**A** **BILL**

TO AMEND SECTION 12‑28‑310, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE USER FEE ON GASOLINE AND DIESEL FUEL, SO AS TO INCREASE THE FEE TO TWENTY‑ONE CENTS A GALLON, AND TO REQUIRE THE DEPARTMENT TO ADJUST THE USER FEE ANNUALLY BY AN INFLATION FACTOR EQUAL TO THE ANNUAL AVERAGE PERCENTAGE ADJUSTMENT IN THE PREVIOUS TEN COMPLETED CALENDAR YEARS OF THE CONSUMER PRICE INDEX; TO AMEND SECTION 56‑11‑410, RELATING TO THE ROAD TAX, SO AS TO INCREASE THE ROAD TAX IN THE SAME MANNER AS THE USER FEE; AND BY ADDING SECTION 56‑3‑930 SO AS TO IMPOSE AN ADDITIONAL ANNUAL ROAD FEE ON THE OWNER OF A HYBRID, PLUG‑IN HYBRID, OR ELECTRIC MOTOR VEHICLE, AND TO SET FORTH THE EQUATION BY WHICH THE ADDITIONAL ANNUAL ROAD FEE IS CALCULATED.

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

SECTION 1. A. Section 12‑28‑310 of the 1976 Code, as last amended by Act 386 of 2006, is further amended to read:

“Section 12‑28‑310. (A) Subject to the exemptions provided in this chapter, a user fee of ~~sixteen~~ twenty‑one cents a gallon is imposed on:

(1) all gasoline, gasohol, or blended fuels containing gasoline that are used or consumed for any purpose in this State; and

(2) all diesel fuel, substitute fuels, or alternative fuels, or blended fuels containing diesel fuel that are used or consumed in this State in producing or generating power for propelling motor vehicles.

(B) The user fee levied on motor fuel subject to the user fee pursuant to this chapter is a levy and assessment on the consumer, and the levy and assessment on other persons as specified in this chapter are as agents of the State for the collection of the user fee. This section does not affect the method of collecting the user fee as provided in this chapter. The user fee imposed by this section must be collected and paid at those times, in the manner, and by the persons specified in this chapter.

(C) The license user fee imposed by this section is instead of all sales, use, or other excise tax that may be imposed otherwise by any municipality, county, or other local political subdivision of the State.

(D)(1) The department shall increase the amount of the user fee imposed pursuant to subsection (A) on an annual basis by an inflation factor equal to the annual average percentage adjustment over the last ten completed calendar years of the Consumer Price Index for all‑urban consumers as published by the United States Department of Labor, Bureau of Labor Statistics. Upon determining the increase, the department shall round the user fee to the nearest one‑tenth of a cent. If the user fee is exactly between two one‑tenths of a cent, the department must round the rate up to the higher of the two. The department shall determine the increase in the user fee by March thirty‑first of each year, and the increase shall take effect the following July first. The department must notify affected taxpayers of the user fee to be in effect for the coming July first to June thirtieth period.

(2) Notwithstanding the provisions of item (1), the user fee may not be increased by more than one and one‑half cent in a single year.

(E) Notwithstanding any other provision of law, any amount of the user fee collected in excess of sixteen cents a gallon must be credited to the State Highway Fund.”

B. The first adjustment to the user fee imposed pursuant to Section 12‑28‑310 shall take effect July 1, 2014.

SECTION 2. A. Section 56‑11‑410 of the 1976 Code is amended to read:

“Section 56‑11‑410. (A) A road tax for the privilege of using the streets and highways in this State is imposed upon every motor carrier. The tax is equivalent to ~~sixteen~~ twenty‑one cents a gallon, calculated on the amount of gasoline or other motor fuel used by the motor carrier in its operations within this State. Except as credit for certain taxes as provided for in this chapter, taxes imposed on motor carriers by this chapter are in addition to taxes imposed upon the carriers by any other provision of law.

(B) The department shall increase the amount of the road tax imposed pursuant to subsection (A) in the same manner as it adjusts the user fee imposed pursuant to Section 12‑28‑310.

(C) Notwithstanding any other provision of law, any amount of the road tax collected in excess of sixteen cents a gallon must be credited to the State Highway Fund.”

B. The first adjustment to the road tax imposed pursuant to Section 56‑11‑410 shall take effect July 1, 2014.

SECTION 3. A. Article 5, Chapter 3, Title 56 of the 1976 Code is amended by adding:

“Section 56‑3‑930. (A) In addition to the fees required to register and license a vehicle pursuant to this article, including the renewal of a registration and license, the owner of a hybrid, plug‑in hybrid, or electric motor vehicle shall pay an additional annual road fee. The additional annual road fee is due at the time the vehicle is registered and licensed. No vehicle may be registered or licensed without payment of the additional annual road fee.

(B) The additional road fee is calculated by multiplying a fraction by the amount of the user fee imposed pursuant to Section 12‑28‑310 at the time the additional road fee is paid. The numerator of the fraction is the annual average miles driven for all drivers as determined by the United States Department of Transportation. The denominator of the fraction is the average miles per gallon for the vehicle being registered and licensed as determined by the United States Environmental Protection Agency. If a registration and license is for a biennium, the additional annual road fee must be multiplied by two.

(C) If any portion of the registration and license fee is refunded, the additional annual road fee must be refunded in the same proportion.

(D) The revenue generated by the additional annual road fee must be credited to the State Highway Fund.”

B. This SECTION takes effect July 1, 2014.

SECTION 4. Except as specified otherwise, this act takes effect upon approval by the Governor.

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