~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

March 21, 2017

**S. 488**

Introduced by Senators Grooms, Johnson, Campbell, Climer, Campsen, Peeler and Reese

S. Printed 3/21/17--S.

Read the first time February 28, 2017.

**THE COMMITTEE ON TRANSPORTATION**

To whom was referred a Bill (S. 488) to amend Section 56-3-2320(a) of the 1976 Code, relating to motor vehicle dealers’ licenses and demonstration plates, to provide that a dealer license plate, etc., respectfully

**REPORT:**

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

Amend the bill, as and if amended, page 1, by striking lines 32-42, and page 2, lines 1-20, and inserting:

/ “Section 56-3-2320. (A)(1) Upon application being made and the required fee being paid to the Department of Motor Vehicles, the department may issue dealer license plates to a licensed motor vehicle dealer. The license plates, notwithstanding other provisions of this chapter to the contrary, may be used exclusively on motor vehicles owned by, assigned, or loaned for test driving purposes to the dealer when operated on the highways of this State by the dealer, its corporate officers, its employees, ~~or~~ a prospective purchaser of the motor vehicle, or a person whose vehicle is being serviced or repaired by the dealer. The use by a prospective purchaser is limited to seven days, and the dealer shall provide the prospective purchaser with a dated demonstration certificate. A dealer license plate may be used by a person whose vehicle is being serviced or repaired by the dealership, provided that the vehicle displaying the license plate is part of a manufacturer program and given to the person by the dealer at no charge to the consumer. The use of a dealer license plate by the consumer for service and repair is limited to thirty days. The demonstration certificate for a prospective customer must be approved by the department. Dealer plates must not be used to operate wreckers or service vehicles in use by the dealer nor to operate vehicles owned by the dealer that are leased or rented by the public. No dealer plates may be issued by the department unless the dealer furnishes proof in a form acceptable to the department that he has a retail business license as required by Chapter 36, Title 12 and has made at least twenty sales of motor vehicles in the twelve months preceding his application for a dealer plate. The sales requirement may be waived by the department if the dealer has been licensed for less than one year. For purposes of this section, the transfer of ownership of a motor vehicle between the same individual or corporation more than one time is considered as only one sale. Multiple transfer of motor vehicles between licensed dealers for the purpose of meeting eligibility requirements for motor vehicle dealer plates is prohibited./

Renumber sections to conform.

Amend title to conform.

LAWRENCE K. GROOMS for Committee.

**A** **BILL**

TO AMEND SECTION 56-3-2320(A) OF THE 1976 CODE, RELATING TO MOTOR VEHICLE DEALERS’ LICENSES AND DEMONSTRATION PLATES, TO PROVIDE THAT A DEALER LICENSE PLATE MAY BE USED BY A PERSON WHOSE VEHICLE IS BEING SERVICED OR REPAIRED BY THE DEALERSHIP, PROVIDED THE VEHICLE DISPLAYING THE LICENSE PLATE IS GIVEN TO THE PERSON BY THE DEALER AT NO CHARGE TO THE CONSUMER AND ONLY FOR THE DURATION OF THE SERVICE OR REPAIR, AND TO PROVIDE THAT A DEALER MAY BE ISSUED TWO PLATES FOR THE FIRST TWENTY VEHICLES SOLD DURING THE PRECEDING YEAR AND TWO ADDITIONAL PLATES FOR EACH FIFTEEN VEHICLES SOLD BEYOND THE INITIAL TWENTY DURING THE PRECEDING YEAR.

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

SECTION 1. Section 56-3-2320(A) of the 1976 Code is amended to read:

“Section 56-3-2320. (A)(1) Upon application being made and the required fee being paid to the Department of Motor Vehicles, the department may issue dealer license plates to a licensed motor vehicle dealer. The license plates, notwithstanding other provisions of this chapter to the contrary, may be used exclusively on motor vehicles owned by, assigned, or loaned for test driving purposes to the dealer when operated on the highways of this State by the dealer, its corporate officers, its employees, ~~or~~ a prospective purchaser of the motor vehicle, or a person whose vehicle is being serviced or repaired by the dealer. The use by a prospective purchaser is limited to seven days, and the dealer shall provide the prospective purchaser with a dated demonstration certificate. A dealer license plate may be used by a person whose vehicle is being serviced or repaired by the dealership, provided the vehicle displaying the license plate is given to the person by the dealer at no charge to the consumer and only for the duration of the service or repair. The certificate must be approved by the department. Dealer plates must not be used to operate wreckers or service vehicles in use by the dealer nor to operate vehicles owned by the dealer that are leased or rented by the public. No dealer plates may be issued by the department unless the dealer furnishes proof in a form acceptable to the department that he has a retail business license as required by Chapter 36, Title 12 and has made at least twenty sales of motor vehicles in the twelve months preceding his application for a dealer plate. The sales requirement may be waived by the department if the dealer has been licensed for less than one year. For purposes of this section, the transfer of ownership of a motor vehicle between the same individual or corporation more than one time is considered as only one sale. Multiple transfer of motor vehicles between licensed dealers for the purpose of meeting eligibility requirements for motor vehicle dealer plates is prohibited.

(2) A dealer may be issued two plates for the first twenty vehicles sold during the preceding year and ~~one~~ two additional ~~plate~~ plates for each fifteen vehicles sold beyond the initial twenty during the preceding year. For good cause shown, the department in its discretion may issue extra plates. If the dealer has been licensed less than one year, the department shall issue a number of license plates based on an estimated number of sales for the coming year. The department may increase or decrease the number of plates issued based on actual sales made.

(3) The cost of each dealer plate issued is twenty dollars.

(4) Upon application to the department, a public or private school, college, or university, the United Service Organization South Carolina, the American Red Cross, or an economic development entity created or sanctioned by the county where the entity is located, may be issued a license plate to be used on vehicles loaned or rented to the school, college, university, the United Service Organization South Carolina, the American Red Cross, or economic development entity by a licensed motor vehicle dealer. The plate must be a personalized plate designed by the department. The cost of each plate issued is two hundred dollars, of which one hundred sixty dollars must be remitted by the department to the county in which the school, college, university, chapter of the United Service Organization South Carolina, chapter of the American Red Cross, or economic development entity is located. Each plate is valid for two years, and there is no limit on the number of plates which may be issued, except in the case of an economic development entity where only one plate per entity is allowed.

(5) A dealer license plate is allowed on a motor vehicle which the dealer lends to a public or private school for use in a driver education program. A plate used for this purpose may be obtained without fee and without regard to the limit on plates issued pursuant to this section. When the motor vehicle is no longer used for driver education, the dealer shall surrender the plate to the department.

(6) Notwithstanding the provisions of this section, a dealer exclusively selling heavy duty trucks at retail is eligible to obtain license plates for exclusive use on the heavy duty trucks regardless of the number of trucks sold by him during the preceding required number of months. These license plates for trucks must be noted with a distinct and separate identification and used only on heavy duty trucks. For purposes of this section, heavy duty trucks include trucks having a gross vehicle weight of sixteen thousand pounds or greater.”

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

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