**South Carolina General Assembly**

121st Session, 2015-2016

**H. 3580**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Stringer, Toole, Ballentine, Hamilton, Rivers, Quinn, Taylor, Kennedy, Hixon, Erickson, Bannister, Allison, Huggins, Collins, Goldfinch, Atwater, Murphy, Cole, Felder, Forrester, Gagnon, Henderson, Horne, Loftis, Long, Lowe, McCoy, Norman, G.M. Smith, Tallon, Wells, Willis, Clemmons, Duckworth, H.A. Crawford, Herbkersman, Newton, Corley and Hicks

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Introduced in the House on February 11, 2015

Currently residing in the House Committee on **Ways and Means**

Summary: SC Infrastructure and Economic Development Reform Act

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/11/2015 House Introduced and read first time ([House Journal‑page 65](file:///h:\HJ%20Archive\2015\02-11-15.docx))

2/11/2015 House Referred to Committee on **Ways and Means** ([House Journal‑page 65](file:///h:\HJ%20Archive\2015\02-11-15.docx))

2/17/2015 House Member(s) request name added as sponsor: Clemmons, Duckworth, H.A.Crawford

2/17/2015 House Member(s) request name removed as sponsor: Pope

2/17/2015 House Member(s) request name added as sponsor: Herbkersman

2/17/2015 House Member(s) request name removed as sponsor: D.C.Moss

2/18/2015 House Member(s) request name removed as sponsor: Hicks

2/18/2015 House Member(s) request name added as sponsor: Newton

2/24/2015 House Member(s) request name added as sponsor: Putnam, Hicks

3/3/2015 House Member(s) request name added as sponsor: Corley

3/24/2015 House Member(s) request name removed as sponsor: Bingham

3/26/2015 House Member(s) request name removed as sponsor: Nanney

1/19/2016 House Member(s) request name removed as sponsor: Putnam

1/28/2016 House Member(s) request name removed as sponsor: G.R.Smith, Bedingfield

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**VERSIONS OF THIS BILL**

[2/11/2015](file:///p:\pprever\2015-16\3580_20150211.docx)

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, SO AS TO ENACT THE “SOUTH CAROLINA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT REFORM ACT”; TO DEVOLVE THE DUTIES OF THE COMMISSION OF THE DEPARTMENT OF TRANSPORTATION UPON THE SECRETARY OF THE DEPARTMENT OF TRANSPORTATION; TO AMEND SECTION 1‑30‑10, AS AMENDED, RELATING TO THE DEPARTMENTS OF STATE GOVERNMENT AND THEIR GOVERNING BODIES, SO AS TO DELETE THE PROVISION THAT PROVIDES THAT PART OF THE GOVERNING BODY OF THE DEPARTMENT OF TRANSPORTATION IS A SEVEN‑MEMBER COMMISSION; TO AMEND SECTION 1‑30‑105, AS AMENDED, RELATING TO THE ESTABLISHMENT OF THE DEPARTMENT OF TRANSPORTATION, SO AS TO PROVIDE THAT THE GOVERNING AUTHORITY OF THE DEPARTMENT OF TRANSPORTATION IS THE SECRETARY OF TRANSPORTATION; TO AMEND SECTION 1‑3‑240, AS AMENDED, RELATING TO THE REMOVAL OF CERTAIN OFFICERS BY THE GOVERNOR, SO AS TO DELETE THE PROVISION THAT PROVIDES THE DEPARTMENT OF TRANSPORTATION COMMISSIONERS MAY BE REMOVED FROM OFFICE BY THE GOVERNOR UNDER CERTAIN CIRCUMSTANCES; TO AMEND SECTION 11‑43‑140, RELATING TO THE BOARD OF DIRECTORS OF THE TRANSPORTATION INFRASTRUCTURE BANK, SO AS TO REMOVE THE CHAIRMAN OF THE DEPARTMENT OF TRANSPORTATION COMMISSION AS A DIRECTOR, AND TO PROVIDE THAT THE SECRETARY OF TRANSPORTATION IS A MEMBER OF THE BOARD; TO AMEND SECTIONS 57‑1‑10, AS AMENDED, 57‑1‑40, AS AMENDED, 57‑1‑360, 57‑1‑370, 57‑1‑430, AS AMENDED, 57‑1‑490, AS AMENDED, AND 57‑3‑20, AS AMENDED, RELATING TO THE ESTABLISHMENT OF THE DEPARTMENT OF TRANSPORTATION, AND ITS DUTIES AND RESPONSIBILITIES, SO AS TO ELIMINATE THE DEPARTMENT OF TRANSPORTATION COMMISSION AND ITS RESPONSIBILITIES, TO ALLOW THE GOVERNOR TO APPOINT THE SECRETARY OF TRANSPORTATION AND REQUIRE THE DEPARTMENT OF TRANSPORTATION SUBMIT TO THE GENERAL ASSEMBLY AN ITEMIZED PROJECT LIST TO BE FUNDED FOR THE FISCAL YEAR IN WHICH THE GENERAL ASSEMBLY WOULD ENACT ITS ANNUAL GENERAL APPROPRIATIONS ACT; TO AMEND SECTION 57-1-500, RELATING TO A DEPARTMENT OF TRANSPORTATION ETHICS WORKSHOP, SO AS TO DELETE THE DEPARTMENT OF TRANSPORTATION COMMISSIONERS AS PARTICIPANTS IN THIS WORKSHOP; TO AMEND SECTION 57‑3‑50, RELATING TO THE ESTABLISHMENT OF HIGHWAY DISTRICTS, SO AS TO SUBSTITUTE THE TERM “DEPARTMENT” FOR THE TERM “COMMISSION”; TO AMEND SECTION 57‑1‑90, RELATING TO MOTORCYCLES, SO AS TO MAKE A CONFORMING CHANGE; TO AMEND SECTION 57‑3‑210, RELATING TO THE DEPARTMENT OF TRANSPORTATION CONTRACTING WITH PUBLIC TRANSIT SYSTEMS, SO AS TO MAKE A CONFORMING CHANGE; TO AMEND SECTION 57‑3‑700, RELATING TO THE DEPARTMENT OF TRANSPORTATION SERVING AS AN AGENT FOR COUNTIES, SO AS TO MAKE A CONFORMING CHANGE; TO AMEND SECTION 57‑5‑10, AS AMENDED, RELATING TO THE COMPOSITION OF THE STATE HIGHWAY SYSTEM, SO AS TO MAKE A CONFORMING CHANGE; TO AMEND SECTION 57‑5‑50, RELATING TO THE TRANSFER OF CERTAIN ROADS, SO AS TO MAKE A CONFORMING CHANGE; TO AMEND SECTION 57‑5‑90, RELATING TO BELT LINES AND SPURS, SO AS TO MAKE A CONFORMING CHANGE; TO AMEND SECTION 57‑5‑310, RELATING TO THE OWNERSHIP OF REAL ESTATE, SO AS TO MAKE A CONFORMING CHANGE; TO AMEND SECTION 57‑5‑340, RELATING TO THE DISPOSITION OF REAL ESTATE, SO AS TO MAKE A CONFORMING CHANGE; TO AMEND SECTION 57‑5‑1350, RELATING TO TURNPIKES, SO AS TO MAKE A CONFORMING CHANGE; TO AMEND SECTIONS 57‑13‑10, 57‑13‑20, 57‑13‑40, AND 57‑13‑50, ALL RELATING TO BRIDGES, SO AS TO MAKE A CONFORMING CHANGE; TO AMEND SECTION 57‑25‑120, AS AMENDED, RELATING TO DEFINITIONS, SO AS TO MAKE A CONFORMING CHANGE; TO AMEND SECTIONS 57‑25‑140, 57‑25‑150 57‑25‑170, 57‑25‑200, AND 57‑25‑210, ALL RELATING TO SIGNS ALONG THE HIGHWAYS, SO AS TO MAKE A CONFORMING CHANGE; AND TO REPEAL Section 57‑1‑310, Section 57‑1‑320, Section 57‑1‑325, Section 57‑1‑330, Section 57‑1‑340, Section 57‑1‑350, SECTION 57‑1‑460, SECTION 57‑1‑470, ARTICLE 7, CHAPTER 1, TITLE 56, AND SECTIONS 6, 7, AND 8 OF ACT 114 OF 2007 ALL RELATING TO THE CREATION AND FUNCTIONS OF THE DEPARTMENT OF TRANSPORTATION AND ITS COMMISSION; TO AMEND SECTION 12‑6‑510, RELATING TO TAX RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS FOR TAXABLE YEARS AFTER 1994, SO AS TO PROVIDE FOR AN ANNUAL TWO TENTHS OF ONE PERCENT REDUCTION IN TAX RATES BEGINNING IN TAX YEAR 2016 AND CEASING AFTER TAX YEAR 2025, AT WHICH TIME THE REDUCTION IN EACH AFFECTED TAX BRACKET SHALL BE PERMANENT; TO AMEND SECTION 12‑28‑310, RELATING TO USER FEES ON GASOLINE AND DIESEL FUEL, TO PROVIDE FOR A TEN CENT INCREASE IN THE MOTOR FUEL USER FEE FOR A PERIOD OF THREE YEARS BEGINNING ON JANUARY 1, 2016 AND ENDING ON JANUARY 1, 2019; 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 TO AMEND SECTION 12‑36‑2647, RELATING TO THE TAX REVENUES COLLECTED FROM THE SALE OR LEASE OF A MOTOR VEHICLE, SO AS TO CREDIT THE PORTION OF THE REVENUES CREDITED TO THE GENERAL FUND TO THE STATE HIGHWAY FUND INSTEAD.

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

Part 1

Citation and Findings

SECTION 1. This act may be cited the “South Carolina Infrastructure and Economic Development Reform Act”.

SECTION 2. (A) The General Assembly finds that the State of South Carolina’s transportation infrastructure is inexorably linked to its economic future and ability to recruit, retain, and promote businesses and that deterioration of the state’s transportation infrastructure creates direct costs to businesses and opportunity costs with respect to deferred business and employment growth.

(B) The General Assembly further finds that substantial improvements to the State Highway System cannot be realized without increasing the financial resources dedicated to the purpose of preserving, maintaining, and rebuilding the State Highway System.

(C) The General Assembly further finds that increasing revenues to the State Highway System through an increase of transportation‑related user fees, such as those levied on motor fuels, would present an undue economic burden on South Carolina’s citizens and businesses and would present an effort contrary to the goals of durable economic development in the absence of complementary decreases in taxes and fees elsewhere in the state’s tax system.

(D) The General Assembly further finds that additional funding alone cannot ensure that transportation revenues are spent on road projects that meet statewide priorities because the current bifurcation of the Department of Transportation’s leadership between a commission and a secretary hampers the ability of the department to effectively execute its mission and the State Transportation Improvement Plan.

(E) Finally, the General Assembly finds that maximizing the impact, and therefore economic development potential, of such additional revenues allocated to the State Highway System requires the restructuring of the governance and project approval processes to refocus the department on statewide interests.

Part II

Abolishing the Commission of the Department of Transportation

SECTION 3. Effective July 1, 2015, the Commission of the Department of Transportation is abolished and its functions, powers, duties, responsibilities, and authority are devolved upon the Secretary of the Department of Transportation unless otherwise provided for in this act.

Part III

Governance and Accountability of Transportation Administration

SECTION 4. Section 1‑30‑10(B)(1)(iv) of the 1976 Code, as last amended by Part IV, Section 6, Act 121 of 2014, is further amended to read:

“(iv) in the case of the Department of Transportation, a ~~seven member commission constituted in a manner provided by law, and a~~ Secretary of Transportation appointed by and serving at the pleasure of the Governor.”

SECTION 5. Section 1‑30‑105 of the 1976 Code, as last amended by Act 114 of 2007, is further amended to read:

“Section 1‑30‑105. (A) Effective on July 1, 1993, the following agencies, boards, and commissions, including all of the allied, advisory, affiliated, or related entities as well as the employees, funds, property, and all contractual rights and obligations associated with any such agency, except for those subdivisions specifically included under another department, are hereby transferred to and incorporated in and shall be administered as part of the Department of Transportation to be initially divided into divisions for Mass Transit, Construction and Maintenance, Engineering and Planning, and Finance and Administration; however, the State Highway Commission as constituted on June 30, 1993, under the provisions of Title 56, shall be the governing authority for the department until February 15, 1994, or as soon as its successors are elected or appointed and qualified, whichever is later.

Department of Highways and Public Transportation, except the Motor Vehicle Division, which was established as the Department of Motor Vehicles by Section 56‑1‑5, and the State Highway Patrol, formerly provided for at Section 56‑1‑10, et seq.

(B) Notwithstanding another provision of law, effective July 1, 2015, the governing authority of the Department of Transportation is the Secretary of Transportation as provided in Section 57‑1‑410.”

SECTION 6. Section 1‑3‑240(C)(1)(b) of the 1976 Code, as last amended by Act 114 of 2007, is further amended to read:

“(b) ~~Department of Transportation Commission~~ Reserved;”

SECTION 7. Section 11‑43‑140 of the 1976 Code is amended to read:

“Section 11‑43‑140. The board of directors is the governing board of the bank. The board consists of seven voting directors as follows: the ~~Chairman~~ Secretary of the Department of Transportation ~~Commission~~, ex officio; one director appointed by the Governor who shall serve as chairman; one director appointed by the Governor; one director appointed by the Speaker of the House of Representatives; one member of the House of Representatives appointed by the Speaker, ex officio; one director appointed by the President Pro Tempore of the Senate; and one member of the Senate appointed by the President Pro Tempore of the Senate, ex officio. Directors appointed by the Governor, the Speaker, and the President Pro Tempore shall serve terms coterminous with those of their appointing authority. The terms for the legislative members are coterminous with their terms of office. The vice chairman must be elected by the board. Any person appointed to fill a vacancy must be appointed in the same manner as the original appointee for the remainder of the unexpired term.”

SECTION 8. Section 57‑1‑10 of the 1976 Code, as last amended by Act 114 of 2007, is further amended to read:

“Section 57‑1‑10. For the purposes of this title, the following words, phrases, and terms are defined as follows:

(1) ~~‘Commission’ means the administrative and governing authority of the Department of Transportation.~~

~~(2)~~ ‘Department’ means the Department of Transportation (DOT).

~~(3)~~(2) ‘Secretary of Transportation’ means the Chief Administrative Officer of the Department of Transportation.”

SECTION 9. Section 57‑1‑40 of the 1976 Code, as last amended by Act 114 of 2007, is further amended to read:

“Section 57‑1‑40. (A) It is unlawful for ~~a member of the commission or~~ an official, an engineer, agent, or other employee, acting for or on behalf of the department ~~or commission~~, to accept or agree to accept, receive or agree to receive, or ask or solicit, either directly or indirectly, with the intent to have his decision or action on any question, matter, cause, or proceeding which at the time may be pending or which by law may be brought before him in his official capacity or in his place of trust or profit influenced, any:

(1) money;

(2) contract, promise, undertaking, obligation, gratuity, or security for the payment of money or for the delivery or conveyance of anything of value;

(3) political appointment or influence, present, or reward;

(4) employment; or

(5) other thing of value.

A person violating the provisions of subsection (A) is guilty of a felony and, upon conviction, must be imprisoned not more than five years and is disqualified forever from holding any office of trust or profit under the Constitution or laws of this State.

(B) It is unlawful for a person to give or offer to give, promise, or cause or procure to be promised, offered, or given, either directly or indirectly, to ~~a member of the commission or~~ an official, an engineer, agent, or other employee acting for or on behalf of the ~~commission or~~ department with the intent to have his decision or action on any question, matter, cause, or proceeding which at the time may be pending or which by law may be brought before him in his official capacity or in his place of trust or profit influenced, any:

(1) money;

(2) contract, promise, undertaking, obligation, gratuity, or security for the payment of money or for the delivery or conveyance of anything of value;

(3) political appointment or influence, present, or reward;

(4) employment; or

(5) other thing of value.

A person violating the provisions of subsection (B) is guilty of a felony and, upon conviction, must be imprisoned not more than five years and is disqualified forever from holding any office of trust or profit under the Constitution or laws of this State.

(C) ~~The members and employees of the commission and~~ ~~employees~~ Any official or employee of the department ~~are~~ is subject to the provisions of Chapter 13, Title 8, the State Ethics Act, and the provisions of Chapter 78, Title 15, the South Carolina Tort Claims Act.”

SECTION 10. Section 57‑1‑360 of the 1976 Code, as added by Act 114 of 2007, is amended to read:

“Section 57‑1‑360. (A) The ~~commission~~ secretary must appoint a chief internal auditor and hire other professional, administrative, technical, and clerical personnel as the ~~commission~~ secretary determines to be necessary in the proper discharge of the ~~commission~~ secretary’s duties and responsibilities provided by law. The ~~commission~~ secretary also must provide professional, administrative, technical, and clerical personnel, as the ~~commission~~ secretary determines to be necessary, for the chief internal auditor to properly discharge his duties and responsibilities authorized by the ~~commission~~ secretary or provided by law. Except as otherwise provided, any employees hired pursuant to this section shall serve at the pleasure of the ~~commission~~ secretary.

(B)(1) The chief internal auditor shall serve for a term of four years and may be removed by the ~~commission~~ secretary only for malfeasance, misfeasance, incompetency, absenteeism, conflicts of interest, misconduct, persistent neglect of duty in office, or incapacity. The chief internal auditor must be a Certified Public Accountant and possess any other experience the ~~commission~~ secretary may require. The chief internal auditor must establish, implement, and maintain the exclusive internal audit function of all departmental activities. The ~~commission~~ secretary shall set the salary for the chief internal auditor as allowed by statute or applicable law.

(2) The audits performed by the chief internal auditor must comply with recognized governmental auditing standards. The department and any entity contracting with the department must fully cooperate with the chief internal auditor in the discharge of his duties and responsibilities and must timely produce all books, papers, correspondence, memoranda, and other records considered necessary in connection with an internal audit. All final audit reports must be submitted to the ~~commission~~ secretary and the chairman of the Senate Transportation Committee, the chairman of the Senate Finance Committee, the chairman of the House of Representatives Education and Public Works Committee, and the chairman of the House of Representatives Ways and Means Committee before being made public.

(3) The ~~commission~~ secretary is vested with the exclusive management and control of the chief internal auditor.

(C) The department, at its own expense, must provide appropriate office space within its headquarters, building, and facility service, including janitorial, utility and telephone services, computer and technology services, and related supplies, for the chief internal auditor and his support staff.”

SECTION 11. Section 57‑1‑370 of the 1976 Code, as added by Act 114 of 2007, is amended to read:

“Section 57‑1‑370. (A) The ~~commission~~ department must develop the long‑range Statewide Transportation Plan, with a minimum twenty‑year forecast period at the time of adoption, that provides for the development and implementation of the multimodal transportation system for the State. The plan must be developed in a manner consistent with all federal laws or regulations and in consultation with all interested parties, particularly the metropolitan planning organizations and the nonmetropolitan planning organization area local officials. The plan may be revised from time to time as permitted by and in the manner required by federal laws or regulations.

(B) Concerning the development, content, and implementation of the Statewide Transportation Improvement Program, the ~~commission~~ department must:

(1) develop a process for consulting with nonmetropolitan local officials, with responsibility for transportation, that provides an opportunity for their participation in the development of the long‑range Statewide Transportation Plan and the Statewide Transportation Improvement Program;

(2) approve the Statewide Transportation Improvement Program and ensure that it is developed pursuant to federal laws and regulations and approve an updated Statewide Transportation Improvement Program from time to time as permitted by and in the manner required by federal laws or regulations;

(3) develop and revise the transportation plan for inclusion in the Statewide Transportation Improvement Program, for each nonmetropolitan planning area in consultation with local officials with responsibility for transportation;

(4) work in consultation with each metropolitan planning organization to develop and revise a transportation improvement program for each metropolitan planning area;

(5) select from the approved Statewide Transportation Improvement Program the transportation projects undertaken in nonmetropolitan areas in consultation with the affected nonmetropolitan local officials with responsibility for transportation;

(6) select projects to be undertaken, in consultation with each metropolitan planning organization, from the metropolitan planning organization’s approved transportation improvement plan in metropolitan areas not designated as a transportation management area;

(7) consult with each metropolitan planning organization, in metropolitan areas designated as transportation management areas, concerning the projects selected to be undertaken from the approved transportation improvement program and in accordance with the priorities approved by the transportation improvement program; and

(8) when selecting projects to be undertaken from nontransportation management area metropolitan planning organizations’ transportation improvement programs, or selecting the nonmetropolitan area projects to be undertaken that are included in the Statewide Transportation Improvement Program, and when consulting with metropolitan planning organizations designated as transportation management areas, the ~~commission~~ department shall establish a priority list of projects to the extent permitted by federal laws or regulations, taking into consideration at least the following criteria:

(a) financial viability including a life cycle analysis of estimated maintenance and repair costs over the expected life of the project;

(b) public safety;

(c) potential for economic development;

(d) traffic volume and congestion;

(e) truck traffic;

(f) the pavement quality index;

(g) environmental impact;

(h) alternative transportation solutions; and

(i) consistency with local land use plans.

(C)(1) To the extent that state funds are available to address the needs of the state highway system, the ~~commission~~ department must develop a comprehensive plan specifying objectives and performance measures for the preservation and improvement of the existing system. The projects included in this plan must be supported solely by state funds including the Nonfederal Aid Highway Fund or other state revenue source. When developing the plan required by this subsection, the ~~commission~~ department must consider, but is not limited to considering, the criteria in subsection (B)(8).

(2) When state funding is programmed for a project selected from the plan to be undertaken, the department may use federal law, regulations, or guidelines relevant to the type of project being undertaken to be eligible for federal matching funds.

(D) To the extent permitted by federal laws or regulations, the ~~commission~~ department has the authority to award all federal enhancement grants. Annually, the ~~commission~~ department must submit a report to the chairman of the Senate Transportation Committee, the chairman of the Senate Finance Committee, the chairman of the House of Representatives Ways and Means Committee, and the chairman of the House of Representatives Education and Public Works Committee describing the number of federal enhancement grants that were awarded and the recipients of the federal enhancement grants.

(E) The ~~commission~~ secretary must give ~~its~~ prior authorization to any consulting contracts advertised for or awarded by the department and authorize the selection of consultants by department personnel.

(F) Roads may not be added to or removed from the state highway system without prior authorization from the ~~commission~~ secretary.

(G) The department shall conduct a public hearing in each county in which a public hearing is required by federal regulations to allow the department to share information regarding the project with the local community and to allow the local community to address its concerns with department officials. The hearing must include the opportunity for members of the public to address a hearing officer in a format in which comments can be heard by the general public.

(H) The department shall promulgate, by regulation, procedures not inconsistent with federal laws for applying the criteria contained in subsection (B)(8) for prioritizing projects.

~~(I)~~ ~~The department may not sell surplus property without prior authorization from the commission.~~

~~(J)~~ ~~The commission must approve the department’s annual budget.~~

~~(K)~~ ~~The department may not dedicate or name highway facilities without prior authorization from the commission.~~

~~(L)~~ ~~The department may not enter into any contract with a value in excess of five hundred thousand dollars without the prior authorization of the commission.~~

~~(M)~~(I) The ~~commission~~ secretary shall give prior approval to any additional contracts the department wishes to be entered into during a fiscal year with an entity that has already received individual contracts during that fiscal year that in the aggregate value are at least five hundred thousand dollars.

~~(N)~~ ~~Any request made for resurfacing, installation of new signals, curb cuts on primary roads, bike lanes, or construction projects under ten million dollars must be reviewed and approved by the commission who certify that the request is needed based upon objective and quantifiable factors before work may proceed.~~

~~(O)~~ ~~The commission shall have any other rights, duties, obligations, or responsibilities as provided by law.~~”

SECTION 12. Section 57‑1‑430(A) of the 1976 Code, as last amended by Act 114 of 2007, is further amended to read:

“(A) The secretary is charged with the affirmative duty to establish and carry out the policies of the ~~commission~~ department, and to administer the day‑to‑day affairs of the department, to direct the implementation of the Statewide Transportation Improvement Program and the Statewide Mass Transit Plan, and to ensure the timely completion of all projects undertaken by the department, and routine operation and maintenance requests, and emergency repairs. ~~He~~ The secretary must represent the department in its dealings with other state agencies, local governments, special districts, and the federal government. The secretary must prepare an annual budget for the department ~~that must be approved by the commission before becoming effective~~ and submit annually to the General Assembly an itemized project list to be funded for the fiscal year in which the General Assembly would enact in its annual general appropriations act.”

SECTION 13. Section 57‑1‑490 of the 1976 Code, as last amended by Act 114 of 2007, is further amended to read:

“Section 57‑1‑490. (A) The department ~~shall~~ must be audited by a certified public accountant or firm of certified public accountants once each year to be designated by the State Auditor. The designated accountant or firm of accountants shall issue audited financial statements in accordance with generally accepted accounting principles, and such financial statements shall be made available annually by October fifteenth to the General Assembly. The costs and expenses of the audit must be paid by the department out of its funds.

(B) The Materials Management Office of the State Budget and Control Board annually must audit the department’s internal procurement operation to ensure that the department has acted properly with regard to the department’s exemptions contained in Section 11‑35‑710. The audit must be performed in accordance with applicable state law, including, but not limited to, administrative penalties for violations found as a result of the audit. The results of the audit must be made available by October fifteenth to ~~the Department of Transportation Commission,~~ the Department of the Transportation’s chief internal auditor, the Governor, the chairmen of the Senate Finance and Transportation Committees, and the chairmen of the House of Representatives Ways and Means and Education and Public Works Committees. The costs and expenses of the audit must be paid by the department out of its funds.

~~(C)~~ The Legislative Audit Council shall contract for an independent performance and compliance audit of the department’s finance and administration division, mass transit division, and construction engineering and planning division. This audit must be completed by January 15, 2010. The Legislative Audit Council may contract for follow‑up audits or conduct follow‑up audits as needed based upon the audit’s initial findings. The costs of these audits, including related administrative and management expenses of the Legislative Audit Council, are an operating expense of the department. The department shall pay directly to the Legislative Audit Council the cost of the audits.

~~(D)~~(C) Copies of every audit conducted pursuant to this section must be made available to ~~the Department of Transportation Commission,~~ the Department of Transportation chief internal auditor, the Governor, the Chairmen of the Senate Finance and Transportation Committees, and the Chairmen of the House of Representatives Ways and Means and Education and Public Works Committees.”

SECTION 14. Section 57‑3‑20(1)(c) of the 1976 Code, as last amended by Act 206 of 2010, is further amended to read:

“(c) administrative functions~~, including recording proceedings of the commission and developing policy and procedures to ensure compliance with these policies and procedures~~;”

SECTION 15. Section 57‑1‑500 of the 1976 Code, as added by Act 114 of 2007, is amended to read:

“Section 57‑1‑500. The secretary must provide for a workshop of at least two biennial contact hours concerning ethics and the Administrative Procedures Act for ~~the commissioners,~~ the secretary, the chief internal auditor, and senior management employees of the Department of Transportation; and a biennial ethics workshop of at least two contact hours for all other department employees.”

SECTION 16. Section 57‑3‑50 of the 1976 Code is amended to read:

“Section 57‑3‑50. The ~~commission~~ department may establish such highway districts as in its opinion ~~shall be~~ are necessary for the proper and efficient performance of its duties. The ~~commission~~ department, every ten years, must review the number of highway districts and the territory embraced within the districts and make ~~such~~ changes ~~as~~ that may be necessary for the proper and efficient operation of the districts.”

SECTION 17. Section 57‑1‑90(A) of the 1976 Code, as added by Act 148 of 2014, is amended to read:

“(A) In formulating transportation policy, promulgating regulations, allocating funds, and planning, designing, constructing, equipping, operating and maintaining transportation facilities, no action of the ~~South Carolina Transportation Commission~~ secretary, or the South Carolina Department of Transportation shall have the effect of discriminating against motorcycles, motorcycle operators, or motorcycle passengers. No regulation or action of the ~~commission~~ secretary, or department shall have the effect of enacting a prohibition or imposing a requirement that applies only to motorcycles or motorcyclists, and the principal purpose of which is to restrict or inhibit access or motorcycles and motorcyclists to any highway, bridge, tunnel, or other transportation facility.”

SECTION 18. Section 57‑3‑210(A) of the 1976 Code, as added by Act 206 of 2010, is amended to read:

“(A) The department is authorized to utilize public transit funds to contract directly with private operators of public transit systems to provide service to the general public, provided that the private operators have established a plan of service that has been approved by the local governmental entity that has jurisdiction over the area to be served, the department, ~~the commission,~~ and the federal government.”

SECTION 19. Section 57‑3‑700 of the 1976 Code is amended to read:

“Section 57‑3‑700. With the approval of the ~~commission~~ Secretary of Transportation, the county officials may designate the department, acting through its agents and employees, as agents of the county in securing necessary rights‑of‑way and other lands.”

SECTION 20. Section 57‑5‑10 of the 1976 Code, as last amended by Act 98 of 2013, is further amended to read:

“Section 57‑5‑10. The state highway system shall consist of a statewide system of connecting highways that shall be constructed to the Department of Transportation’s standards and that shall be maintained by the department in a safe and serviceable condition as state highways. The department may utilize funding sources including, but not limited to, the State Non‑Federal Aid Highway Fund and the State Highway Fund as established by Section 57‑11‑20 in carrying out the provisions of this section. The complete state highway system shall mean the system of state highways as now constituted, consisting of the roads, streets, and highways designated as state highways or designated for construction or maintenance by the department pursuant to law, together with the roads, streets, and highways added to the state highway system by the ~~Commission of the Department~~ Secretary of Transportation, and the roads, streets, and highways that may be added to the system pursuant to law. Roads and highways in the state highway system are classified into three classifications:

(1) interstate system of highways;

(2) state highway primary system; and

(3) state highway secondary system.”

SECTION 21. Section 57‑5‑50 of the 1976 Code is amended to read:

“Section 57‑5‑50. The ~~commission~~ Secretary of Transportation may transfer any route or section of route from the state highway secondary system to the state highway primary system, or vice versa, when, in ~~it’s~~ the secretary’s judgment, such transfer is advisable to better serve the traveling public.”

SECTION 22. Section 57‑5‑90 of the 1976 Code is amended to read:

“Section 57‑5‑90. The ~~commission~~ department may establish such belt lines or spurs as it deems proper and construct and maintain such belt lines and spurs from funds otherwise provided by law for the construction and maintenance of the state highway system, but the total length of such belt lines and spurs to be established or constructed in any county shall not exceed two miles in any one fiscal year; provided, that should the ~~commission~~ department fail to establish belt lines or spurs during a fiscal year the allocation to the counties shall be continued from year to year and the mileage shall be cumulative. Provided, further, that any mileage that accumulated prior to June 30, 1972, under this section shall remain to the credit of the county to which it accumulated.”

SECTION 23. Section 57‑5‑310 of the 1976 Code is amended to read:

“Section 57‑5‑310. The ~~commission and the~~ Department of Transportation may own such real estate, in fee simple or by lease, as shall be deemed necessary for the purpose of facilitating the proper operation of the department or for the building and maintenance of the public highways in the state highway system.”

SECTION 24. Section 57‑5‑340 of the 1976 Code is amended to read:

“Section 57‑5‑340. The department shall continuously inventory all of its real property. When, in the judgement of the department any real estate acquired as provided in this chapter is no longer necessary for the proper operation of the department or highway systems, the department shall vigorously attempt to sell the property by advertising for competitive bids in local newspapers or by direct negotiations, but in every case of the sale or transfer of any real estate by the ~~commission or the~~ department, the sale or transfer shall be made public by publishing notice of it ~~in the minutes of the next succeeding meeting of the commission~~ on the website maintained by the department. The ~~commission and the~~ department shall convey by deed, signed by the Secretary of the Department of Transportation and the Deputy Director of the Division of Finance and Administration, any real estate disposed of under this section. Any funds derived from the sale of surplus property by authority of this section shall be credited to the funding category from which funds were drawn to finance the department’s acquisition of the property. However, any funds derived from the sale of ~~right‑of‑way~~ right of way, which the department has purchased, in excess of the department’s cost shall be distributed among the counties as ‘C’ funds pursuant to Section 12‑28‑2740.”

SECTION 25. Section 57‑5‑1350 of the 1976 Code is amended to read:

“Section 57‑5‑1350. Whenever it becomes necessary that monies be raised for a turnpike facility, the ~~commission~~ Secretary of Transportation may make request to the state board for the issuance of turnpike bonds. The request may be in the form of resolution adopted at any regular or special meeting of the commission. The request shall set forth on the face thereof or by schedule attached thereto:

1. the turnpike facility proposed to be constructed;

2. the amount required for feasibility studies, planning, design, ~~right‑of‑way~~ right of way acquisition, and construction of the turnpike facility;

3. a tentative time schedule setting forth the period of time for which the sum request must be expended;

4. a debt service table showing the estimated annual principal and interest requirements for the requested turnpike bonds;

5. any feasibility study obtained by the ~~commission~~ department relating to the proposed turnpike facility;

6. the ~~commission’s~~ department’s recommendations relating to any covenant to be made in the bond resolution of the state board respecting competition between the proposed turnpike facility and possible future highways whose construction would have an adverse effect upon the turnpike revenues which would otherwise be derived by the proposed turnpike facility.”

SECTION 26. Sections 57‑13‑10 and 57‑13‑20 of the 1976 Code are amended to read:

“Section 57‑13‑10. The ~~commission~~ Secretary of Transportation may cooperate and negotiate with the proper authorities of adjoining states in the construction, purchase, acquisition and maintenance of bridges constructed or to be constructed across streams which constitute boundaries between this State and such adjoining states and may expend for such purposes not exceeding one half of the total cost of such bridges and approaches thereto and bear a proportionate part of the maintenance thereof, such expenditures to be made from the funds available for the construction and maintenance of highways and bridges in the state highway system.

Section 57‑13‑20. Any county may, with the approval of the ~~Commission~~ department, provide the funds necessary for participation in the construction, purchase or acquisition of any such bridge as is described in Section 57‑13‑10 and shall be entitled to reimbursement therefor under the provisions of Article 1, ~~of~~ Chapter 11 ~~of this Title~~.”

SECTION 27. Sections 57‑13‑40 and 57‑13‑50 of the 1976 Code are amended to read:

“Section 57‑13‑40. The ~~commission~~ department may permit any person, county or municipality, or any combination thereof, to construct toll bridges and appertaining structures suitable for highway traffic on any roads of the state highway system. But before any such permit is issued an agreement satisfactory to the Department of Transportation must be executed by the person receiving such permit fixing conditions under which the bridge is to be constructed, the character and design of the structure, the rate of toll to be charged traffic using it and the terms according to which it can be acquired by the State or counties concerned.

Section 57‑13‑50. No permit shall be issued by the ~~Commission~~ department under the authority of Section 57‑13‑40 except after advertisement of all the terms and conditions affecting such permit in at least five daily newspapers of this State and after the county legislative delegation of every county directly adjacent to the bridge has been given formal notice, describing such terms and conditions, and has approved such terms and conditions.”

SECTION 28. Section 57‑25‑120(4)(d) of the 1976 Code is amended to read:

“(d) land on the opposite side of a nonfreeway primary highway which is designated scenic by the ~~commission~~ department.”

SECTION 29. Section 57‑25‑140(D)(4) and (J) of the 1976 Code is amended to read:

“(4) scenic areas designated by the ~~commission~~ department or other state agency having and exercising that authority.

(J) Signs permitted under items (1), (2), (3), and (4) of subsection (A) must comply with the regulations promulgated by the ~~commission~~ department in accordance with uniform national standards.”

SECTION 30. Section 57‑25‑150(A) and (D) of the 1976 Code is amended to read:

“(A) The ~~commission~~ department shall issue permits for the erection and maintenance of outdoor advertising signs coming within the exceptions contained in items (1), (2), and (3) of subsection (A) of Section 57‑25‑140, consistent with the safety and welfare of the traveling public necessary to carry out the policy of the State declared in this article and consistent with the national standards promulgated by the Secretary of Transportation or other appropriate federal official pursuant to Title 23, United States Code.

The ~~commission~~ department also shall promulgate regulations governing the issuance of the permits and standards for size, spacing, and lighting of the signs and their messages.

(D) The ~~commission~~ department shall promulgate regulations governing the issuance of permits which must include mandatory maintenance to ensure that all signs are always in a good state of repair. Signs not in a good state of repair are illegal.”

SECTION 31. Section 57‑25‑170 of the 1976 Code is amended to read:

“Section 57‑25‑170. The ~~commission~~ department may provide within the right‑of‑way for areas at appropriate distances from interchanges on the interstate system and controlled access roads on the federal‑aid primary system on which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained under standards and regulations authorized to be adopted and promulgated by the ~~commission~~ department. The standards and regulations may provide for cooperative agreements between the Department of Transportation and private interests for the use and display of names for FOOD, LODGING, and GAS information signs on the highway ~~right‑of‑way~~ right of way.”

SECTION 32. Section 57‑25‑200(A) of the 1976 Code is amended to read:

“(A) Within the requirements of this article the ~~commission~~ Secretary of Transportation may enter into agreements with other governmental authorities relating to the control of outdoor advertising in areas adjacent to the interstate and primary highway systems, including the establishment of information centers and safety rest areas and take action in the name of the State to comply with the terms of the agreements.”

SECTION 33. Section 57‑25‑210 of the 1976 Code is amended to read:

“Section 57‑25‑210. The ~~commission~~ department is not required to expend funds for the removal of outdoor advertising under this article until federal funds are made available to the State for the purpose of carrying out the provisions of this article and the ~~commission has entered into an agreement with the Secretary of Transportation as authorized by Section 57‑25‑200~~ department and as provided by the Highway Beautification Act of 1965.”

SECTION 34. Sections 57‑1‑310, 57‑1‑320, 57‑1‑325, 57‑1‑330, 57‑1‑340, 57‑1‑350, 57‑1‑460, 57‑1‑470, Article 7, Chapter 1, Title 57 and Sections 6, 7, and 8 of Act 114 of 2007 are repealed.

Part IV

Rebalancing Taxation to Enhance Economic Development and Transportation Revenues

SECTION 35. Section 12‑6‑510 of the 1976 Code is amended to read:

“Section 12‑6‑510. (A) For taxable years beginning after 1994, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12‑6‑530 through 12‑6‑550 computed at the following rates with the income brackets indexed in accordance with Section 12‑6‑520:

(1) Not over $2,220 2.5 percent of taxable income;

(2) Over $2,220 but not over $4,440 $56 plus 3 percent of the excess over $2,220;

(3) Over $4,440 but not over $6,660 $123 plus 4 percent of the excess over $4,440;

(4) Over $6,660 but not over $8,880 $212 plus 5 percent of the excess of $6,660;

(5) Over $8,880 but not over $11,100 $323 plus 6 percent of the excess over $8,880; and

(6) Over $11,100 $456 plus 7 percent of the excess over $11,100.

(B) Beginning with taxable year 2016, based on the tax rates and tax brackets that applied in tax year 2015, the rate of tax imposed pursuant to subsection (A) on South Carolina taxable income on all brackets of South Carolina taxable income is reduced by two‑tenths of one percent each year. The tax rate reduction required by this section shall cease after tax year 2025, at which time the reduction in each affected tax bracket shall be permanent. If a tax rate applicable to a bracket is eliminated, that income bracket is then added to the then applicable zero bracket. The department shall continue to adjust the tax brackets during this rate reduction and thereafter pursuant to Section 12‑6‑520.

(C) The department may prescribe tax tables consistent with the rates set pursuant to ~~subsection (A)~~ this section.”

SECTION 36. Section 12‑28‑310(A) of the 1976 Code is amended to read:

“(A)(1) Subject to the exemptions provided in this chapter, a user fee ~~of sixteen cents a gallon~~ is imposed on:

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

~~(2)~~(b) 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.

(2) The user fee imposed by this subsection shall be imposed on a per gallon basis for the motor fuels identified in item (1) and shall be equal to:

Year Amount (in cents per gallon)

2016 19.33

2017 22.66

2018 and every year thereafter 26.00

(3) In each year that an increase to the motor fuel user fee is required pursuant to item (2), the increase shall occur on January first.”

SECTION 37. 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 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 road tax imposed by this subsection shall be imposed on a per gallon basis, calculated on the amount of gasoline or other motor fuel used by the motor carrier in its operations within this State. The tax shall be equal to:

Year Amount (in cents per gallon)

2016 19.33

2017 22.66

2018 and every year thereafter 26.00

(C) In each year that an increase to the motor fuel user fee is required pursuant to subsection (B), the increase shall occur on January first. Also, the credit amounts set forth in Section 56‑11‑450 shall be increased accordingly on January first, mutatis mutandis.”

SECTION 38. Section 12-36-2647 of the 1976 Code, as added by Act 98 of 2013, is amended to read:

“Section 12-36-2647. Notwithstanding the provisions of Section 59‑21‑1010, ~~fifty percent~~ of the revenues of sales, use, and casual excise taxes derived pursuant to Sections 12‑36‑2620(1) and 12‑36‑2640(1) on the sale, use, or titling of a motor vehicle required to be licensed and registered by the South Carolina Department of Motor Vehicles, otherwise required to be credited as provided pursuant to Section 59‑21‑1010, instead fifty percent must be credited to the State Non‑Federal Aid Highway Fund established pursuant to Section 57‑11‑20, and fifty percent must be credited to the State Highway Fund. Revenues credited to the State Non‑Federal Aid Highway Fund and State Highway Fund pursuant to this section must be used exclusively for highway, road, and bridge maintenance, construction, and repair.”

Part V

Conforming and Miscellaneous Provisions

SECTION 39. The Code Commissioner is directed to change or correct all references to the former Commission of the Department of Transportation in the 1976 Code and reflect that the Commission’s authority is devolved upon the Secretary of the Department of Transportation unless otherwise provided for in this act. References to the commission in the 1976 Code or other provisions of law are considered to be and must be construed to mean the secretary.

SECTION 40. The General Assembly finds that all the provisions contained in this act relate to one subject as required by Section 17, Article III of the South Carolina Constitution in that each provision relates directly to or in conjunction with other sections to the subject of infrastructure financing and oversight.

The General Assembly further finds that a common purpose or relationship exists among the sections, representing a potential plurality but not disunity of topics, notwithstanding that reasonable minds might differ in identifying more than one topic contained in the act.

SECTION 41. The repeal or amendment by this act of any law, whether temporary or permanent or civil or criminal, does not affect pending actions, rights, duties, or liabilities founded thereon, or alter, discharge, release or extinguish any penalty, forfeiture, or liability incurred under the repealed or amended law, unless the repealed or amended provision shall so expressly provide. After the effective date of this act, all laws repealed or amended by this act must be taken and treated as remaining in full force and effect for the purpose of sustaining any pending or vested right, civil action, special proceeding, criminal prosecution, or appeal existing as of the effective date of this act, and for the enforcement of rights, duties, penalties, forfeitures, and liabilities as they stood under the repealed or amended laws.

SECTION 42. If any part, subpart, section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every part, subpart, section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other parts, subparts, sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 43. The provisions in this act related to the implementation of tax schedules are effective upon the dates noted in each schedule. For all other sections, this act takes effect July 1, 2015.

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