONA FIDE ESTABLISHED PLACE OF BUSINESS; BY AMENDING SECTION 56‑14‑70, RELATING TO DENIALs, SUSPENSIONs, OR REVOCATIONs OF DEALER LICENSEs, SO AS TO REVISE THE REASONS THAT THE DEPARTMENT of motor vehicles MAY DENY, SUSPEND, OR REVOKE A LICENSE; BY AMENDING SECTION 56‑15‑310, RELATING TO dealer and wholesaler LICENSEs, TERMs OF LICENSEs, FEES, SCOPE OF LICENSEs, AND PENALTies FOR VIOLATIONs, SO AS TO INCREASE THE TIME PERIOD FOR A VALID LICENSE TO THIRTY‑SIX MONTHS, to increase the license fee, to revise the locations where a license may operate, to eliminate the temporary license, TO PROVIDE FOR A CURE PERIOD FOR CERTAIN COMPLAINTS FROM CONSUMERS, to increase the penalty, to allow law enforcement agencies to enforce this provision, and to provide for the distribution of fines; BY AMENDING SECTION 56‑15‑320, RELATING TO APPLICATIONs FOR LICENSES, BONDS, AND DUTIES UPON CHANGE OF CIRCUMSTANCES AND TERMINATION OF BUSINESSes relating to wholesalers and dealers, SO AS TO PROVIDE THAT NEW BONDs or continuation certificates MUST BE provided to the department of motor vehicles EVERY TWELVE MONTHS during a license period, to provide when dealers’ licenses expire, TO PROVIDE FOR THE RECOVERY OF BACK TAXES AND FEES, to increase the aggregate liability of sureties for claims, AND TO PROVIDE FOR THE CONTINUATION of BUSINESSes IN THE EVENT OF LICENSEES’ DEATHs; BY AMENDING SECTION 56‑15‑330, RELATING TO FACILITIES REQUIRED FOR ISSUANCE OF DEALERS’ LICENSEs, SO AS TO INCLUDE WHOLESALERS, AND TO PROVIDE FOR BUSINESS OPERATIONS ON PROPERTY ADJACENT TO OR WITHIN SIGHT OF BONA FIDE ESTABLISHED PLACEs OF BUSINESS; BY AMENDING SECTION 56‑15‑350, RELATING TO DENIALs, SUSPENSIONs, OR REVOCATIONs OF LICENSEs, GROUNDS, AND PROCEDUREs, SO AS TO REVISE THE GROUNDS FOR DENIALs, SUSPENSIONs, OR REVOCATIONs OF A LICENSE; BY ADDING chapter 37 to title 56 so as to establish the motor vehicle dealer performance evaluation system to evaluate the performance record of dealers licensed under this title, to create a dealer review board, and provide a process to suspend or revoke dealers’ licenses for certain violations; BY AMENDING SECTION 56‑16‑140, RELATING TO LICENSEs FOR MOTORCYCLE DEALERs OR WHOLESALERs, EXHIBITION LICENSEs, FEES, AND PENALTIES FOR NONCOMPLIANCE, SO AS TO PROVIDE the section also applies to motorcycle wholesalers, to provide THE LICENSEs LAST FOR THIRTY‑SIX MONTHS, to provide the department of motor vehicles must provide certain information to license applicants, to provide complaint procedures, to REVISE THE PENALTIES FOR DEALERs SELLING MOTORCYCLEs WITHOUT LICENSEs, and to provide for the distribution of fines; BY AMENDING SECTION 56‑16‑150, RELATING TO APPLICATIONs FOR MOTORCYCLE DEALERS’ OR WHOLESALERS’ LICENSEs, BONDS, AND THE DUTY TO NOTIFY THE DEPARTMENT OF MOTOR VEHICLES WHERE INFORMATION GIVEN BY APPLICANTs CHANGE OR LICENSEes CEASE OPERATIONS, SO AS TO provide the provision applies to motorcycle wholesalers and dealers, to REVISE THE BOND REQUIREMENTS, TO PROVIDE FOR THE RECOVERY OF BACK TAXES AND FEES, AND TO PROVIDE FOR THE CONTINUATION OF BUSINESS IN THE EVENT OF LICENSEES’ DEATHs; BY AMENDING SECTION 56‑16‑160, RELATING TO REQUIREMENTS REGARDING MOTORCYCLE DEALERS’ MAINTENANCE OF BONA FIDE ESTABLISHED PLACEs OF BUSINESS, SIZE OF BUSINESSes, AND PERMANENT SIGNs, SO AS TO PROVIDE THAT DEALERs MAY CONDUCT BUSINESS ON PROPERTY ADJACENT TO BONA FIDE ESTABLISHED PLACEs OF BUSINESS under certain circumstances; BY AMENDING SECTION 56‑16‑180, RELATING TO DENIALs, SUSPENSIONs, OR REVOCATIONs OF certain LICENSEs, SO AS TO REVISE THE REASONS THE DEPARTMENT of motor vehicles MAY DENY, SUSPEND, OR REVOKE motorcycle dealers’ LICENSEs; BY AMENDING SECTION 56‑19‑370, RELATING TO PROCEDURES FOR VOLUNTARY TRANSFERs AND DEALERs PURCHASING VEHICLEs FOR RESALE, SO AS TO provide procedures for dealers to title and register certain vehicles, and penalties for violating these provisions; to provide the department of motor vehicles shall ensure that no one is registered as an uninsured motorist; to repeal sections 56‑3‑180, 56‑3‑215, article 29 of chapter 3, title 56, and article 30 of chapter 3, title 56, relating to the issuance of certain special permits, temporary permits, temporary license plates, and registration cards by the department of motor vehicles; to amend section 56-23-60, relating to standards for operating driver training schools, so as to delete the term “defensive driving course” and replace it with the term “driver training course”; by adding section 56‑23‑105 so as to define the term “classroom training”; to amend section 56-1-20, relating to requiring certain persons to possess drivers’ licenses to drive motor vehicles, so as to provide certain drivers possessing out-of-state drivers’ licenses must surrender them within forty-five days of becoming residents before being issued south carolina drivers’ licenses; to amend section 56‑1‑220, relating to vision screening tests required for renewal of drivers’ licenses, so as to provide exemptions for certain active-duty members of the armed forces; and to amend section 56‑23‑40, relating to driver training school license fees, so as to increase fees and revise the licenses’ expiration date.

Be it enacted by the General Assembly of the State of South Carolina:

Driver’s license reinstatement fee payment program

SECTION 1. Section 56‑1‑395 of the S.C. Code is amended to read:

Section 56‑1‑395. (A) The Department of Motor Vehicles shall establish a driver’s license reinstatement fee payment program. A person who is a South Carolina resident, is eighteen years of age or older, and has had his driver’s license suspended may apply to the Department of Motor Vehicles to obtain a license valid for no more than twelve months to allow time for payment of reinstatement fees. If the person has served all of his suspensions, has met all other conditions for reinstatement, and owes two hundred dollars or more of South Carolina reinstatement fees only for suspensions that are listed in subsection (E), the Department of Motor Vehicles may issue a twelve‑month license upon payment of a forty-dollar administrative fee and payment of ten percent of the reinstatement fees owed. Of the forty‑dollar administrative fee, the department may retain five dollars to cover the cost of operating the program. The remainder must be credited to the State Highway Fund established in Section 57‑11‑20.

(B) During the period of the twelve‑month license, the person must make periodic payments of the reinstatement fees owed. Monies paid shall be applied to suspensions in chronological order, with the oldest fees being paid first. The department may provide the person with a fee schedule that shows how much the person may pay every month to satisfy the fees that he owes in a timely manner. The department may allow a person to make payments toward the payment program online. However, the first and final payments must be paid in person at one of the department’s branch offices.

(C) When all fees are paid, and the department records demonstrate that the person has no other suspensions, the person is eligible to renew his regular driver’s license.

(D) If all fees are not paid by the end of the twelve‑month period, existing suspensions shall be reactivated.

(E) This subsection applies only to a person whose driver’s license has been suspended pursuant to Sections 34‑11‑70, 56‑1‑170, 56‑1‑185, 56‑1‑240, 56‑1‑270, 56‑1‑290, 56‑1‑460(A)(1), 56‑9‑351, 56‑9‑354, 56‑9‑357, 56‑9‑430, 56‑9‑490, 56‑9‑610, 56‑9‑620, 56‑10‑225, 56‑10‑240, 56‑10‑520, 56‑10‑530, and 56‑25‑20.

(F) No person may participate in the payment program more than one time in any two‑year period. Once a person has participated in the payment program for a suspension, the person cannot enter into another payment program for the same suspension. If the person receives another payment program‑qualifying suspension pursuant to subsection (E) while already enrolled in the payment program, the person cannot add the new suspension to the existing payment program. If a person who is currently participating in a payment plan commits a subsequent infraction for which his license is suspended for some period of time, then he may no longer participate in the payment plan for the prior offense.

Driver’s license suspensions

SECTION 2. Section 56‑1‑396(F) of the S.C. Code is amended to read:

(F) Qualifying suspensions include, and are limited to, suspensions pursuant to Sections 56‑1‑185, 56‑1‑290, 56‑1‑460(A)(1), and 56‑10‑520. Qualifying suspensions do not include suspensions pursuant to Section 56‑5‑2990 or 56‑5‑2945, and do not include suspensions pursuant to Section 56‑1‑460, if the person drives a motor vehicle when the person’s license has been suspended or revoked pursuant to Section 56‑5‑2990 or 56‑5‑2945.

Uninsured motor vehicles

SECTION 3. Section 56‑10‑240(A) and (B) of the S.C. Code is amended to read:

(A) If, during the period for which it is licensed, a motor vehicle is or becomes an uninsured motor vehicle, then the vehicle owner immediately shall obtain insurance on the vehicle or surrender the motor vehicle license plate and registration certificate issued for the motor vehicle.

(B) The Department of Motor Vehicles may not reissue a registration certificate and license plate for that vehicle until satisfactory evidence has been filed by the owner or by the insurer who gave the cancellation or refusal to renew notice to the department that the vehicle is insured. Upon receiving information to the effect that a policy is canceled or otherwise terminated on a motor vehicle registered in South Carolina, the department shall suspend the owner’s driving privileges, license plate, and registration certificate and shall initiate action as required within fifteen days of the notice of cancellation to pick up the license plate and registration certificate. A person who has had his driving privileges, vehicle license plate, and registration certificate suspended by the department, but who at the time of suspension possesses liability insurance coverage sufficient to meet the financial responsibility requirements as set forth in this chapter, has the right to provide documents showing that the vehicle was actually insured during the suspension period to the department. If the department determines that the person has sufficient liability insurance coverage the suspension is voided immediately. The department shall give notice by first class mail of the cancellation or suspension of driving and registration privileges to the vehicle owner at his last known address.

Proof of insurance

SECTION 4. Section 56‑10‑245 of the S.C. Code is amended to read:

Section 56‑10‑245. Whenever a person furnishes proof of liability insurance, or surrenders or has his registration or license tags confiscated for failure to produce proof of insurance, after the Department of Motor Vehicles receives notice of the lapse or termination of the required liability insurance, the department shall compare the effective date of the lapse or termination with the date of the proof of insurance or the date of the confiscation or surrender. If the department determines there was a lapse in the required coverage, the department shall assess, in addition to other fines or penalties imposed by the law, a per diem fine in the amount of five dollars. The fine provided for in this section and the two hundred dollar reinstatement fee pursuant to Section 56‑10‑240 must not be assessed if the person furnishes proof, as documented by his sworn statement, that the motor vehicle upon which the coverage has lapsed or been terminated has not been operated upon the roads, streets, or highways of this State during the lapse or termination, and the lapse or termination is due to military service or illness as documented by a signed physician’s statement. The total amount of the fine provided for in this section may not exceed two hundred dollars per vehicle for a first offense. Revenue generated by the fine imposed pursuant to this section must be placed by the Comptroller General into the State Highway Fund as established by Section 57‑11‑20, to be distributed as provided in Section 11‑43‑167.

Operating uninsured motor vehicles

SECTION 5. Article 5, Chapter 10, Title 56 of the S.C. Code is amended to read:

Article 5

Operating an Uninsured Motor Vehicle

Section 56‑10‑510. Reserved.

Section 56‑10‑520. (A)(1) It is unlawful for a person who owns an uninsured motor vehicle licensed in this State or subject to registration in this State to operate or allow the operation of the uninsured motor vehicle in this State.

(2) It is unlawful for a person who is not the owner of an uninsured motor vehicle to operate the unisured motor vehicle in this State if the person operating the motor vehicle knows that the motor vehicle is uninsured.

(3) A person who violates subsection (A)(1) or (2) is guilty of a misdemeanor and, upon conviction:

(a) for a first offense, must be fined not less than one hundred dollars and not more than two hundred dollars or imprisoned for thirty days;

(b) for a second offense, must be fined two hundred dollars or imprisoned for thirty days, or both; or

(c) for a third or subsequent offense, must be imprisoned for not less than forty‑five days nor more than six months.

(4) Only convictions pursuant to this section which occurred within five years, including and immediately preceding the date of the last conviction, constitute prior convictions within the meaning of this section.

(B) The Department of Motor Vehicles shall suspend the driver’s license and all registration certificates and license plates of any owner of an uninsured motor vehicle upon receiving notice of a violation of this section, and the department shall not thereafter reissue the driver’s license and the registration certificates and license plates issued in the name of the person until the person pays the reinstatement fee as provided in this section.

(C) The department shall suspend the driver’s license of any person who is the operator but not the owner of a motor vehicle upon receiving notice of a violation of any provisions of this section, and he shall not thereafter reissue the driver’s license until thirty days from the date of the order of suspension.

(D) The reinstatement fee shall be six hundred dollars until adjusted in accordance with this section. The reinstatement fee may be adjusted annually, at the beginning of the calendar year, based upon and in relation to the average rate level for private passenger automobile insurance coverages by insurers in this State. The Department of Insurance, by annual order, will set the exact fee. The Department of Insurance shall annually notify the Department of Motor Vehicles by the first business day of October of the reinstatement fee for the upcoming calendar year.

Section 56‑10‑530. When it appears to the Department of Motor Vehicles from its records that an uninsured motor vehicle as defined in Section 56‑9‑20, subject to registration in the State, is involved in a reportable accident in the State resulting in death, injury, or property damage, the department shall, in addition to enforcing the applicable provisions of Section 56‑10‑10, et seq. suspend such owner’s driver’s license and all of his license plates and registration certificates until such person has complied with those provisions of law and has paid to the department a reinstatement fee as provided by Section 56‑10‑520. However, no order of suspension required by this section must become effective until the department has offered the person an opportunity for a contested case hearing before the Office of Motor Vehicle Hearings to show cause why the order should not be enforced. Notice of the opportunity for a contested case hearing must be included in the order of suspension. The presentation by a person subject to the provisions of this section of a certificate of insurance, executed by an agent or representative of an insurance company qualified to do business in this State, showing that on the date and at the time of the accident the vehicle was an insured motor vehicle as herein defined is sufficient bar to the suspension provided for in this section.

Section 56‑10‑535. Reserved.

Section 56‑10‑540. A person whose driver’s license or registration certificates, or license plates and decals have been suspended as provided in this chapter and have not been reinstated shall immediately return, either in person or electronically, every such license, registration certificate, and set of license plates and decals held by him to the department. A person failing to comply with this requirement shall be guilty of a traffic infraction and, upon conviction, shall be punished as provided in Section 56‑9‑340, et seq.

Section 56‑10‑550. Except as provided in Sections 56‑10‑552 and 56‑10‑554, funds collected by the Department of Motor Vehicles under the provisions of this chapter must be placed on deposit with the State Treasurer and held in a special fund to be known as the “Uninsured Motorists Fund” to be disbursed as provided by law. The Department of Insurance as provided in Sections 38‑77‑151 and 38‑77‑154 may expend monies from such funds for the administration of Title 38.

Section 56‑10‑551. When any insurance policy certified under this chapter is canceled or terminated, the insurer shall report the fact to the Department of Motor Vehicles within fifteen days after the cancellation electronically or on a form prescribed by the department.

Section 56‑10‑552. (A) For each two dollars of the yearly premium for uninsured motorist coverage paid to the Department of Motor Vehicles pursuant to Section 38‑73‑470, one dollar twenty cents must be placed by the Comptroller General into the State Highway Fund as established by Section 57‑11‑20, to be distributed as provided in Section 11‑43‑167. The remaining eighty cents must be placed in a special fund, to be known as the “Uninsured Enforcement Fund”, to be used by the Department of Public Safety for the purpose of enforcement and administration of Article 3, Chapter 10, Title 56.

(B) Fifty percent of the reinstatement fee as provided by Section 56‑10‑520 must be transferred by the Department of Public Safety and recorded to the Uninsured Enforcement Fund to be used by the Department of Public Safety as provided by subsection (A) of this section. The remaining fifty percent of the reinstatement fee as provided by Section 56‑10‑ 520 must be retained in the Uninsured Motorist Fund to be used as provided in Sections 56‑10‑550, 38‑77‑151, and 38‑77‑154.

Section 56‑10‑553. Reserved.

Section 56‑10‑554. Reserved.

“Insured motor vehicle” defined

SECTION 6. Section 56-9-20(1) of the S.C. Code is amended to read:

(1) “Insured motor vehicle”: A motor vehicle as to which there is bodily injury liability insurance and property damage liability insurance, meeting all of the requirements of item (5) of this section, or as to which a bond has been given or cash or securities delivered in lieu of such insurance or as to which the owner has qualified as a self-insurer in accordance with the provisions of Section 56-9-60;

“Uninsured motor vehicle” defined

SECTION 7. Section 56‑9‑20(14) of the S.C. Code is amended to read:

(14) “Uninsured motor vehicle”: Any motor vehicle which is not an insured motor vehicle as defined in item (1) of this section.

Temporary license plates

SECTION 8. Section 56‑3‑210 of the S.C. Code is amended to read:

Section 56‑3‑210. (A)(1) The department is authorized to administer a program for and regulate the issuance of temporary license plates for items required to be registered in this State and items that are purchased in this State that may be registered in a foreign jurisdiction.

(2) The department, pursuant to this section and with input from temporary license plate distributors, shall establish the design and layout of all temporary license plates to be issued within the State. Temporary license plates shall be of a material specified by the department so as to resist deterioration or fading from exposure to the elements during the period for which display is required.

(3) Temporary license plates must be six inches wide and at least eleven inches in length. Temporary motorcycle and moped license plates must be four inches wide and seven inches in length.

(4) Each temporary license plate must contain a vehicle’s identifying information as determined by the department including, but not limited to, the date of expiration, the name of the issuing entity or standard identifier as determined by the department and a unique identifying license plate text assigned by the department. The temporary license plate text must be linked to the vehicle record and the vehicle’s owner in the department’s vehicle database. In order to operate on the highways of this State, an item must display either a valid temporary license plate issued pursuant to this title or a valid metal license plate, and, when applicable, a decal that the owner intends to transfer pursuant to Section 56‑3‑1290.

(5) Licensed motor vehicle dealers, leasing companies, the department, and other entities shall not obtain or procure a temporary license plate from any entity other than a registered temporary license plate distributor.

(B)(1) Only statewide motor vehicle dealer associations in which at least thirty percent and no fewer than two hundred members are licensed South Carolina motor vehicle dealers may be temporary license plate distributors. Except as otherwise provided in this section, only temporary license plate distributors may sell or distribute temporary license plates.

(2) If a temporary license plate distributor is unable to provide temporary license plates for the department in a timely manner, the department may solicit for and select a different temporary license plate distributor. The department’s solicitation and selection of a different temporary license plate distributor is subject to the provisions of the State Consolidated Procurement Code.

(3) If the only temporary license plate distributors in this State do not respond to a solicitation as provided for in item (2) then this subsection is of no force or effect.

(C)(1) The department is authorized to administer an electronic system for county auditors’ offices, licensed motor vehicle dealers, leasing companies, and other entities authorized by the department to use in issuing temporary license plates. The department may contract with third parties to provide service connection between the issuing entities and the department, or may provide the service directly to participating entities. Licensed dealers, leasing companies, and other entities participating in the electronic registration and titling program that fail to comply with the program’s requirements may be removed from the program by the department.

(2) Third parties contracted pursuant to this section are authorized to produce temporary license plates and temporary vehicle registration transactions on behalf of the department. The department shall develop program terms, conditions, standards, and specifications required for certification. Third parties requesting certification must agree to the terms, conditions, standards, and specifications in order to participate.

(D) The department, with input from temporary license plate distributors, shall develop program specifications that define the requirements of the temporary license plate program governing the issuance of temporary license plates by all authorized entities. The design, specifications, and method of distribution of all temporary plates shall be the same.

(E) Issuing entities may utilize no more than the upper fifty percent free space on their temporary license plates for dealer or company identification. Traceable temporary license plates from issuing entities that do not utilize the plate for dealer or company identification must include an identifier selected by the department. Third-party providers that produce temporary license plates must not charge an additional fee to issuing entities that chose to issue traceable temporary license plates that include the identifier selected by the department. The lower fifty percent of all temporary license plates is reserved to display the temporary license plate number and other information required by the department pursuant to Section 56-3-210(A)(4).

(F) Except as provided for in this chapter, a dealer or leasing company may not use a temporary license plate for any other purpose, which includes, but is not limited to, vehicle demonstration, employee use, or transporting vehicles from one location to another location. A dealer or leasing company may not place a temporary license plate on a vehicle until the vehicle is sold to a purchaser and until the temporary license plate number and other identifying information has been recorded in the electronic database and printed on the lower fifty percent of the temporary license plate. A dealer that issues or allows a temporary license plate to be issued in violation of this section also may have the dealer violation points, as determined by the department, assessed. A nondealer issuing entity that violates this section may have its issuing privileges suspended by the department. The department shall develop a process for tracking fraudulently issued or sold temporary plates.

(G) Any person or entity authorized by this chapter to issue a temporary license plate shall maintain records as required by the department. Records maintained pursuant to this subsection shall be open to inspection by the department or its agents during reasonable business hours. Records must include the inventory control number of each temporary license plate, the vehicle identification number, issuance date, and expiration date.

(H) Licensed motor vehicle dealers, leasing companies, and other entities may provide temporary license plates only for items that are purchased from that dealer company or entity.

(I) The total fee for the temporary license plates the department or counties issue pursuant to this chapter shall be calculated based on:

(1) the five‑dollar cost of the plate, which must be placed in a special restricted account to be used solely by the department for the costs associated with the production and issuance of new license plates; and

(2) an additional five dollars which must be disbursed to the South Carolina Transportation Infrastructure Bank’s state highway account pursuant to Section 56-3-910.

(J)(1) The total fee for the temporary license plates issued pursuant to this chapter by licensed dealers, leasing companies, and other entities must be calculated based on:

(a) the actual cost of the license plate plus issuing and printing, as well as standard shipping and handling costs; and

(b) an additional five dollars which must be remitted to the department. The department shall disburse two dollars and fifty cents of each additional five dollars remitted to the State Highway Fund, as established by Section 57‑11‑167, to be distributed as provided in Section 11‑43‑167. The remaining two dollars and fifty cents of each additional five dollars remitted shall be disbursed to the South Carolina Transportation Infrastructure Bank’s state highway account pursuant to Section 56-3-910.

(2) Dealers, leasing companies, and other entities shall not charge any fees for traceable temporary license plates in excess of the fees provided for in this subsection.

(K) The bill of sale, title, lease contract, temporary registration card issued in conjunction with a temporary license plate or copy of one of these documents must be maintained in the vehicle at all times to verify the vehicle’s date of purchase or lease. The bill of sale, title, lease contract, or copy of one these documents must contain a description of the vehicle, the name and address of both the seller and the purchaser of the vehicle, and its date of sale or lease.

(L) All temporary license plates must be valid for no more than forty‑five days and must be affixed at all times to the rear of the item in an unobscured and secure manner.

(M) Only one temporary license plate may be issued to a purchaser of an item. The temporary license plate must be used only on the item for which it was issued and must not be transferred, loaned, or assigned to any other person or item.

Temporary license plates

SECTION 9. Article 3, Chapter 3, Title 56 of the S.C. Code is amended by adding:

Section 56‑3‑211. The department, licensed dealers, leasing companies, and other entities may issue temporary license plates to operate any item that is purchased in this State that may be registered in a foreign jurisdiction and farm trucks registered in another jurisdiction that are harvesting and transporting seasonal crops. Temporary license plates issued pursuant to this section must meet all standards specified in Section 56‑3‑210.

Temporary license plates

SECTION 10. Article 3, Chapter 3, Title 56 of the S.C. Code is amended by adding:

Section 56‑3‑212. (A) The department, licensed dealers, leasing companies, and other entities may issue temporary license plates to operate any item that will be registered in this State or vehicles used solely for corporate research and development. In the case of the need to move trailers and semi-trailers before they have been purchased, temporary license plates may be issued to those items for the sole purpose of being moved from the manufacturer to the dealer’s or purchaser’s place of business. Temporary license plates issued pursuant to this section must meet all standards specified in Section 56‑3‑210.

(B) A person who newly acquires a vehicle or an owner of a vehicle registered in a foreign jurisdiction that is being moved into this State, that is required to be registered under this title, and that is not properly registered and licensed, before operating the vehicle on the state’s highways during the forty‑five‑day period contained in this section, must:

(1) transfer a license plate from another vehicle pursuant to Section 56-3-1290;

(2) purchase a new license plate and registration;

(3) purchase a temporary license plate from the department; or

(4) purchase a temporary license plate from the county auditor’s office in the county in which the person resides.

(C) The department, upon proper application, must issue a temporary license plate to a casual buyer of any item that will be registered in this State.

(D) If a person intends to transfer a license plate from one item to another item that is the same type and classification, then he may place the license plate to be transferred on the newly acquired item on the date of its purchase. The bill of sale and a copy of the registration which corresponds to the license plate must be maintained with the newly acquired item at all times to verify its date of purchase to a law enforcement officer. The purchaser must register the item with the department within forty‑five days from its purchase date. A person who transfers a license plate or allows a license plate to be transferred in violation of this subsection is subject to the vehicle registration and licensing provisions of law.

(E) A person must replace a temporary license plate issued pursuant to this section with a permanent license plate and registration card as soon as he receives them, or by the end of the expiration period of the temporary license plate, whichever occurs first, unless the provisions of Section 56‑3‑213 apply. A person who operates an item in violation of this section is guilty of a misdemeanor and, upon conviction, must be fined not more than one hundred dollars. This subsection does not apply to vehicles used solely for corporate research and development or trailers and semi-trailers that have temporary license plates for the sole purpose of being moved from the manufacturer to the dealer’s or purchaser’s place of business.

(F) The owner of a foreign vehicle being moved into this State from a state in which the vehicle is properly licensed and registered has forty‑five days to properly license and register the vehicle in South Carolina, unless his foreign registration is expired, in which case he must license and register the vehicle immediately.

(G) Nothing in this section may be construed to displace or effect the responsibility of a person to obtain insurance before operating a vehicle.

Issuance of special permits

SECTION 11. Article 3, Chapter 3, Title 56 of the S.C. Code is amended by adding:

Section 56‑3‑213. (A) The department may issue solely to South Carolina residents, as proven by showing their driver’s license or identification card issued by the department, special permits to operate any item otherwise required to be registered under this title when the item does not display the required license plate or registration card. In the case of a newly acquired vehicle, the department may issue a special permit pursuant to this section only when it has reason to believe that a person has made all attempts to appropriately register the item within the forty‑five days of acquiring the vehicle. The department retains the authority to issue special permits at other times when extenuating circumstances exist. Special permits issued pursuant to this section must be valid for no more than forty‑five days and must be affixed to the rear of the item in an unobscured and secure manner to operate. The department is the only entity authorized to provide a special permit pursuant to this section. There is no fee for special permits issued pursuant to this section.

(B) The provisions of this section do not apply to items registered in a foreign jurisdiction or used for corporate research and development.

Temporary motor vehicle registrations and license plates

SECTION 12. Section 56‑3‑2340(A) of the S.C. Code is amended to read:

(A) The Department of Motor Vehicles, or its designated agent, shall require licensed motor vehicle dealers to issue temporary motor vehicle registrations and temporary license plates directly from the dealership. Unless disallowed by the department, any dealership that begins a transaction through a third-party vendor pursuant to Section 56‑3‑210(C)(2) that provides a service connection between issuing entities and the department must complete the entire transaction, including titling and registering the vehicle in the same manner. Unless extenuating circumstances apply, at the department’s discretion, dealers may not obtain certificates of title, temporary motor vehicle registrations, or temporary license plates from the department’s branch offices. A dealership must make attempts to apply to the department electronically, including utilizing digital scans of forms approved and provided by the department.

Quality assurance program

SECTION 13. Article 3, Chapter 3, Title 56 of the S.C. Code is amended by adding:

Section 56‑3‑214. (A) The department shall implement a quality assurance program to ensure the integrity of the electronic registration and titling program. Pursuant to this section, the quality assurance entity shall perform quality assurance reviews of data and submitted forms through the electronic vehicle registration system. The department shall develop program standards and specifications for quality assurance. Quality assurance entities must agree to the program terms, conditions, standards, specifications, and bond requirement in order to participate.

(B)(1) A quality assurance entity must be a statewide motor vehicle dealer association in which at least thirty percent and no fewer than two hundred members are licensed South Carolina motor vehicle dealers.

(2) If the quality assurance entity does not meet reasonable accuracy standards, the department may solicit for and select a different quality assurance provider without regard to this subsection and in accordance with the State Consolidated Procurement Code.

(3) If a statewide motor vehicle dealer association in which at least thirty percent and no fewer than two hundred members are licensed South Carolina motor vehicle dealers does not respond to a solicitation to be a quality assurance entity, then this subsection does not apply.

(C) The quality assurance entity shall review all required documents for all transactions for all applications of title and registration submitted by dealers in accordance with department standards.

(D) The quality assurance entity shall charge a fee of ten dollars per vehicle sold by the dealer. The ten‑dollar fee is an official fee and may be charged to the consumer by the dealership. The fee shall be a stand‑alone line item on a dealer invoice or bill of sale and is not calculated as part of the purchase price of the vehicle.

(E) The department may allow or refuse a dealership the right to issue temporary motor vehicle registrations or temporary license plates through the electronic registration and titling program should the accuracy rate of its documentation fall below ninety‑five percent as determined through the quality assurance entity and reported to the Department of Motor Vehicles on a monthly basis or upon request by the department.

(F) If a dealership previously is denied the privilege to issue registrations and temporary license plates, upon meeting the established criteria, the dealership may be allowed to issue registrations or license plates again.

(G) The quality assurance entity shall carry a bond to ensure departmental standards and the protection of personally identifiable information remains intact. The bond amount shall be determined by the department.

(H) The department is authorized to collect a transaction fee from the quality assurance entity that transmits or retrieves data from the department pursuant to this section. The fee must not exceed five dollars for each transaction. Two dollars fifty cents of each fee collected pursuant to this subsection must be credited to the State Highway Fund as established by Section 57‑11‑20, to be distributed as provided in Section 11‑43‑167. The other two dollars fifty cents of each fee collected pursuant to this subsection shall be retained by the Department of Motor Vehicles and earmarked in an account for the sole purpose of technology modernization. Fees in the account may be carried forward from fiscal year to fiscal year.

Fee for performing duties

SECTION 14. Section 8‑21‑15(B) of the S.C. Code is amended to read:

(B) This section does not apply to:

(1) state‑supported governmental health care facilities;

(2) state‑supported schools, colleges, and universities;

(3) educational, entertainment, recreational, cultural, and training programs;

(4) the State Board of Financial Institutions;

(5) sales by state agencies of goods or tangible products produced for or by these agencies;

(6) charges by state agencies for room and board provided on state‑owned property;

(7) application fees for recreational activities sponsored by state agencies and conducted on a draw or lottery basis;

(8) charges for vendor fees, convenience fees, transaction fees, or other similar fees that allow a person to pay a state agency or contracted vendor on behalf of a state agency for goods, services, fees, or other items through any payment method other than cash;

(9) court fees or fines levied in a judicial or adjudicatory proceeding.

Recreational vehicle dealer licenses

SECTION 15. Section 56‑14‑30 of the S.C. Code is amended to read:

Section 56‑14‑30. (A) Before engaging in business as a recreational vehicle dealer in this State, a person first must apply to the Department of Motor Vehicles for a license. Each license issued expires on the last day of the month thirty‑six months from the date of issue, the “licensing period”, and must be displayed prominently at the established place of business. The fee for the license is one hundred fifty dollars. The license applies to only one place of business of the applicant and is not transferable to another person or place of business.

(B)(1) During the dealer license application process, the department shall provide all information that would be needed in an audit or a review by its agents. Upon issuing a license, the department shall be reasonable in its requests to inspect or copy a dealer’s records. If a complaint has been filed against a dealer, the department must present that complaint to the dealer in writing and allow the dealer the opportunity to cure before proceeding with punitive or enforcement action. Complaints arising from alleged violations of:

(a) Section 56-37-30(B) must be cured by the dealer within sixty days of being notified of the complaint;

(b) Section 56-37-30(C) must be cured by the dealer within forty-five days of being notified of the complaint; or

(c) Section 56-37-30(D) must be cured by the dealer within thirty days of being notified of the complaint.

(2) If the department determines that the same dealer has received a similar type of complaint within twelve months of a previous complaint, the department may proceed with an enforcement action against that dealer without regard to the time period provided in this subsection.

(C) A licensed South Carolina recreational vehicle dealer may exhibit and sell recreational vehicles, as defined by Section 56‑14‑10, at fairs, recreational or sports shows, vacation shows, and other similar events or shows upon obtaining a temporary dealer’s license in the manner required by this section. No other exhibitions may be allowed, except as may be permitted by this section. Any recreational vehicle displayed must be owned by the dealer holding the temporary license. Before exhibiting and selling recreational vehicles at temporary locations, the dealer shall first apply to the department for a license. To be eligible for a temporary license, a dealer shall hold a valid recreational vehicle dealer’s license issued pursuant to this chapter. Every temporary dealer’s license issued is valid for a period not to exceed ten consecutive days and must be prominently displayed at the temporary place of business. No dealer may purchase more than six temporary licenses every twelve months. The fee for each temporary license issued is twenty dollars. A temporary license applies to only one dealer operating in a temporary location and is not transferable to any other dealer or location.

(D) The provisions of this section may not be construed as allowing the sale of any type of motor vehicles other than recreational vehicles at authorized temporary locations.

(E) A person who fails to secure either a temporary or a permanent license as required in this chapter and sells a recreational vehicle is guilty of a misdemeanor and, upon conviction, must be fined:

(1) not less than one hundred dollars or more than five hundred dollars or imprisoned for not more than thirty days for the first offense;

(2) five hundred dollars or imprisoned for not more than thirty days, or both, for the second offense; and

(3) not less than two thousand dollars or more than ten thousand dollars or imprisoned for not more than two years, or both, for the third or any subsequent offense.

(F) For purposes of this section, each unauthorized sale of a recreational vehicle where the dealer has not applied for and received a license from the department appropriate for that sale constitutes a separate offense. Nothing in this chapter may be construed to prohibit any law enforcement agency from enforcing the provisions relating to non-licensed dealers within the law enforcement agency’s jurisdiction. The ticketing agency shall retain fifty percent of all fines collected pursuant to this section.

(G) Nothing in this section shall be construed to prevent a licensed recreational vehicle dealer from providing vehicles for demonstration or test driving purposes.

Recreational vehicle dealer licenses

SECTION 16. Section 56‑14‑40 of the S.C. Code is amended to read:

Section 56‑14‑40. (A) Before a license as a recreational vehicle dealer is issued, an applicant shall file an application with the department and provide information the department may require including, but not limited to, the name and addresses of individuals who own or control ten percent or more of the interest in the business.

(B)(1) Each applicant shall furnish a surety bond in the penal amount of fifty thousand dollars on a form prescribed by the department.

(2) A new bond or a proper continuation certificate must be provided to the department every twelve months during the license period. The dealer or surety, or the dealer’s or surety’s designee, must notify the department of any bond name or address changes during the licensing period. Notice must be provided within thirty days of a change. Proof of the bond and the proper continuation of the bond may be provided to the Department of Motor Vehicles on the same database used for vehicle insurance pursuant to Article 7, Chapter 10, Title 56.

(3) A dealer’s license expires immediately upon expiration or termination of a dealer’s bond, or a decrease of a dealer’s bond below fifty thousand dollars.

(4) The bond must be given to the department and executed by the applicant, as principal, and by a corporate surety company authorized to do business in this State, as surety.

(5) The bond must be conditioned upon the applicant or licensee complying with the statutes applicable to the license and as indemnification for loss or damage suffered by an owner of a recreational vehicle, or his legal representative, by reason of fraud practiced or fraudulent representation made in connection with the sale or transfer of a recreational vehicle by a licensed recreational vehicle dealer or the dealer’s agent acting for the dealer, or within the scope of employment of the agent or loss or damage suffered by reason of the violation by the dealer or his agent of any provisions of this chapter.

(6)(a) In instances of taxes or fees owned to the State that pertain solely to the process of buying, selling, titling, or registering vehicles by a recreational vehicle dealer, the department may maintain a cause of action against the dealer’s surety bond and may recover damages if the owed taxes and fees are not paid in full within the time period prescribed by law. The department shall distribute the collected taxes and fees to the appropriate entity as prescribed by law.

(b) In the event of concurrent claims for the same vehicle from the owner and the State, the owner’s claim prevails.

(c) This subsection does not apply to monies a recreational vehicle dealer has attempted to refund to a customer due to an error made by the dealer when the dealer can demonstrate that he has made a bona fide, good faith effort by registered or certified mail, return receipt requested, or by private delivery service acceptable to the Internal Revenue Service to ensure the customer’s refund was delivered. For purpose of this subsection, the dealer should make a bona fide, good faith effort to refund the monies due to the customer within sixty days of the date of sale.

(7) An owner or his legal representative who suffers the loss or damage has a right of action against the dealer and against the dealer’s surety upon the bond and may recover damages as provided in this chapter. However, regardless of the number of years a bond remains in effect, the aggregate liability of the surety for claims is limited to fifty thousand dollars on each bond and to the amount of the actual loss incurred.

(8) The surety may terminate its liability under the bond by giving the department thirty days’ written notice of its intent to cancel the bond. The cancellation does not affect liability incurred or accrued before the cancellation.

(C) If, during a license period, there is a change in the information a dealer gave the department in obtaining or retaining a license, the licensee must report the change to the department within thirty days on a form prescribed by the department.

(D) If a licensee ceases to be a recreational vehicle dealer, he shall notify the department within ten days and return any license and all dealer license plates.

(E) In the event of a licensee’s death, the personal representative of the deceased licensee may, with the consent of the probate court and upon an application to the department, continue the operation of the business covered by the license for the remainder of the licensing period, but no longer than eighteen months after the licensee’s death. At the conclusion of the license period or eighteen months after the licensee’s death, the personal representative must take all actions to apply for a recreational vehicle dealer license under his name and meet all requirements for a licensed recreational vehicle dealer in order to continue operating the business.

Recreational vehicle dealer licenses

SECTION 17. Section 56‑14‑50 of the S.C. Code is amended to read:

Section 56‑14‑50. No recreational vehicle dealer may be issued or allowed to maintain a recreational vehicle dealer’s license unless:

(1) The dealer maintains a bona fide place of business for selling or exchanging recreational vehicles, which must be the principal business conducted from the location. A bona fide place of business includes a permanent, enclosed building, not excluding a permanently installed mobile home containing at least ninety‑six square feet of floor space, occupied by the owner or operator and easily accessible by the public, at which a permanent business of bartering, trading, or selling recreational vehicles or displaying vehicles for bartering, trading, or selling is conducted, wherein the public may contact the owner or operator at all reasonable times and in which must be kept and maintained the books, records, and files required by this chapter.

(2) The business must display a permanent sign identifying the business with letters at least six inches in height, clearly readable from the nearest major avenue of traffic.

(3) The business must have a reasonable area or lot to properly display recreational vehicles.

(4) A recreational vehicle dealer may use his license to conduct business on property adjacent to or within sight of his bona fide established place of business. The property adjacent to or within sight of his bona fide established place of business is deemed to be contiguous even if there exists a single intervening landmark such as a road or a railroad track. The property adjacent to or within sight of his bona fide established place of business must display the same permanent sign as the bona fide established place of business pursuant to item (2). The property adjacent to or within sight of his bona fide established place of business need not include a permanent, enclosed building or structure, but all records for business conducted on the property adjacent to or within sight of his bona fide established place of business must be maintained at the bona fide established place of business. Any sales transactions pursuant to this section must take place at the location of the bona fide established place of business. Dealers applying for a license pursuant to this item must provide on the dealer license application the street address of the property adjacent to or the property within sight of his bona fide place of business and affirm that the dealer has met any local requirements to lawfully conduct business at that location.

Recreational vehicle dealer licenses

SECTION 18. Section 56‑14‑70 of the S.C. Code is amended to read:

Section 56‑14‑70. The department may deny, suspend, or revoke an application or licensee for any reason prescribed in Section 56‑15‑350.

Dealer or wholesaler licenses

SECTION 19. Section 56‑15‑310 of the S.C. Code is amended to read:

Section 56‑15‑310. (A)(1) Before engaging in business as a dealer or wholesaler in this State, a person first must apply to the Department of Motor Vehicles for a license. Each license issued expires thirty‑six months from the month of issue, the licensing period, and must be displayed prominently at the established place of business. The fee for the license is one hundred fifty dollars. The license applies to only one place of business of the applicant and is not transferable to another person or place of business.

(2) During the dealer license application process, the department shall provide any information that would be needed in an audit or a review by its agents. Upon issuing a license, the department shall be reasonable in its requests to inspect or copy a dealer’s records. If a complaint has been filed against a dealer, the department must present that complaint to the dealer in writing and allow the dealer the opportunity to cure before proceeding with punitive or enforcement action. Complaints arising from alleged violations of:

(a) Section 56-37-30(B) must be cured by the dealer within sixty days of being notified of the complaint;

(b) Section 56-37-30(C) must be cured by the dealer within forty‑five days of being notified of the complaint; or

(c) Section 56-37-30(D) must be cured by the dealer within thirty days of being notified of the complaint.

(3) If the department determines that the same dealer has received a similar type of complaint within twelve months of a previous complaint, the department may proceed with an enforcement action without regard to the time periods provided in this subsection.

(B) A person who fails to secure a license as required in this chapter and facilitates an unauthorized sale of a motor vehicle in violation of this chapter is guilty of a misdemeanor and, upon conviction, must be fined:

(1) not less than one hundred dollars or more than five hundred dollars or imprisoned for not more than thirty days for the first offense;

(2) five hundred dollars or imprisoned for not more than thirty days, or both, for the second offense; and

(3) not less than two thousand dollars or more than ten thousand dollars or imprisoned for not more than two years, or both, for the third or any subsequent offense.

For purposes of this section, each instance of an unauthorized sale of a motor vehicle where the dealer has not applied for and received a license from the department appropriate to that sale is conclusively deemed to be a separate and distinct offense. Nothing in this chapter may be construed to prohibit any law enforcement agency from enforcing the provisions relating to nonlicensed dealers within the law enforcement agency’s jurisdiction. The ticketing entity shall retain fifty percent of any fines collected under this section.

Wholesaler or dealer licenses

SECTION 20. Section 56‑15‑320 of the S.C. Code is amended to read:

Section 56‑15‑320. (A) Before a license as a “wholesaler” or “dealer” is issued to an applicant, he shall file an application with the Department of Motor Vehicles and furnish the information the department may require including, but not limited to, information adequately identifying by name and address individuals who own or control ten percent or more of the interest in the business. The policy of this section is full disclosure.

(B)(1) Each applicant for licensure as a dealer or wholesaler shall furnish a surety bond in the penal amount of fifty thousand dollars on a form prescribed by the director of the department.

(2) A new bond or a proper continuation certificate must be provided to the department every twelve months during the license period. The dealer or surety, or his designee must alert the department of any bond name or address changes during the license period within thirty days of the change. Proof of the bond and the proper continuation of it may be provided to the Department of Motor Vehicles using the same database as vehicle insurance pursuant to Article 7, Chapter 10, of Title 56.

(3) A dealer’s license expires immediately upon expiration, termination, or a decrease of a dealer’s bond below fifty thousand dollars.

(4) The bond must be given to the department and executed by the applicant, as principal, and by a corporate surety company authorized to do business in this State, as surety.

(5) The bond must be conditioned upon the applicant or licensee complying with the statutes applicable to the license and as indemnification for loss or damage suffered by an owner of a motor vehicle, or his legal representative, by reason of fraud practiced or fraudulent representation made in connection with the sale or transfer of a motor vehicle by a licensed dealer or wholesaler or the dealer’s or wholesaler’s agent acting for the dealer or wholesaler or within the scope of employment of the agent or loss or damage suffered by reason of the violation by the dealer or wholesaler or his agent of this chapter.

(6) In instances of taxes or fees owed to the State that pertain to the process of buying, selling, titling, or registering vehicles by the dealer, the department has a right of action against the dealer’s surety bond and may recover damages if those taxes and fees are not paid in full within the time period prescribed by law. The department shall distribute the taxes and fees to the appropriate entity as prescribed in state law.

(a) In the event of concurrent claims for the same vehicle from the owner and the State, the owner’s claim prevails.

(b) This subsection does not apply to monies the dealer has attempted to refund to a customer due to an error made by the dealer when the dealer can demonstrate that he has made an attempt by registered or certified mail, return receipt requested, or by private delivery service which is acceptable to the Internal Revenue Service to ensure the customer’s refund was delivered. The dealer must make a bona fide, good faith attempt to refund money due to the customer within sixty days of the date of sale.

(7) An owner or his legal representative who suffers the loss or damage has a right of action against the dealer or wholesaler and against the dealer’s or wholesaler’s surety upon the bond and may recover damages as provided in this chapter. However, regardless of the number of years a bond remains in effect, the aggregate liability of the surety for claims is limited to fifty thousand dollars on each bond and to the amount of the actual loss incurred. The surety may terminate its liability under the bond by giving the department thirty days’ written notice of its intent to cancel the bond. The cancellation does not affect liability incurred or accrued before the cancellation.

(C) If, during a license period, there is a change in the information a dealer or wholesaler gave the department in obtaining or retaining a license under this section, the licensee shall report the change to the department within thirty days after the change occurs on the form the department requires.

(D) If a licensee ceases being a dealer or wholesaler, within ten days of that time, he shall notify the department of this fact and return to the department a license issued pursuant to this chapter and all current dealer license plates issued to the dealer or wholesaler.

(E) In the event of the licensee’s death, the personal representative of the deceased licensee may, with the explicit consent of the probate court and upon an application to the department, continue the operation of the business covered by the license for the remainder of the licensing period, but no longer than eighteen months after the licensee’s death. At the conclusion of the licensing period or eighteen months after the death, the personal representative must take all actions to apply for a vehicle dealer license under his or her own name and meet all requirements for a licensed vehicle dealer in order to continue operating the business.

Motor vehicle dealers’ licenses

SECTION 21. Section 56‑15‑330 of the S.C. Code is amended to read:

Section 56‑15‑330. No dealer or wholesaler may be issued or allowed to maintain a motor vehicle dealer’s license unless:

(1) The dealer maintains a bona fide established place of business for conducting the business of selling or exchanging motor vehicles which must be the principal business conducted from the fixed location. A bona fide established place of business for any motor vehicle dealer includes a permanent, enclosed building or structure, not excluding a permanently installed mobile home containing at least ninety‑six square feet of floor space, actually occupied by the applicant and easily accessible by the public, at which a permanent business of bartering, trading, or selling of motor vehicles or displaying vehicles for bartering, trading, or selling is carried on, wherein the public may contact the owner or operator at all reasonable times and in which must be kept and maintained the books, records, and files required by this chapter. A bona fide established place of business does not mean a residence, tent, temporary stand, or other temporary quarters. Wholesaler dealers are not required to have space to display vehicles.

(2) The dealer’s place of business must display a permanent sign with letters at least six inches in height, clearly readable from the nearest major avenue of traffic. The sign must clearly identify the licensed business. This subsection does not apply to wholesale dealers.

(3) The dealer’s place of business must have a reasonable area or lot to properly display motor vehicles. This subsection does not apply to wholesale dealers.

(4) A dealer may use his license to conduct business on property adjacent to or within sight of his bona fide established place of business. The property adjacent to or within sight of the bona fide established place of business is deemed to be contiguous even if there exists a single intervening landmark such as a road or a railroad track. The property adjacent to or the property within sight of the bona fide place of business must display the same permanent dealership sign as the bona fide established place of business pursuant to item (2). The property adjacent to or property within sight of the bona fide place of business need not include a permanent, enclosed building or structure, but all records for business conducted on the property adjacent to or property within sight of the bona fide place of business must be maintained at the bona fide established place of business. Any sales transactions pursuant to this section must take place at the location of the bona fide established place of business. Dealers applying for a license pursuant to this subsection must provide on the dealer license application, the street address of the adjacent property or the property within sight and affirm that the dealer has met any local requirements to lawfully conduct business at that location.

Licenses in the name of the same applicants

SECTION 22. Section 56‑15‑350 of the S.C. Code is amended to read:

Section 56‑15‑350. (A) Any licenses in the name of the same applicant issued under this chapter may be denied, suspended, or revoked, if the applicant or licensee or an agency of the applicant or licensee acting for the applicant or licensee is determined by the Department of Motor Vehicles to have refused to comply with, been convicted of, or pleaded nolo contendere to any of the following offenses in this State or another jurisdiction in the United States:

(1) made a material misstatement in the application for the license;

(2) violated any provision of this chapter or the requirements contained in Article 3, Chapter 19, Title 56;

(3) committed any fraud connected with the sale or transfer of a motor vehicle;

(4) employed fraudulent devices, methods, or practices in connection with meeting the requirements placed on dealers and wholesalers by the laws of this State;

(5) violated any law involving the acquisition or transfer of a title to a motor vehicle;

(6) tampered with, altered, or removed motor vehicle identification numbers or markings;

(7) to have violated any federal or state law regarding the disconnecting, resetting, altering, or other unlawful tampering with a motor vehicle odometer, including the provisions of 49 U.S.C. 32701‑32711 (Title 49, Subtitle VI, Part C, Chapter 327);

(8) refused or failed to comply with the department’s reasonable requests to inspect or copy the records, books, and files of the dealer or wholesaler or failed to maintain records of each motor vehicle transaction as required by this chapter or by state and federal law pertaining to odometer records;

(9) given, loaned, or sold a dealer license plate to any person or otherwise to have allowed the use of any dealer license plate in any way not authorized by Section 56‑3‑2320. Any dealer license plate issued to a dealer or wholesaler pursuant to Section 56‑3‑2320 which is determined by the department to be improperly displayed on any vehicle or in the possession of any unauthorized person is prima facie evidence of a violation of this section by the dealer or wholesaler to whom the license plate was originally issued.

(10) accepted or delivered a certificate of title to any other dealer, wholesaler, or any other person in which the title or assignment of title is signed in blank;

(11) committed any of the following crimes for which there is a conviction or plea of guilty or plea of nolo contendere and for which the conviction or plea date was ten or less years from the date of the application or renewal application of:

(a) a violent crime as defined in Section 16-1-60;

(b) a crime involving illegal drugs, other than simple possession of marijuana;

(c) a crime involving tax evasion or failure to pay taxes or fees as required by law;

(d) a crime involving the illegal use, carrying, or possession of a dangerous weapon;

(e) any crime having an element of identity theft, misuse of another person’s identity information, larceny, embezzlement, false statements, falsification of documents, false swearing or dishonest or deceitful dealing; or

(f) a crime having an element of criminal sexual battery or conduct of any type or degree with a minor or an adult;

(12) failed to pay on demand any civil penalty imposed by the department authorized by this chapter which the person or licensee has failed to appeal or for which the person or licensee has exhausted appeals;

(13) failed to surrender a dealer license as required by this chapter or allowing any third party to sell any vehicles or operate a dealership; or

(14) had a previous dealer license revoked for that applicant under this section.

(B) Items (A)(1)‑(11) do not apply to any pardoned or expunged crime within the ten‑year time period.

(C) The department may deny future dealer licenses for the same applicant if a previous dealer license was revoked for that applicant under this section. When assessing the license application, with respect to acts identified in item (A)(14) in a foreign jurisdiction, the department shall determine if the facts of the act would constitute a violation in this State. If the acts leading to a revocation in a foreign jurisdiction would not constitute a violation in this State, then the department may not use the act as sole justification to deny, suspend, or revoke a license.

(D) The department shall notify the licensee or applicant in writing at the mailing address provided in his application of its intention to deny, suspend, or revoke his license at least twenty days in advance and shall inform the licensee of his right to request a contested case hearing with the Office of Motor Vehicle Hearings in accordance with the rules of procedure for the Administrative Law Court and pursuant to the Administrative Procedures Act of this State. A licensee desiring a hearing shall file a request in writing with the Office of Motor Vehicle Hearings within ten days of receiving notice of the proposed denial, suspension, or revocation of his dealer’s or wholesaler’s license.

(E) Upon a denial, suspension, or revocation of a license, the licensee shall immediately return to the department the license and all dealer license plates.

Motor Vehicle Dealer Performance Evaluation System

SECTION 23. Title 56 of the S.C. Code is amended by adding:

CHAPTER 37

Motor Vehicle Dealer Performance Evaluation System

Section 56‑37‑10. This article applies to any dealer licensed under Title 56 regardless of the dealer license type.

Section 56‑37‑20. As used in this title:

(1) “Immediate family” means spouse, parent, stepparent, child, stepchild, sister, brother, grandparent, and grandchild.

(2) “Suspend” means temporarily prevent from continuing.

(3) “Revoke” means prevent from continuing for at least ten years.

(4) “Violation” means a single found incident leading to the issuance of points. For purposes of this article, a violation could be a single sale, a single vehicle, a single document, or other similar items.

(5) “Out‑of‑trust” means a dealer selling a vehicle without paying the complete financial obligation needed to obtain the title for the sold vehicle.

(6) “Open title” means, upon the purchase of a vehicle by a dealer and the seller has completed his portion of the certificate of title, the dealer or purchaser intentionally leaves the buyer or purchaser assignment blank on the title.

(7) “Dealer” means any entity licensed as a dealer under this title without regard to the type of dealer license issued by the department.

Section 56‑37‑30. (A) There is established a points system for evaluating the performance record of any dealer licensed under this title and its continuing ability to operate as a dealer in this State. The department may only impose the sanctions described below if they are found to have occurred in the course of dealer‑related business, to include a private citizen acting on behalf of a licensed dealer in their role as a dealer. If any dealer or employee of a dealership makes these errors in their role as a private citizen, those violations are not counted against the dealer license but may be penalized in accordance with state law.

(B) For multiple record errors over a six‑month period of time, the department may impose a two‑point violation against a dealer license for the following:

(1) errors or omissions on transactions regarding incoming or outgoing documents;

(2) incorrect acquisition or sale dates;

(3) incorrect vehicle identification numbers;

(4) incorrect make, model, or type of body;

(5) incorrect incoming or outgoing odometer reading;

(6) incorrect name and address of the person a vehicle was acquired from or transferred to;

(7) inability to provide an account for a dealer, transporter, or wholesale auto auction plate; or

(8) issuance of a second temporary plate to a purchaser.

(C) The following are four‑point violations:

(1) dealer selling at address different than indicated on dealer application and license;

(2) failure to deliver a title to a buyer or the department within forty‑five days of the date of sale;

(3) reasonable records request unavailable upon the demand of the department;

(4) issuance of any temporary license plate to a person not authorized to have the plate;

(5) misuse of dealer, transporter, or wholesale auto auction plate; and

(6) operating or allowing the operation of a vehicle with a suspended dealer plate.

(D) The following are six‑point violations:

(1) selling out‑of‑trust or breach‑of‑trust;

(2) possession of an open title;

(3) altering or changing documents to avoid or delay registration;

(4) maintaining or producing fraudulent records;

(5) licensure as a wholesaler dealer only, but selling vehicles retail;

(6) having a volume of sales that do not warrant the number of license plates issued;

(7) dealer or auction facilitating a wholesaler selling retail;

(8) failure to remit any state‑owed fees within the time period prescribed by law to the department;

(9) conviction by the licensee involving acquisition or transfer of a title to a vehicle;

(10) conviction by the licensee of a criminal offense or judgment in a civil case in which there is fraud connected to the sale or transfer of a vehicle; and

(11) use of fraudulent methods or practices.

(E) The department’s Inspector General or the Inspector General’s designee has the authority to issue sanctions based on findings during inspections and audits. The department may turn any records of sanctions over to the law enforcement entity with jurisdiction over the licensed location of the dealership for criminal prosecution.

Section 56‑37‑40. (A) There is created a Dealer Sanction Review Board that consists of the executive director of the department or his designee, a department employee with expertise in dealer licensing regardless of dealer license type, two nonfranchise automobile dealers, and three franchise automobile dealers. All dealers serving on the board must have been in business no less than ten years and be in good standing with the department. The department is responsible for ensuring the board is seated at the beginning of each fiscal year. Unless the board decides otherwise or a board member no longer qualifies to remain on the board, individuals on the board serve for three fiscal years and may serve a maximum of nine consecutive years. The department in conjunction with the board should take efforts to ensure that dealers represent all regions of the State and the sizes of dealerships owned. The two statewide dealer associations shall choose their members. The chairperson shall be elected and rotated between dealer members serving on the board.

(B) Dealers licensed pursuant to this title may contest sanctions provided for in this article by written request to the department no later than thirty days after receiving formal notice of the sanctions being levied.

(1) All notices of sanctions are deemed received no later than thirty days after mailing by the department.

(2) No later than sixty days after receiving the written request from the dealer, the board must determine if the sanctions and corresponding points must be posted to the dealer’s record as maintained by the department.

(3) No contested sanctions and corresponding points may be posted until the board has made a determination.

(4) The board’s decision is considered final unless a dealer files a protest in administrative law court within twenty days of being provided written notice.

(5) The board may decide to decrease the number of points levied for a sanction, but the board may not increase the number of points levied for a sanction beyond those specified in this article.

(C) If a dealer licensed under this title does not contest sanctions within the time period prescribed in subsection (B), the assessed points are effective and will be posted to the dealer’s record maintained by the department.

Section 56‑37‑50. In computing the total number of points levied against any dealer after a particular violation, those accrued as a result of violations during the twelve‑month period including and immediately preceding the last violation must be counted at their full value. Those accrued from twelve to twenty‑four months preceding the last violation must be counted at one‑half their established value, and those resulting from violations which occurred more than twenty‑four months prior to the last violation must not be counted.

Section 56‑37‑60. (A) Any dealer who has accumulated points under the provisions of this article must have the number of points reduced by four upon proving to the satisfaction of the Department of Motor Vehicles that the dealer has completed a voluntary course related to the proper licensing of dealers in this State. Before an entity may administer the course, and every three years thereafter, the department must approve the course. Entities offering this course must provide documentation, to the satisfaction of the department, regarding the training provided during the course. The department is not obligated to offer this course on its own.

(B) No dealer’s points may be reduced more than one time in a three‑year period by completing a course related to the proper licensing of a dealer in this State.

Section 56‑37‑70. (A) The department must suspend the license of any dealer for seven days upon the accumulation of twelve points or if the dealer has misused any department computer system or third‑party computer system that contains department data, including allowing another dealer location other than the one licensed by the department access to the system.

(B) The department must suspend the license of any dealer for thirty days upon the second accumulation of twelve points within a three‑year period from the end date of the prior suspension.

(C) The department must suspend the license of any dealer for three years upon the third accumulation of twelve points within a three‑year period. Dealers may not reapply for any kind of dealer license for three years after the last issued points. Should the provisions of this subsection apply, then the department may deny applications for any type of dealer license when the applicant is a member of the immediate family of the suspended dealer. The department shall notify the licensee or applicant by certified mail at the mailing address provided in his application of its intention to suspend his license at least thirty days in advance and shall provide the licensee an opportunity for a contested case hearing before the Office of Motor Vehicle Hearings pursuant to its rules of procedure and the Administrative Procedures Act of this State. A licensee desiring a contested case hearing must request the hearing in writing within thirty days of receiving notice of the proposed suspension of his dealer’s or wholesaler’s license. Should the dealer not request a contested case hearing from the Office of Motor Vehicle Hearings within thirty days of receiving notice of the proposed suspension, then the suspension of the dealer license must go into effect. If the dealer requests a contested case hearing from the Office of Motor Vehicle Hearings within thirty days of receiving notice of the proposed suspension, then the dealer may continue to operate until the Office of Motor Vehicle Hearings makes a final ruling in the contested case. Upon the suspension of a license, the licensee shall immediately return to the department the license and all dealer license plates.

Section 56‑37‑80. (A) The Department of Motor Vehicles must immediately revoke the license of any dealer issued pursuant to this title upon:

(1) a conviction involving theft or possessions of a stolen vehicle, involvement with a chop shop, or a violation of law involving tampering with, altering, or removing vehicle identification numbers or markings; or

(2) a conviction in administrative, civil, or criminal court of a dealer violation of state or federal law regarding the disconnecting, resetting, altering, or otherwise unlawful tampering with a motor vehicle’s odometer.

(B) Upon the revocation of a license, the licensee, or his designee, shall immediately return to the department the license and all dealer license plates. The department must revoke the dealer license plates if the plates are not returned to the department.

(C) The department may deny any application for dealer licenses for ten years after notification of the conviction if the applicant is a member of the immediate family as a dealer whose license has been revoked. At the conclusion of the ten-year period, a dealer whose license has been revoked may apply to the Dealer Sanctions Review Board to be relicensed. However, upon review of the board, a dealer whose license has been revoked may continue to be denied a dealer license of any type.

Motorcycle dealer or wholesaler licenses

SECTION 24. Section 56‑16‑140 of the S.C. Code is amended to read:

Section 56‑16‑140. (A)(1) Before engaging in business as a motorcycle dealer or motorcycle wholesaler in this State, every person must first apply to the Department of Motor Vehicles for a license. Every license issued expires thirty‑six months from the date of issue and must be prominently displayed at the established place of business. The fee for the license is one hundred fifty dollars. The license applies to only one place of business of the applicant and is not transferable to any other person or place of business, except as provided in item (2).

(2)(a) A licensed dealer may exhibit motorcycles and their related products at fairs, recreational or sports shows, vacation shows, and other similar events or shows upon obtaining a dealer’s exhibition license. Before exhibiting motorcycles and their related products as provided in this item, the dealer shall first apply to the department for an exhibition license. The applicant shall provide the department with the name, location, and dates of the particular exhibition for which he is seeking an exhibition license.

(b) A dealer must hold a valid dealer’s license pursuant to this section to be issued an exhibition license. Exhibition licenses are valid for a period not to exceed ten consecutive days, must be prominently displayed at the exhibition site, apply to only the licensee, and may not be transferred to another dealer or exhibition location. A dealer may not purchase more than six exhibition licenses every twelve months.

(B)(1) During the dealer license application process, the department shall provide all information that would be needed in an audit or a review by its agents. Upon issuing a license, the department shall be reasonable in its requests to inspect or copy a dealer’s records. If a complaint has been filed against a dealer, the department must present that complaint to the dealer in writing and allow the dealer the opportunity to cure before proceeding with punitive or enforcement action. Complaints arising from alleged violations of:

(a) Section 56-37-30(B) must be cured by the dealer within sixty days of being notified of the complaint;

(b) Section 56-37-30(C) must be cured by the dealer within forty-five days of being notified of the complaint; or

(c) Section 56-37-30(D) must be cured by the dealer within thirty days of being notified of the complaint.

(2) If the department determines that the same dealer has received a similar type of complaint within twelve months of a previous complaint, the department may proceed with an enforcement action against that dealer without regard to the time period provided in this subsection.

(C) A person who fails to secure a license as required in this chapter has facilitated an unauthorized sale of a motorcycle and is guilty of a misdemeanor and, upon conviction, must be fined:

(1) not less than one hundred dollars nor more than five hundred dollars or imprisoned for not more than thirty days for the first offense;

(2) five hundred dollars nor more than one thousand dollars or imprisoned for not more than thirty days, or both, for the second offense; and

(3) not less than one thousand dollars nor more than ten thousand dollars or imprisoned for not more than two years, or both, for the third or any subsequent offense.

(D) For purposes of this section, each instance of an unauthorized sale of a motorcycle where the dealer has not applied for and received a license from the department appropriate to the sale is conclusively deemed to be a separate and distinct offense. This provision does not apply to instances where a rightfully licensed retail dealer, pursuant to Chapter 15 of this title, accepts a motorcycle on trade to then sell at his retail location. Nothing in this chapter may be construed to prohibit any law enforcement agency from enforcing the provisions relating to nonlicensed dealers within the law enforcement agency’s jurisdiction. The ticketing entity shall retain fifty percent of any fines collected under this section.

Motorcycle wholesaler or dealer licenses

SECTION 25. Section 56‑16‑150 of the S.C. Code is amended to read:

Section 56‑16‑150. (A) Before any license as a motorcycle “wholesaler” or “dealer” is issued to an applicant, he must file an application with the Department of Motor Vehicles and furnish the information the department may require including, but not limited to, information adequately identifying by name and address any individual who owns or controls ten percent or more of the interest in the business. The policy of this section is full disclosure.

(B)(1) Each applicant for licensure as a motorcycle dealer or wholesaler must furnish a surety bond in the penal amount of twenty‑five thousand dollars on a form to be prescribed by the director of the department.

(2) A new bond or a proper continuation certificate must be provided to the department every twelve months during the license period. The dealer or surety, or his designee must alert the department of any bond name or address changes during the license period within thirty days of the change. Proof of the bond and the proper continuation of it may be provided to the Department of Motor Vehicles using the same database as vehicle insurance pursuant to Article 7, Chapter 10, Title 56.

(3) A dealer’s license expires immediately upon expiration, termination, or a decrease of a dealer’s bond below twenty‑five thousand dollars.

(4) The bond must be given to the department and executed by the applicant, as principal, and by a corporate surety company authorized to do business in this State, as surety. The bond must be conditioned upon the applicant or licensee complying with the provisions of the statutes applicable to the license and as indemnification for any loss or damage suffered by an owner of a motorcycle, or his legal representative, by reason of any fraud practiced or fraudulent representation made in connection with the sale or transfer of a motorcycle by a licensed dealer or wholesaler or the dealer’s or wholesaler’s agent acting for the dealer or wholesaler or within the scope of employment of the agent or any loss or damage suffered by reason of the violation by the dealer or wholesaler or his agent, of any of the provisions of this chapter.

(5) In instances of taxes or fees owed to the State that pertain solely to the process of buying, selling, titling, or registering motorcycles by a motorcycle dealer, the department has a right of action against the dealer’s surety bond and may recover damages if those taxes and fees are not paid within the time period prescribed by law. The department shall distribute the taxes and fees to the appropriate entity as prescribed in state law.

(a) In the event of concurrent claims for the same vehicle from the owner and the State, the owner’s claim prevails.

(b) This subsection does not apply to monies the motorcycle dealer has attempted to refund to a customer due to an error made by the dealer when the dealer can demonstrate that he has made an attempt by registered or certified mail, return receipt requested, or by private delivery service which is acceptable to the Internal Revenue Service to ensure the customer’s refund was delivered. For the purposes of this subsection, the dealer should make a bona fide, good faith attempt to refund money due to the customer within sixty days of the date of sale.

(6) An owner or his legal representative who suffers the loss or damage has a right of action against the dealer or wholesaler and against the dealer’s or wholesaler’s surety upon the bond and may recover damages as provided in this chapter. A new bond or a proper continuation certificate must be delivered to the department annually before the license is renewed. However, regardless of the number of years a bond remains in effect, the aggregate liability of the surety for any and all claims is limited to fifteen thousand dollars on each bond and to the amount of the actual loss incurred.

(7) The surety has the right to terminate its liability under the bond by giving the department thirty days’ written notice of its intent to cancel the bond. The cancellation does not affect any liability incurred or accrued prior to the cancellation.

(C) If, during any license year, there is any change in the information that a dealer or wholesaler gave the department in obtaining or retaining a license under this section, the licensee shall report the change to the department within thirty days after the change occurs on the form the department requires.

(D) In the event a licensee ceases being a dealer or wholesaler, he shall, within ten days thereafter, notify the department of this fact and return to the department any license issued pursuant to this chapter and all current dealer license plates issued to the dealer or wholesaler.

(E) In the event of the licensee’s death, the personal representative of the deceased licensee may, with the consent of the probate court and upon an application to the department, continue the operation of the business covered by the license for the remainder of the licensing period, but no longer than eighteen months after the licensee’s death. At the conclusion of the licensing period or eighteen months after the death, the personal representative must take all actions to apply for a recreational vehicle dealer license under his or her own name and meet all requirements for a licensed recreational vehicle dealer in order to continue operating the business.

Motorcycle dealers’ licenses

SECTION 26. Section 56‑16‑160 of the S.C. Code is amended to read:

Section 56‑16‑160. No dealer may be issued or allowed to maintain a motorcycle dealer’s license unless:

(1) The dealer maintains a bona fide established place of business for conducting the business of selling or exchanging motorcycles which must be the principal business conducted from the fixed location. The sale of motorcycles or motor driven cycles need not be the principal business conducted from the fixed location. A bona fide established place of business for any motorcycle dealer includes a permanent, enclosed building or structure, not excluding a permanently installed mobile home containing at least ninety‑six square feet of floor space, actually occupied by the applicant and easily accessible by the public, at which a permanent business of bartering, trading, or selling of motorcycles or displaying vehicles for bartering, trading, or selling is carried on, wherein the public may contact the owner or operator at all reasonable times and in which must be kept and maintained the books, records, and files required by this chapter. A bona fide established place of business does not mean a residence, tent, temporary stand, or other temporary quarters.

(2) The dealer’s place of business must display a permanent sign with letters at least six inches in height, clearly readable from the nearest major avenue of traffic. The sign must clearly identify the licensed business.

(3) The dealer’s place of business must have a reasonable area or lot to properly display motorcycles.

(4) A motorcycle dealer may use his license to conduct business on property adjacent to or within site of his bona fide established place of business. The property adjacent to or property within sight of his bona fide established place of business is deemed to be contiguous to his bona fide established place of business even if there exists a single intervening landmark such as a road or a railroad track. The property adjacent to or within sight of his bona fide established place of business must display the same permanent sign as the bona fide established place of business pursuant to item (2). The adjacent property or the property within sight of his bona fide established place of business need not include a permanent, enclosed building or structure, but all records for business conducted on the adjacent property must be maintained at the bona fide established place of business pursuant to this section. Any sales transactions pursuant to this section must take place at the location of the bona fide established place of business. Dealers applying for a license under this item must declare to the department on the dealer license application the street address of the adjacent property or property within sight of his bona fide established place of business and affirm that the dealer has met any local requirements to lawfully conduct business at that location.

Motorcycle dealer licenses

SECTION 27. Section 56‑16‑180 of the S.C. Code is amended to read:

Section 56‑16‑180. The department may deny, suspend, or revoke an applicant or licensee for a motorcycle dealer license, to include existing licenses in the name of the same applicant, for any reason prescribed in Section 56‑15‑350.

Dealer purchase and resale of vehicles

SECTION 28. Section 56‑19‑370 of the S.C. Code is amended to read:

Section 56‑19‑370. (A) If a dealer buys a vehicle and holds it for resale and procures the certificate of title from the owner within forty‑five days after delivery to him of the vehicle, he need not send the certificate to the Department of Motor Vehicles, but, upon transferring the vehicle to another person other than by the creation of a security interest, promptly shall execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any lienholder holding a security interest created or reserved at the time of the resale and the date of his security agreement, in the spaces provided on the certificate or as the department prescribes, and mail or deliver the certificate to the department with the transferee’s application for a new certificate.

(B)(1) The dealer must properly title and, if applicable, register the vehicle within forty‑five days after the sale. A dealer who receives in a timely manner a title lien release from a financial institution, titling agent, or another state department of motor vehicles, or its equivalent, and who fails to either properly title or, if applicable, register the vehicle the dealer sold within forty‑five days after the sale may be assessed points against his dealer record pursuant to Section 56-37-370.

(2) If the department has reason to believe that the dealer knowingly did not properly title, or if applicable, register the vehicle within forty-five days after the sale, the dealer is guilty of a misdemeanor and must be fined not less than five hundred dollars or imprisoned not more than thirty days, or both, and is further subject to the provisions of Section 56-15-350.

(3) If a title is in suspended status, the department must make the information regarding the reason for suspension available in a timely manner through the third-party provider pursuant to Section 56‑3‑210.

(4) No dealer may be prosecuted for not properly titling or registering a vehicle within forty‑five days if the department has placed the title in suspended status or if a financial institution has not released the lien in a timely manner.

Department of Motor Vehicles

SECTION 29. The Department of Motor Vehicles shall ensure that no one is registered as an uninsured motorist on the effective date of this act.

Repeal

SECTION 30. Section 56-3-180 of the S.C. Code is repealed.

Repeal

SECTION 31. Section 56-3-215 of the S.C. Code is repealed.

Repeal

SECTION 32. Article 29, Chapter 3, Title 56 of the S.C. Code is repealed.

Repeal

SECTION 33. Article 30, Chapter 3, Title 56 of the S.C. Code is repealed.

Dealers

SECTION 34. Dealers subject to the provisions contained in Section 56‑14‑50, 56‑15‑330, or 56‑16‑160 who maintain business operations on adjacent properties or properties within sight as described in the code section applicable to the dealer but who do not meet the requirements of Section 56‑14‑50, 56‑15‑330, or 56‑16‑160, as applicable to the dealer and as amended by this act may be grandfathered by the Department of Motor Vehicles for the remainder of the license under which the dealer is operating as of the effective date of this act.

Driver training course

SECTION 35. Section 56-23-60 of the S.C. Code is amended to read:

Section 56-23-60. The Department of Motor Vehicles may establish minimum standards for the operation of driver training schools authorized to be licensed under the provisions of this chapter and prescribe conditions of operation of the schools. The minimum standards must include, but are not limited to, a requirement that driver training schools have or have access to sufficient facilities and equipment to conduct an eight-hour driver training course for a minimum of ten students. All activities and operations of licensed driver training schools are at all times subject to inspection or examination by authorized representatives of the department. In addition, records of these activities and operations must be made available at the permanent location in this State for review by the department upon its request.

“Classroom training” defined

SECTION 36. Chapter 23, Title 56 of the S.C. Code is amended by adding:

Section 56-23-105. For purposes of this chapter, “classroom training” means either in-person, virtual, or remote online training. The online classroom training must utilize a student username and password, measure the amount of time that the student spends in the course, provide technical support to students that is available twenty-four hours per day, seven days per week, utilize personal validation questions which appear periodically throughout the entire course, have measures in place that prevent a student from completing more than four hours of instruction in a calendar day, and provide a final examination at the completion of the program. A passing score or 80 percent or higher is required. Students may take up to three attempts to pass the online test to successfully complete the course.

Issuance of motor vehicle drivers’ licenses

SECTION 37. Section 56-1-20 of the S.C. Code is amended to read:

Section 56-1-20. No person, except those expressly exempted in this article shall drive any motor vehicle upon a highway in this State unless such person has a valid motor vehicle driver’s license issued to him under the provisions of this article. No person shall receive a motor vehicle driver’s license unless and until he surrenders to the Department of Motor Vehicles all valid operators’ licenses in his possession issued to him by any other state within forty-five days of becoming a resident of this State, unless specifically exempted by law. All surrendered licenses shall be returned by the department to the issuing department, agency, or political subdivision. No person shall be permitted to have more than one valid motor vehicle driver’s license or operator’s license at any time.

Any person holding a currently valid motor vehicle driver’s license issued under this article may exercise the privilege thereby granted upon all streets and highways in the State and shall not be required to obtain any other license to exercise such privilege by any county, municipal, or local board or body having authority to adopt local police regulations; provided, however, that this provision shall not serve to prevent a county, municipal, or local board from requiring persons to obtain additional licenses to operate taxis, buses, or other public conveyances.

Vision screenings

SECTION 38. Section 56-1-220 of the S.C. Code is amended to read:

Section 56-1-220. (A) Unless otherwise exempted, the department shall require vision screening for all persons obtaining an initial license and upon license renewal. The vision screening must be offered by the department, however, a person’s screening must be waived upon the submission of a certificate of vision examination dated within the previous thirty-six months from an ophthalmologist or optometrist licensed in any state.

(B) Active-duty members of the Armed Services are exempt from the requirements of this section, provided they provide the department with a Leave and Earnings Statement dated within thirty-one days of applying for or renewing their driver’s license and a nonexpired military identification card.

(C) The renewal license forms distributed by the department must be designed to contain a certification that the vision of the person screened meets the minimum standards required by the department or have been corrected to meet these requirements. The certification must be executed by the person conducting the screening. A Certificate of Vision Examination form must be executed by the certifying ophthalmologist or optometrist and must be transmitted to the department electronically pursuant to its electronic specifications. The minimum standards of the department shall not require a greater degree of vision than 20/40 corrected in one eye. Persons using bioptic lenses must adhere to the provisions contained in Section 56-1-222.

(D) A person whose vision is corrected to meet the minimum standards shall have the correction noted on his driver’s license by the department.

(E) It is unlawful for a person whose vision requires correction in order to meet the minimum standards of the department to drive a motor vehicle in this State without the use of the correction.

(F) Unless otherwise provided in this section, any person violating the provisions of this section is guilty of a misdemeanor and, upon conviction, must be fined not more than one hundred dollars or imprisoned for not more than thirty days.

Driver training school license fees

SECTION 39. Section 56-23-40 of the S.C. Code is amended to read:

Section 56-23-40. The license fee for each driver training school licensed under the provisions of this chapter is two hundred dollars. Prior to operation, each licensed driver training school also must obtain a corporate surety bond in the amount of ten thousand dollars. The bond must be given to the department and executed by the applicant, as principal, and by a corporate surety company authorized to do business in this State, as surety. The bond must be conditioned upon the applicant or licensee complying with the statutes applicable to the license and as indemnification for loss or damage suffered by a person having retained services of a driver training school. Licenses issued pursuant to this section expire on the last day of the month, forty-eight months after the license is issued. The proceeds from the sale of driver training school licenses must be placed in the state general fund for the administration and enforcement of this chapter and title.

Time effective

SECTION 40. (A) SECTION 1 and Section 56-1-220 take effect twelve months after the approval by the Governor.

(B) SECTION 5 takes effect on the first day of the fiscal year following twelve months after approval by the Governor.

(C)(1) SECTIONS 8, 9, 10, 11, 12, 30, 31, 32, and 33 take effect eight months after the approval by the Governor, provided that necessary solicitations are awarded in a timely manner in accordance with the State Consolidated Procurement Code.

(2) Section 56-3-214(C), 56-3-214(D), 56-3-214(E), 56-3-214(F), and 56-3-214(H) take effect ten months after the effective date of SECTIONS 8, 9, 10, 11, and 12.

(D) SECTIONS 15 through 28 take effect on January 1, 2024. Any dealership applying for or renewing licenses, or operating on a currently issued license on or after January 1, 2024, is subject to the provisions of SECTIONS 15 through 28.

(E) SECTION 29 takes effect on the first day of the fiscal year following twelve months after approval by the Governor.

(F) The remaining SECTIONS of this act, and Sections 56‑3‑214(A), 56-3-214(B)(1), 56-3-214(B)(2), 56-3-214(B)(3), 56-3-214(G), 56-1-20, 56-23-40, 56-23-60, and 56-23-105 take effect upon approval by the Governor.

Ratified the 17th day of May, 2023.

Approved the 18th day of May, 2023.

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