**South Carolina General Assembly**

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**H. 3154**

**STATUS INFORMATION**

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**VERSIONS OF THIS BILL**

[12/9/2020](file:///p:\pprever\2021-22\3154_20201209.docx)

**A** **BILL**

TO AMEND SECTIONS 56‑1‑40, AS AMENDED, AND 56‑1‑286, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE ISSUANCE AND SUSPENSION OF A DRIVER’S LICENSE AND A BEGINNER’S PERMIT, SO AS TO DELETE CERTAIN PROVISIONS RELATING TO FILING PROOF OF FINANCIAL RESPONSIBILITY AND THE DEPARTMENT OF MOTOR VEHICLES’ DUTY TO PROMULGATE CERTAIN REGULATIONS; TO AMEND SECTIONS 56‑1‑460 AND 56‑1‑746, RELATING TO THE CANCELLATION, SUSPENSION, AND REVOCATION OF A DRIVER’S LICENSE AND RELATED PENALTIES, SO AS TO DELETE CERTAIN PROVISIONS REGARDING THE FILING OF PROOF OF FINANCIAL RESPONSIBILITY; TO AMEND SECTION 56‑1‑1020, RELATING TO THE DEFINITION OF THE TERM “HABITUAL OFFENDER” AND PENALTIES FOR AN HABITUAL OFFENDER CONVICTION, SO AS TO DELETE A PROVISION RELATING TO A CONVICTION FOR DRIVING UNDER SUSPENSION FOR FAILURE TO FILE PROOF OF FINANCIAL RESPONSIBILITY; TO AMEND SECTION 56‑5‑2951, RELATING TO THE SUSPENSION OF A DRIVER’S LICENSE FOR REFUSAL TO SUBMIT TO TESTING FOR ALCOHOL CONCENTRATION, SO AS TO DELETE THE PROVISION THAT DOES NOT REQUIRE A PERSON WHOSE DRIVER’S LICENSE OR PERMIT IS SUSPENDED PURSUANT TO THIS SECTION TO FILE PROOF OF FINANCIAL RESPONSIBILITY; TO AMEND SECTION 56‑9‑20, RELATING TO CERTAIN TERMS AND THEIR DEFINITIONS, SO AS TO REVISE THE DEFINITION OF THE TERM “MOTOR VEHICLE LIABILITY POLICY”; TO AMEND SECTION 56‑9‑30, RELATING TO THE APPLICABILITY OF THE MOTOR VEHICLE FINANCIAL RESPONSIBILITY ACT TO CERTAIN MOTOR VEHICLES, SO AS TO DELETE AN EXCEPTION TO THIS PROVISION; TO AMEND SECTIONS 56‑9‑440, 56‑9‑470, AND 56‑9‑490, ALL RELATING TO THE SUSPENSION OF A PERSON’S DRIVER’S LICENSE FOR NONPAYMENT OF A JUDGEMENT, SO AS TO DELETE PROVISIONS RELATING TO A JUDGEMENT DEBTOR FURNISHING PROOF OF FINANCIAL RESPONSIBILITY, AND A PROVISION THAT PROVIDES THAT A DISCHARGE IN BANKRUPTCY FOLLOWING THE RENDERING OF A JUDGEMENT SHALL NOT RELIEVE THE JUDGEMENT DEBTOR FROM PROVIDING PROOF OF FINANCIAL RESPONSIBILITY; TO AMEND SECTIONS 56‑10‑10, 56‑10‑20, 56‑10‑40, AND 56‑10‑45, ALL RELATING TO MOTOR VEHICLE REGISTRATION AND FINANCIAL SECURITY, SO AS TO MAKE TECHNICAL CHANGES AND TO DELETE A PROVISION THAT ALLOWS THE DEPARTMENT OF MOTOR VEHICLES TO PROMULGATE REGULATIONS; TO AMEND SECTIONS 56‑10‑210, 56‑10‑220, 56‑10‑225, AND 56‑10‑240, ALL RELATING TO INSURANCE REQUIREMENTS FOR MOTOR VEHICLE REGISTRATION, SO AS TO DELETE THE TERM “OPERATOR” AND ITS DEFINITION, TO DELETE THE DEPARTMENT OF MOTOR VEHICLES AUTHORITY TO PROMULGATE A REGULATION TO REQUIRE PROOF OF INSURANCE ON NEW AND RENEWAL VEHICLE REGISTRATIONS, AND TO DELETE THE TERM “FINANCIAL RESPONSIBILITY” AND REPLACE IT WITH THE TERM “INSURANCE”; TO AMEND SECTION 56‑10‑260, RELATING TO PENALTIES FOR FILING FALSE INFORMATION WITH THE DEPARTMENT OF MOTOR VEHICLES THAT A MOTOR VEHICLE IS INSURED, AND THE ISSUANCE OF SPECIAL RESTRICTED DRIVER’S LICENSES, SO AS TO DELETE THE PROVISION THAT STATES THE DEPARTMENT MAY NOT ISSUE A SPECIAL RESTRICTED DRIVER’S LICENSE UNTIL PROOF OF FINANCIAL RESPONSIBILITY HAS BEEN FILED; TO AMEND SECTION 56‑10‑280, RELATING TO THE ISSUANCE OF INSURANCE CONTRACTS OR POLICIES, SO AS TO DELETE THE TERM “FINANCIAL RESPONSIBILITY” AND REPLACE IT WITH THE TERM “INSURANCE”; TO AMEND SECTION 56‑10‑510, RELATING TO THE REGISTRATION OF AN UNINSURED MOTOR VEHICLE, SO AS TO MAKE TECHNICAL CHANGES, AND REVISE THE REGISTRATION PROCESS; TO AMEND SECTIONS 56‑10‑520, 56‑10‑530, 56‑10‑535, 56‑10‑540, 56‑10‑550, 56‑10‑551, 56‑10‑554, AND 56‑10‑650, ALL RELATING TO THE OPERATION OF AN UNINSURED MOTOR VEHICLE, INVOLVEMENT IN AN ACCIDENT WITH AN UNINSURED MOTOR VEHICLE, CONVICTIONS FOR CERTAIN TRAFFIC VIOLATIONS, PROOF OF FINANCIAL RESPONSIBILITY, THE UNINSURED MOTORISTS FUND, CANCELLATION OR TERMINATION OF AN INSURANCE POLICY, AND THE SOUTH CAROLINA REINSURANCE FACILITY, SO AS TO MAKE TECHNICAL CHANGES, AND DELETE PROVISIONS THAT REQUIRE PROOF OF FINANCIAL RESPONSIBILITY; TO AMEND SECTION 56‑25‑20, RELATING TO THE SUSPENSION OF A DRIVER’S LICENSE FOR FAILURE TO COMPLY WITH A TRAFFIC CITATION FOR A LITTER VIOLATION, SO AS TO DELETE THE PROVISION RELATING TO FILING PROOF OF FINANCIAL RESPONSIBILITY; AND TO REPEAL SECTIONS 56‑9‑460, 56‑9‑500, 56‑9‑505, 56‑9‑510, 56‑9‑520, 56‑9‑530, 56‑9‑540, 56‑9‑550, 56‑9‑560, 56‑9‑570, 56‑9‑580, 56‑9‑590, 56‑9‑600, 56‑9‑610, 56‑9‑620, 56‑9‑630, AND 56‑10‑46 RELATING TO ALLOWING A DRIVER WHOSE LICENSE HAS BEEN SUSPENDED TO DRIVE AN EMPLOYER’S VEHICLE, REQUIRING PROOF OF FINANCIAL RESPONSIBILITY BEFORE A DRIVER’S LICENSE MAY BE REINSTATED, WAIVING PROOF OF FINANCIAL RESPONSIBILITY IN CERTAIN INSTANCES, METHODS OF PROVIDING PROOF OF FINANCIAL RESPONSIBILITY, AND THE CANCELLATION OR RETURN OF PROOF OF FINANCIAL RESPONSIBILITY.

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

SECTION 1. Section 56‑1‑40(6), (7), and (8) of the 1976 Code, as last amended by Act 86 of 2019, is further amended to read:

“(6) ~~who is required under the laws of this State to provide proof of financial responsibility and has not provided the proof;~~

~~(7)~~ who is not a resident of South Carolina. For purposes of determining eligibility to obtain or renew a South Carolina driver’s license, the term ‘resident of South Carolina’ shall expressly include all persons authorized by the United States Department of Justice, the United States Immigration and Naturalization Service, or the United States Department of State to live, work, or study in the United States on a temporary or permanent basis who present documents indicating their intent to live, work, or study in South Carolina. These persons and their dependents are eligible to obtain a motor vehicle driver’s license or have one renewed pursuant to this provision. A driver’s license issued pursuant to this item to a person who is not a lawful permanent resident of the United States shall expire on the later of: (1) the expiration date of the driver’s license applicant’s authorized period of stay in the United States; or (2) the expiration date of the driver’s license applicant’s employment authorization document. However, a driver’s license issued pursuant to this item is valid for at least one year but not more than eight years from the date of its issue. Under this provision, a driver’s license valid for not more than four years must be issued upon payment of a fee of twelve dollars and fifty cents. A driver’s license that is valid for more than four years must be issued upon payment of a fee of twenty‑five dollars. In addition, a person pending adjustment of status who presents appropriate documentation to the Department of Motor Vehicles shall be granted a one‑year extension of his driver’s license which is renewable annually;

~~(8)~~(7) who must not be issued a license as otherwise provided by the laws of this State.”

SECTION 2. Section 56‑1‑286(T), (U), and (V) of the 1976 Code is amended to read:

“(T) ~~A person whose driver’s license or permit is suspended under this section is not required to file proof of financial responsibility.~~

~~(U)~~ The department shall administer the provisions of this section, not including subsection (D)~~, and shall promulgate regulations necessary to carry out its provisions~~.

~~(V)~~(U) Notwithstanding any other provision of law, no suspension imposed pursuant to this section is counted as a demerit or result in any insurance penalty for automobile insurance purposes if at the time the person was stopped, the person whose license is suspended had an alcohol concentration that was less than eight one‑hundredths of one percent.”

SECTION 3. Section 56‑1‑460(B) of the 1976 Code is amended to read:

“(B) The Department of Motor Vehicles, upon receiving a record of a person’s conviction pursuant to this section upon a charge of driving a vehicle while the person’s license was suspended for a definite period of time, shall extend the suspension period for an additional like period. If the original period of suspension has expired or terminated before trial and conviction, the department shall again suspend the person’s license for an additional like period of time. If the suspension is not for a definite period of time, the suspension must be for an additional three months. If the license of a person cited for a violation of this section is suspended solely pursuant to the provisions of Section 56‑25‑20, the additional period of suspension pursuant to this section is thirty days~~, and the person does not have to offer proof of financial responsibility as required pursuant to Section 56‑9‑500 prior to the person’s license being reinstated~~. If the conviction was for a charge of driving while a license was revoked, the department shall not issue a new license for an additional period of one year from the date the person could otherwise have applied for a new license. Only those violations which occurred within a period of five years including and immediately preceding the date of the last violation constitute prior violations within the meaning of this section.”

SECTION 4. Section 56‑1‑746(C) of the 1976 Code is amended to read:

“(C) Notwithstanding the provisions of Section 56‑1‑460, a person convicted pursuant to the provisions of this section must be punished pursuant to Section 56‑1‑440 ~~and is not required to furnish proof of financial responsibility as provided for in Section 56‑9‑500~~. The conviction may not result in an insurance penalty pursuant to the Merit Rating Plan promulgated by the Department of Insurance.”

SECTION 5. Section 56‑1‑1020(a)(4) of the 1976 Code is amended to read:

“(4) Driving a motor vehicle while his license, permit, or privilege to drive a motor vehicle has been suspended or revoked~~, except a conviction for driving under suspension for failure to file proof of financial responsibility~~;”

SECTION 6. Section 56‑5‑2951(M), (N), (O), and (P) of the 1976 Code is amended to read:

“(M) ~~A person whose driver’s license or permit is suspended pursuant to this section is not required to file proof of financial responsibility.~~

~~(N)~~ An insurer shall not increase premiums on, add surcharges to, or cancel the automobile insurance of a person charged with a violation of Section 56‑1‑286, 56‑5‑2930, 56‑5‑2933, 56‑5‑2945, or a law of another state that prohibits a person from driving a motor vehicle while under the influence of alcohol or other drugs based solely on the violation unless the person is convicted of the violation.

~~(O)~~(N) The department shall administer the provisions of this section.

~~(P)~~(O) If a person does not request a contested case hearing within the thirty‑day period as authorized pursuant to this section, the person may file with the department a form after enrolling in a certified Alcohol and Drug Safety Action Program to apply for a restricted license. The restricted license permits him to drive only to and from work and his place of education and in the course of his employment or education during the period of suspension. The restricted license also permits him to drive to and from Alcohol and Drug Safety Action Program classes or a court‑ordered drug program. The department may issue the restricted license at any time following the suspension upon a showing by the individual that he is employed or enrolled in a college or university, that he lives further than one mile from his place of employment, place of education, the location of his Alcohol and Drug Safety Action Program classes, or the location of his court‑ordered drug program, and that there is no adequate public transportation between his residence and his place of employment, his place of education, the location of his Alcohol and Drug Safety Action Program classes, or the location of his court‑ordered drug program. The department must designate reasonable restrictions on the times during which and routes on which the individual may drive a motor vehicle. A change in the employment hours, place of employment, status as a student, status of attendance of Alcohol and Drug Safety Action Program classes, status of his court‑ordered drug program, or residence must be reported immediately to the department by the licensee. The route restrictions, requirements, and fees imposed by the department for the issuance of the restricted license issued pursuant to this item are the same as those provided in this section had the person requested a contested case hearing. A restricted license is valid until the person successfully completes a certified Alcohol and Drug Safety Action Program, unless the person fails to complete or make satisfactory progress to complete the program.”

SECTION 7. Section 56‑9‑20(5) of the 1976 Code is amended to read:

“(5) ‘Motor vehicle liability policy’: An owner’s or an operator’s policy of liability insurance that fulfills all the requirements of Sections 38‑77‑140 through 38‑77‑230, ~~certified as provided in Section 56‑9‑550 or 56‑9‑560 as proof of financial responsibility~~ and issued~~, except as otherwise provided in Section 56‑9‑560,~~ by an insurance carrier duly authorized to transact business in this State, to or for the benefit of the person or persons named therein as insured, and any other person, as insured, using the vehicle described therein with the express or implied permission of the named insured, and subject to the following special conditions:

(a) Contents of motor vehicle liability policy. The motor vehicle liability policy shall state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period, and the limits of liability and shall contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this chapter as respects bodily injury and death or property damage, or both, and is subject to all of the provisions of this chapter.

(b) Provisions deemed incorporated in such policy. Every motor vehicle liability policy is subject to the following provisions, which need not be contained therein:

(1) The liability of the insurance carrier with respect to the insurance required by this chapter shall become absolute whenever injury or damage covered by the motor vehicle liability policy occurs;

(2) The policy may not be cancelled or annulled as to the liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage;

(3) No statement made by the insured or on his behalf and no violation of the policy shall defeat or void the policy;

(4) The satisfaction by the insured of a judgment for the injury or damage shall not be a condition precedent to the right or duty of the insurance carrier to make payment on account of the injury or damage;

(5) The insurance carrier shall have the right to settle any claim covered by the policy, and if the settlement is made in good faith, the amount thereof shall be deductible from the limits of liability specified in Section 38‑77‑140; and

(6) The policy, written application therefor, if any, and any rider or endorsement which does not conflict with the provisions of this chapter shall constitute the entire contract between the parties.

(c) What policy need not cover. The motor vehicle liability policy need not insure any liability under the Workers’ Compensation Law nor any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or while engaged in the operation, maintenance, or repair of the motor vehicle, nor any liability for damage to property owned by, rented to, in charge of, or transported by the insured.

(d) Additional coverage permitted. Any policy which grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy and the excess or additional coverage shall not be subject to the provisions of this chapter. With respect to a policy which grants this excess or additional coverage, the term ‘motor vehicle liability policy’ shall apply only to that part of the coverage which is required by this article.

(e) Additional permissible provisions. Any motor vehicle liability policy may provide:

(1) That the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of this chapter; and

(2) For the prorating of the insurance thereunder with other valid and collectible insurance.

(f) Requirements may be met by several policies. The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers which policies together meet such requirements.

(g) Legal binder deemed to meet requirements. Any legal binder issued pending the issuance of a motor vehicle liability policy shall be considered as fulfilling the requirements for such policy.

(h) ~~Notice required to cancel certified policy; cancellation by subsequent policy. When an insurance carrier has certified a motor vehicle liability policy under Sections 56‑9‑550 or 56‑9‑560, the insurance so certified shall not be cancelled or terminated until at least ten days after a notice of cancellation or termination of the insurance certified shall be filed with the Department of Motor Vehicles, except that a policy subsequently procured and certified shall at 12:01 A. M., on the effective date of its certification, terminate the insurance previously certified with respect to any motor vehicle designated in both certificates.~~

~~(i)~~ Other required policies unaffected. This chapter shall not be held to apply to or affect policies of automobile insurance against liability insuring public carriers or policies which may be required by any other law of this State, any law or ordinance of any municipality or any law or regulation of the United States or any of its agencies~~, and those policies, if they contain an agreement or are endorsed to conform with the requirements of this chapter, may be certified as proof of financial responsibility under this chapter~~.

~~(j)~~(i) Chapter inapplicable to policies covering use by employees, etc., of vehicles not owned by insured. This chapter shall not be held to apply to or affect policies insuring solely the insured named in the policy against liability resulting from the maintenance or use by the persons in the insured’s employ or on his behalf of motor vehicles not owned by the insured;”

SECTION 8. Section 56‑9‑30 of the 1976 Code is amended to read:

“Section 56‑9‑30. This chapter does not apply with respect to any motor vehicle owned by the United States, this State, or any political subdivision of this State or any municipality therein, nor~~, except for Section 56‑9‑590,~~ does it apply with respect to any motor vehicle which is subject to other laws of this State which require their owners to carry insurance or to place security in a manner which would make those owners carry insurance or place security in addition to the amounts required by this chapter.”

SECTION 9. Section 56‑9‑440 of the 1976 Code is amended to read:

“Section 56‑9‑440. If the judgment creditor consents in writing, in the form which the Department of Motor Vehicles may prescribe, that the judgment debtor be allowed license and registration or nonresident’s operating privilege, this may be allowed by the Department for six months from the date of the consent and thereafter until the consent is revoked in writing, notwithstanding default in the payment of the judgment or any installment thereof prescribed in Section 56‑9‑490~~, if the judgment debtor furnishes proof of financial responsibility~~.”

SECTION 10. Section 56‑9‑470 of the 1976 Code is amended to read:

“Section 56‑9‑470. The license, registration and nonresident’s operating privilege shall, except as otherwise provided in Section 56‑9‑460, remain suspended and shall not be renewed nor shall any license or registration be thereafter issued in the name of that person, including that person if not previously licensed, until every judgment is satisfied in full or to the extent provided in Section 56‑9‑480 ~~and until the person gives proof of financial responsibility,~~ subject to the exemptions stated in Sections 56‑9‑440 to 56‑9‑460 and 56‑9‑490.

~~A discharge in bankruptcy following the rendering of any judgment shall not relieve the judgment debtor from any of the requirements of this article.~~”

SECTION 11. Section 56‑9‑490 of the 1976 Code is amended to read:

“Section 56‑9‑490. A judgment debtor upon due notice to the judgment creditor may apply to the court in which the judgment was rendered for the privilege of paying the judgment in installments, and the court, in its discretion and without prejudice to any other legal remedies which the judgment creditor may have, may order and fix the amounts and times of payment of the installments.

The Department of Motor Vehicles shall not suspend a license, registration or nonresident’s operating privilege and shall restore any license, registration or nonresident’s operating privilege suspended following nonpayment of a judgment when the judgment debtor ~~gives proof of financial responsibility and~~ obtains an order permitting the payment of the judgment in installments and while the payment of any installment is not in default.

In the event the judgment debtor fails to pay any installment as specified by the order, then upon notice of the default the Department shall suspend the license, registration or nonresident’s operating privilege of the judgment debtor until the judgment is satisfied, as provided in this article.”

SECTION 12. Section 56‑10‑10 of the 1976 Code is amended to read:

“Section 56‑10‑10. Every owner of a motor vehicle required to be registered in this State shall maintain the security required by Section 56‑10‑20 with respect to each motor vehicle owned by him throughout the period the registration is in effect. No certificate of registration may be issued or transferred to an owner by the ~~director of the~~ Department of Motor Vehicles unless the owner or prospective owner produces satisfactory evidence that the security is in effect, including the name of the owner’s automobile liability insurer, and his signed statement, subject to this state’s perjury statutes, that insurance is in place as required by this section.”

SECTION 13. Section 56‑10‑20 of the 1976 Code is amended to read:

“Section 56‑10‑20. The security required under this chapter is a policy or policies written by insurers authorized to write such policies in South Carolina providing for at least (1) the minimum coverages specified in Sections 38‑77‑140 through 38‑77‑230 and (2) the benefits required under Sections 38‑77‑240, 38‑77‑250, and 38‑77‑260. However, the ~~director or his designee~~ Department of Motor Vehicles may approve and accept another form of security in lieu of such a liability insurance policy if he finds that such other form of security is adequate to provide and does in fact provide the benefits required by this chapter.”

SECTION 14. Section 56‑10‑40 of the 1976 Code is amended to read:

“Section 56‑10‑40. Every insurer writing automobile liability insurance in this State and every provider of other security approved and accepted by the ~~director or his designee~~ Department of Motor Vehicles in lieu of such insurance shall notify the ~~Department of Motor Vehicles~~ department ~~in a manner prescribed by regulation~~ of the lapse or termination of any such insurance or security and shall notify the department of compliance transactions required of vehicle owners under Section 56‑10‑650 as prescribed by regulation. These notifications must be made in a manner prescribed by the working group.

Upon receipt of any such notice of lapse or termination the department shall make a reasonable effort to notify the person that his certificate of registration and driving privileges have been suspended and shall recover the certificate from such person and the motor vehicle plate from the vehicle concerned.”

SECTION 15. Section 56‑10‑45(C) of the 1976 Code is amended to read:

“(C) The Department of Motor Vehicles shall collect and keep the reinstatement fee as provided in Section 56‑10‑240 and the per diem fine as provided in Section 56‑10‑245 upon the reinstatement of tags confiscated by local law enforcement agencies pursuant to this section. Fines collected pursuant to Section 56‑10‑240, referring to the monetary penalty of a person who is guilty of a misdemeanor for wilful failure to return his motor vehicle license plates and registration, must be paid to the governing body of the local law enforcement agency confiscating the tags and deposited in the general fund of the local governing body. The ~~director or his designee~~ department shall monthly provide information to local law enforcement agencies, upon request of the local law enforcement agency, on uninsured vehicles.”

SECTION 16. Section 56‑10‑210 of the 1976 Code is amended to read:

“Section 56‑10‑210. As used in this article~~:~~,

~~(1)~~ ~~The term~~ ‘insured motor vehicle’ means a motor vehicle as to which there is maintained the security required by Section 56‑10‑20.

~~(2)~~ ~~The term ‘operator’ means every person who drives or is in actual physical control of a motor vehicle or who is exercising control over or steering a vehicle being towed by a motor vehicle.~~

~~(3)~~ ~~[Deleted]~~”

SECTION 17. Section 56‑10‑220 of the 1976 Code is amended to read:

“Section 56‑10‑220. Every person applying for registration for a motor vehicle shall at the time of such registration and licensing declare the vehicle to be an insured motor vehicle under the penalty set forth in Section 56‑10‑260 and shall execute and furnish to the Department of Motor Vehicles his certificate that such motor vehicle is an insured motor vehicle, and that he will maintain insurance thereon during the registration period. The certificate must be in the form prescribed by the department with input from the Department of Insurance and the working group. The department may require any registered owner or any applicant for registration and licensing of a motor vehicle declared to be an insured motor vehicle to submit a certificate of insurance executed by an authorized agent or representative of an insurance company authorized to do business in this State. Such certificate ~~must~~ also must be in a form prescribed by the department with input from the Department of Insurance and the working group. The Department of Motor Vehicles with input from the Department of Insurance and the working group ~~may promulgate a regulation to~~ shall require proof of insurance on new and renewal registrations which may be submitted on behalf of the applicant by the agent or insurer in a manner acceptable to the Department of Motor Vehicles.”

SECTION 18. Section 56‑10‑225(B) of the 1976 Code is amended to read:

“(B) The owner of a motor vehicle must maintain proof of ~~financial responsibility~~ insurance in the motor vehicle at all times, and it must be displayed upon demand of a police officer or any other person duly authorized by law. Evidence of ~~financial responsibility~~ insurance may be provided by use of a mobile electronic device in a format issued by an automobile insurer. This section does not require that an automobile insurer issue verification concerning the existence of coverage it provides an insured in an electronic format. Information contained or stored in a mobile electronic device presented pursuant to this subsection is not subject to a search by a law enforcement officer except pursuant to the provisions of Section 17‑13‑140 providing for the issuance, execution, and return of a search warrant or pursuant to the express written consent of the lawful owner of the device.”

SECTION 19. Section 56‑10‑240(B) of the 1976 Code is amended to read:

“(B) The Department of Motor Vehicles, in its discretion, may authorize insurers to utilize alternative methods of providing notice of cancellation, refusal to renew, new policies written, and renewals to the department. The department 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~~ insurance requirements as set forth in this chapter, has the right to appeal the suspension immediately to the Director of the Department of Insurance. If the Director of the Department of Insurance determines that the person has sufficient liability insurance coverage, he shall notify the department and 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.”

SECTION 20. Section 56‑10‑260(B)(1) of the 1976 Code is amended to read:

“(1) If a person is employed or enrolled in a college or university at any time while his driver’s license is suspended pursuant to this section, he may apply for a special restricted driver’s license permitting him to drive only to and from work or his place of education and in the course of his employment or education during the period of suspension. The department may issue the special restricted driver’s license only upon a showing by the person that he is employed or enrolled in a college or university, and that he lives further than one mile from his place of employment or place of education. ~~The department may not issue the special restricted driver’s license until proof of financial responsibility has been filed.~~”

SECTION 21. Section 56‑10‑280(A) of the 1976 Code is amended to read:

“(A) Contracts or policies of insurance issued to meet the ~~financial responsibility~~ insurance requirements prescribed in this chapter must be issued for not less than six months. A contract or policy of insurance remains in effect at least sixty days notwithstanding a power of attorney which may purport to give the attorney‑in‑fact the right to effect cancellation on behalf of the insured. However, a contract or policy may be canceled within the first sixty days only under one or more of the following circumstances:

(1) a check or bank draft tendered by the insured for payment to an agent, an insurance company, or a premium finance company is returned unpaid for insufficient funds or other reason by the insured’s financial institution. If the check or draft is an initial payment made by an applicant for insurance or a payment made by an insured to renew a policy, the cancellation is effective as of the policy inception or renewal date;

(2) the insured produces satisfactory proof from the Department of Motor Vehicles that he has sold or otherwise disposed of the insured vehicle or surrendered its tags and registration;

(3) the insured has secured another policy that meets the ~~financial responsibility~~ insurance requirements prescribed in this chapter;

(4) the insured fails to pay when due the premium for the policy, an installment of the premium, or an installment payment under a premium service contract. The contract or policy of insurance must remain in effect for at least thirty days.”

SECTION 22. Section 56‑10‑510 of the 1976 Code is amended to read:

“Section 56‑10‑510. (A) In addition to any other fees prescribed by law, every person registering an uninsured motor vehicle, as defined in Section 56‑9‑20, at the time of registering or reregistering the uninsured vehicle, shall pay a fee of five hundred and fifty dollars. Notwithstanding any other provision of law, fifty dollars of the uninsured motor vehicle fee is nonrefundable and is directed to be paid to the South Carolina Reinsurance Facility for the recoupment of assessments or losses of the South Carolina Reinsurance Facility pursuant to Section 56‑10‑554 until otherwise ordered by the director of the Department of Insurance. However, if the uninsured motor vehicle is being registered for a period of less than a full year, the uninsured motor vehicle fee exclusive of any nonrefundable portion must be prorated to conform to the registration period. This uninsured motor vehicle fee shall be increased annually based upon and in relation to the average rate level increases for private passenger automobile insurance coverages by insurers in this State. The director of the Department of Insurance, by annual order, will set this exact fee. The application for registering an uninsured vehicle must have the following statements printed on or attached to the first page of the form, boldface, twelve‑point type: ‘THIS $550 FEE IS NOT AN INSURANCE PREMIUM AND YOU ARE NOT PURCHASING ANY INSURANCE BY PAYING THIS FEE. THIS $550 UNINSURED MOTORIST FEE IS FOR THE PRIVILEGE TO DRIVE AND OPERATE AN UNINSURED MOTOR VEHICLE ON THE SOUTH CAROLINA ROADS.’ This uninsured motorist notice required by this section ~~must~~ also must be given to the person registering an uninsured motor vehicle. The ~~director~~ Department of Motor Vehicles shall prescribe the exact format of this notice ~~by regulation~~ and shall adjust the amount of this fee annually as part of the order by the director of the Department of Insurance adjusting the uninsured motorist fee in relation to the average rate level increases for private passenger automobile insurance coverages by insurers in this State. ~~Every person applying for registration of a motor vehicle and declaring it to be an insured motor vehicle, under the penalties set forth in Section 56‑10‑520, shall execute and furnish to the director his certificate that the motor vehicle is an insured motor vehicle as defined by the laws of this State, or that the director has issued to its owner, in accordance with Section 56‑9‑60, a certificate of self‑insurance applicable to the vehicle sought to be registered. The director, or his designee, may require any registered owner of a motor vehicle declared to be insured or any applicant for registration of a motor vehicle to be an insured to submit a certificate of insurance on a form prescribed by the director. The director must forward the certificate of insurance or bond to the insurance company or surety company, whichever is applicable, for verification as to whether the policy or bond named in the certificate is currently in force. At that time, and not later than thirty days following receipt of the certificate of insurance, the insurance company or surety company must cause to be filed with the director a written notice if the policy or bond was not applicable as to the named insured. The director must prescribe the manner in which the written notice must be made. The refusal or neglect of any owner within thirty days to submit the certificate of insurance when required by the director or his designee or the notification by the insurance company or surety company that the policy or bond named in the certificate of insurance is not in effect, must require the director to suspend any driver’s license and all registration certificates and license plates issued to the owner of the motor vehicle until the person:~~

~~(1)~~ ~~has paid to the director of the Department of Motor Vehicles a fee of three hundred dollars to be disposed of as provided for in Sections 56‑10‑550 and 56‑10‑552 with respect to the motor vehicle determined to be uninsured; and~~

~~(2)~~ ~~furnishes proof of financial responsibility for the future in the manner prescribed in Section 56‑10‑10, et seq. of this chapter.~~ (B) An order of suspension required by this section is not effective until the director 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 hearing must be included in the order of suspension. ~~When three years have elapsed from the effective date of the suspension required in this section, the director may relieve the person of the requirement of furnishing proof of future financial responsibility.~~

(C) If the ~~director~~ department determines that the fee applicable to the registration of an uninsured motor vehicle has been paid on the vehicle in question on or before the date that the insurance certificate was requested, no suspension action must be taken. The ~~director~~ department shall suspend the driver’s license and all registration certificates and license plates of any person on receiving a record of his conviction of a violation of any provisions of Section 56‑10‑520, but the ~~director~~ department shall dispense with the suspension when the person is convicted for a violation of Section 56‑10‑520 and the ~~Department of Motor Vehicle’s~~ department’s records show conclusively that the motor vehicle was insured or that the fee applicable to the registration of an uninsured motor vehicle has been paid by the owner before the date and time of the alleged offense.”

SECTION 23. Section 56‑10‑520 of the 1976 Code is amended to read:

“Section 56‑10‑520. A person who owns an uninsured motor vehicle:

(1) licensed in the State; or

(2) subject to registration in the State; who operates or permits the operation of that motor vehicle without first having paid to the ~~director~~ department the uninsured motor vehicle fee required by Section 56‑10‑510, to be disposed of as provided by Section 56‑10‑550, is guilty of a misdemeanor.

A person who is the operator of an uninsured motor vehicle and not the titled owner, who knows that the required fee has not been paid to the director, is guilty of a misdemeanor and, upon conviction, must: for a first offense be fined no less than one hundred dollars and not more than two hundred dollars or imprisoned for thirty days; for a second offense be fined two hundred dollars or imprisoned for thirty days, or both; or for a third or subsequent offense must be imprisoned for not less than forty‑five days nor more than six months. Only convictions which occurred within five years, including and immediately preceding the date of the last conviction, constitute prior convictions within the meaning of this section.

The ~~director or his designee~~ department, having reason to believe that a motor vehicle is being operated or has been operated on any specified date, may require the owner of such motor vehicle to submit the certificate of insurance provided for by Section 56‑10‑510. The refusal or neglect of the owner who has not, before the date of operation, paid the uninsured motor vehicle fee required by Section 56‑10‑510 as to such motor vehicle, to furnish such certificate must be prima facie evidence that the motor vehicle was an uninsured motor vehicle at the time of such operation. A person who presents or causes to be presented to the ~~director~~ department a false certificate that a motor vehicle is an insured motor vehicle or false evidence that a motor vehicle sought to be registered is an insured motor vehicle, is guilty of a misdemeanor and, upon conviction, must be fined pursuant to Section 56‑10‑260.

Abstracts of records of conviction, as defined in this title, of any violation of any of the provisions of this section must be forwarded to the ~~director~~ department as prescribed by Section 56‑9‑330. The ~~director~~ department shall suspend the driver’s license and all registration certificates and license plates of any titled owner of an uninsured motor vehicle upon receiving notice of a violation of any provisions of this section, and the ~~director~~ department shall not thereafter reissue the driver’s license and the registration certificates and license plates issued in the name of such person until such person pays the fee applicable to the registration of an uninsured motor vehicle as prescribed in Section 56‑10‑510 ~~and furnishes proof of future financial responsibility as prescribed by this section~~. Notice of such suspension shall be made in the form provided for in Section 56‑1‑465. ~~However, when three years have elapsed from the date proof was required, the director may relieve the person of the requirement of furnishing proof of future financial responsibility.~~ When the suspension results from a conviction for presenting or causing to be presented to the ~~director~~ department a false certificate as to whether a motor vehicle is an insured motor vehicle or false evidence that any motor vehicle sought to be registered is insured, then the ~~director~~ department shall not thereafter reissue the driver’s license and the registration certificates and license plates issued in the name of the person so convicted for a period of one hundred eighty days from the date of the order of suspension, and only then when all other provisions of law have been complied with by the person. The ~~director~~ department shall suspend the driver’s license of any person who is the operator but not the titled 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.”

SECTION 24. Section 56‑10‑530 of the 1976 Code is amended to read:

“Section 56‑10‑530. When it appears to the ~~director~~ department from ~~the~~ its records ~~of his office~~ 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 with respect to which motor vehicle the owner thereof has not paid the uninsured motor vehicle fee as prescribed in Section 56‑10‑510, the ~~director~~ department shall, in addition to enforcing the applicable provisions of Section 56‑10‑10, et seq. of this chapter, 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 ~~director of the Department of Motor Vehicles~~ department a reinstatement fee as provided by Section 56‑10‑510, to be disposed of as provided by Section 56‑10‑550, with respect to the motor vehicle involved in the accident ~~and furnishes proof of future financial responsibility in the manner prescribed in Section 56‑9‑350, et seq~~. However, no order of suspension required by this section must become effective until the ~~director~~ 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. Notice of such suspension shall be made in the form provided for in Section 56‑1‑465. ~~However, when three years have elapsed from the effective date of the suspension herein required, the director may relieve such person of the requirement of furnishing proof of future financial responsibility.~~ 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 or, presentation by such person of evidence that the additional fee applicable to the registration of an uninsured motor vehicle had been paid to the department before the date and time of the accident, is sufficient bar to the suspension provided for in this section.”

SECTION 25. Section 56‑10‑535 of the 1976 Code is amended to read:

“Section 56‑10‑535. The ~~director~~ department, upon receiving notice at the time of application or at any time during participation in the fund that a titled owner of a motor vehicle has been convicted of one of the following violations: disobedience of any official traffic device; failure to stop for law enforcement officer when signaled; disobedience to any officer directing traffic; failure to stop for a school bus; leaving the scene of an accident where injury to a person or damage to property results; theft or unlawful taking of a vehicle; racing on public highways; driving under the influence of intoxicating liquor or narcotic drugs or where injury to a person of over six hundred dollars per person or damage to property of the insured or other person of over one thousand dollars results; reckless driving where injury to a person of over six hundred dollars per person or damage to property of the insured or other person of over one thousand dollars results, homicide or assault arising out of the operation of a motor vehicle; any felony involving the use of a motor vehicle; the transporting of illegal whiskey or unlawful drugs or other controlled or narcotic substances; reckless homicide; wilful making of false statements in the application for license or registration; impersonating an applicant for license or registration or procuring a license or registration through impersonation whether for himself or another; any three or more moving traffic convictions; any two or more accidents for which the owner is responsible and where injury to a person of over six hundred dollars per person or damage to property of the insured or other persons of over one thousand dollars results, or if any household driver has been licensed for less than three years; then the department shall require the owner to ~~furnish proof of financial responsibility in the manner prescribed by the director~~ insure his vehicles.

~~However, when three years have elapsed from the effective date of any conviction for the above offenses, the director may relieve such person of the requirement of furnishing proof of future financial responsibility.~~”

SECTION 26. Section 56‑10‑540 of the 1976 Code is amended to read:

“Section 56‑10‑540. ~~Whenever any proof of financial responsibility filed by any person as required by this chapter no longer fulfills the purpose for which required, the director shall require other proof of financial responsibility as required by this chapter and shall suspend such person’s driver’s license, registration, certificates, and license plates and decals pending the furnishing of proof in a manner prescribed by the director. Notice of such suspension shall be made in the form provided for in Section 56‑1‑465.~~

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 every such license, registration certificate, and set of license plates and decals held by him to the ~~director~~ 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 ~~56‑9‑310~~ 56‑9‑330, et seq.”

SECTION 27. Section 56‑10‑550 of the 1976 Code is amended to read:

“Section 56‑10‑550. Except as provided in Sections 56‑10‑552 and 56‑10‑554, funds collected by the ~~director of 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 ~~director of 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 28. Section 56‑10‑551 of the 1976 Code is amended to read:

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

SECTION 29. Section 56‑10‑554 of the 1976 Code is amended to read:

“Section 56‑10‑554. As provided in Section 56‑10‑510, fifty dollars of the uninsured motor vehicle fee paid per vehicle is nonrefundable and must be used to recoup assessments or losses of the South Carolina Reinsurance Facility. Upon collection by the ~~director of the Department of Motor Vehicles~~ department from any person registering an uninsured vehicle, this money must be placed by the ~~director of the Department of Motor Vehicles~~ department on deposit with the State Treasurer to be held in a special account called the ‘Recoupment Fund’, payable on a quarterly basis, to provide for the recoupment of facility assessments or losses. Upon final recoupment of facility losses as the South Carolina Reinsurance Facility ceases to exist, the director of the Department of Insurance shall by order (1) set the uninsured motor vehicle fee which does not include the fifty dollars dedicated for the recoupment of facility assessments or losses; (2) inform the ~~director of the Department of Motor Vehicles~~ department that the facility assessments or losses have been recouped and when the ~~Department of Motor Vehicles~~ department must cease collection from every person registering an uninsured motor vehicle, as well as transmittal to the State Treasurer, of this fifty dollar portion; and (3) direct the State Treasurer to transfer any used portion of the ‘Recoupment Fund’ to the ‘Uninsured Motorist Fund’. The ~~director of the Department of Motor Vehicles~~ department must cease collection of this fifty dollars as part of the uninsured motor vehicle fee which has been dedicated for the recoupment of facility assessments or losses as provided in the order issued by the director of the Department of Insurance.”

SECTION 30. Section 56‑10‑650(B) of the 1976 Code is amended to read:

“(B) Verification in a manner prescribed by regulation from an insurer or agent verifying that the person had the required motor vehicle insurance coverage on the date specified is considered proof of ~~financial responsibility~~ insurance for purposes of this section.”

SECTION 31. Section 56‑25‑20 of the 1976 Code is amended to read:

“Section 56‑25‑20. When a South Carolina court or the driver licensing authority of a compact jurisdiction notifies the Department of Motor Vehicles that a resident of South Carolina or person possessing a valid South Carolina driver’s license has failed to comply with the terms of a traffic citation or an official Department of Natural Resources summons for a littering violation issued in this or any compact jurisdiction, the department may suspend or refuse to renew the person’s driver’s license if the notice from a South Carolina court or the driver licensing authority of a compact jurisdiction is received no more than twelve months from the date on which the traffic citation or an official Department of Natural Resources summons for a littering violation was issued or adjudicated. The license must remain suspended until satisfactory evidence has been furnished to the department of compliance with the terms of the citation or an official Department of Natural Resources summons for a littering violation and any further order of the court having jurisdiction in the matter and until a reinstatement fee as provided in Section 56‑1‑390 is paid to the department. ~~A person whose license is suspended under this section is not required to file proof of financial responsibility as required by the Financial Responsibility Act (Chapter 9 of Title 56) as a condition for reinstatement.~~

Upon notification by a South Carolina court that a nonresident licensed in a compact jurisdiction has failed to comply with the terms of a traffic citation or an official Department of Natural Resources summons for a littering violation, the department shall notify the licensing authority in the compact jurisdiction for such action as appropriate under the terms of the compacts.”

SECTION 32. Sections 56‑9‑460, 56‑9‑500, 56‑9‑505, 56‑9‑510, 56‑9‑520, 56‑9‑530, 56‑9‑540, 56‑9‑550, 56‑9‑560, 56‑9‑570, 56‑9‑580, 56‑9‑590, 56‑9‑600, 56‑9‑610, 56‑9‑620, 56‑9‑630, and 56‑10‑46 are repealed.

SECTION 33. This act takes effect upon approval by the Governor.

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