COMMITTEE REPORT

March 10, 2009

**S. 456**

Introduced by Senators Sheheen, Land, Grooms and Campbell

S. Printed 3/10/09--S.

Read the first time February 19, 2009.

**THE COMMITTEE ON TRANSPORTATION**

To whom was referred a Bill (S. 456) to amend the Code of Laws of South Carolina, 1976, by adding Section 56‑15‑361 so as to provide that the Department of Motor Vehicles may impose and collect an administrative fine, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

LAWRENCE K. GROOMS for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 56‑15‑361 SO AS TO PROVIDE THAT THE DEPARTMENT OF MOTOR VEHICLES MAY IMPOSE AND COLLECT AN ADMINISTRATIVE FINE AGAINST LICENSED MOTOR VEHICLE DEALERS WHO VIOLATE CERTAIN PROVISIONS OF LAW, AND PROVIDE THAT THE DEPARTMENT SHALL EMPLOY THE STAFF NECESSARY TO ENFORCE THE PROVISIONS CONTAINED IN THIS SECTION.

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

SECTION 1. Article 3, Chapter 15, Title 56 of the 1976 Code is amended by adding:

“Section 56‑15‑361. (A) The department may impose and collect an administrative fine of not more than one thousand dollars for each violation against a licensed motor vehicle dealer if it finds that the motor vehicle dealer has violated a provision contain in Sections 16‑21‑20, 56‑3‑110, 56‑3‑210, 56‑3‑2320, 56‑15‑310, 56‑15‑320, 56‑15‑330, 56‑15‑340, 56‑15‑350, 56‑19‑240, 56‑19‑360, 56‑19‑370, or 56‑19‑490. Instead of the penalties provided for in Section 56‑15‑350, the department may impose and collect an administrative fine of not more than one thousand dollars for a violation of that provision. A licensee is entitled to a hearing pursuant to the Administrative Procedures Act if the licensee contests a fine, suspension, or revocation imposed upon him. The department shall notify the licensee in writing of the administrative fine and his entitlement to a hearing pursuant to the Administrative Procedures Act. The notice must be given by the department by depositing it in the United States mail with postage prepaid to the mailing address provided in his application. The giving of notice by mail is complete ten days after the deposit of the notice. A certificate by the director of the department, or his designee, that the notice has been sent, as required in this section, is presumptive proof that the requirements as to notice of the administrative fine have been met even if the notice has not been received by the addressee. It is a violation of this section if the administrative fine imposed pursuant to this section is not paid within forty‑five days of the department’s notice or final disposition of a hearing, whichever is later.

(B) The department may impose and collect an administrative fine of not more than nine thousand dollars against a person or business for each vehicle sold without a license required by this chapter. The person or business is entitled to a hearing pursuant to the Administrative Procedures Act if the person or business contests an imposed fine. The department shall notify the person or business in writing of the administrative fine and the entitlement to a hearing pursuant to the Administrative Procedures Act. The notice must be given by the department by depositing the notice in the United States mail with postage prepaid to the mailing address contained in the department’s records. The giving of notice by mail is complete ten days after the deposit of the notice. A certificate by the director of the department, or his designee, that the notice has been sent as required in this section is presumptive proof that the requirements as to notice of the administrative fine have been met even if the notice has not been received by the addressee. If the administrative fine imposed pursuant to this section is not paid or a hearing is not requested within forty‑five days of the department’s notice, the department may take action against the person or owners of the business pursuant to Section 56‑1‑285 or through other lawful means.

(C) The department shall employ investigators, officers, agents, and employees to enforce the provision contained in this chapter and other related laws. The department shall develop a schedule of penalties for first and subsequent violations contained in this section. The fines collected pursuant to this section must be placed in a special restricted account by the Comptroller General to be used to defray the investigative, enforcement, and regulatory expenses of its dealer licensing and audit unit.”

SECTION 2. This act takes effect upon approval by the Governor.

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