~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

March 12, 2019

**S. 509**

Introduced by Senator Grooms

S. Printed 3/12/19--S.

Read the first time February 13, 2019.

**THE COMMITTEE ON TRANSPORTATION**

To whom was referred a Bill (S. 509) to amend Article 4, Chapter 15, Title 56 of the 1976 Code, relating to nonfranchise automobile dealer pre-licensing, by adding Section 56‑15‑415, 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 3, by striking lines 4 through 7 and inserting:

/ SECTION 5. This act takes effect January 1, 2020./

Renumber sections to conform.

Amend title to conform.

LAWRENCE K. GROOMS for Committee.

**A** **BILL**

TO AMEND ARTICLE 4, CHAPTER 15, TITLE 56 OF THE 1976 CODE, RELATING TO NONFRANCHISE AUTOMOBILE DEALER PRE-LICENSING, BY ADDING SECTION 56‑15‑415, TO PROVIDE THAT AN APPLICANT FOR AN INITIAL NONFRANCHISE AUTOMOBILE DEALER LICENSE MUST COMPLETE PRELICENSING EDUCATION COURSES BEFORE HE MAY BE ISSUED A LICENSE, TO PROVIDE THAT CERTAIN EDUCATIONAL REQUIREMENTS MUST BE SATISFIED BEFORE A LICENSE MAY BE RENEWED, AND TO PROVIDE THAT A PERSON WHO PROVIDES EDUCATION COURSES MUST BE AFFILIATED WITH A NATIONAL OR STATE INDUSTRY TRADE ASSOCIATION; AND TO AMEND SECTIONS 56‑15‑430, 56‑15‑440, AND 56‑15‑450 OF THE 1976 CODE, RELATING TO THE APPLICABILITY OF THE PROVISIONS THAT REGULATE NONFRANCHISE AUTOMOBILE DEALER PRELICENSING TO FRANCHISED AUTOMOBILE DEALERS, NONFRANCHISED AUTOMOBILE DEALERS OWNED AND OPERATED BY A FRANCHISED AUTOMOBILE DEALER, NONFRANCHISED AUTOMOBILE DEALERS WHOSE PRIMARY BUSINESS IS MOTOR VEHICLE SALVAGE, AND NONFRANCHISED AUTOMOBILE DEALERS WHOSE PRIMARY BUSINESS OBJECTIVE AND SUBSTANTIAL BUSINESS ACTIVITY IS IN THE RENTAL OF MOTOR VEHICLES, TO PROVIDE THAT CERTAIN EDUCATION REQUIREMENTS DO NOT APPLY TO THESE AUTOMOBILE DEALERS.

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

SECTION 1. Article 4, Chapter 15, Title 56 of the 1976 Code is amended by adding:

“Section 56‑15‑415. (A) An initial nonfranchise automobile dealer license entitles a licensee to carry on and conduct the business of a nonfranchise automobile dealer. A nonfranchise automobile dealer license expires annually on the last day of the month of the year following its issuance.

(B) Renewal of a license must not be granted unless the licensee submits satisfactory proof of at least four hours of attendance at Department of Motor Vehicles‑approved continuing education prior to the renewal of a license.

(C) When a licensee makes application for renewal of a license, the licensee shall attach to the renewal application a certificate from a Department of Motor Vehicles‑approved provider of continuing education as proof of successful completion of the required training prior to a renewal of the license.

(D) All providers of continuing education must be approved by the Department of Motor Vehicles.”

SECTION 2. Section 56‑15‑430 of the 1976 Code is amended to read:

“Section 56‑15‑430. The provisions contained in Sections 56‑15‑410, 56‑15‑415, and 56‑15‑420 shall not apply to a franchised automobile dealer or a nonfranchised automobile dealer owned and operated by a franchised automobile dealer.”

SECTION 3. Section 56‑15‑440 of the 1976 Code is amended to read:

“Section 56‑15‑440. The provisions contained in Sections 56‑15‑410, 56‑15‑415, and 56‑15‑420 shall not apply to a nonfranchised automobile dealer whose primary business is salvage motor vehicles, regulated by Title 56.”

SECTION 4. Section 56‑15‑450 of the 1976 Code is amended to read:

“Section 56‑15‑450. The provisions contained in Sections 56‑15‑410, 56‑15‑415, and 56‑15‑420 shall not apply to a nonfranchised automobile dealer whose primary business objective and substantial business activity is the rental of motor vehicles, regulated by Title 56.”

SECTION 5. This act takes effect January 1, 2020. The provisions of this act shall apply only to nonfranchise automobile dealers licensed after January 1, 2020 and must not be retroactively applied to nonfranchise automobile dealers licensed before that date.

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