

REPORT OF THE REVENUE POLICY SUBCOMMITTEE

(Bannister, Stavrinakis, Lowe, Hewitt & Crawford - Staff Contact: Julia Foster)

SENATE BILL 831 SCDOT MODERNIZATION

Summary of Bill:

This establishes a Coordinating Council for Transportation and Mobility. It amends current sections to provide the SCDOT, rather than the Commission, will develop the Statewide Transportation Plan and removes the direction that the Commission will approve SCDOT's budget. The bill also broadens SCDOT's toolbox for funding, tolling, contract options, procurement, and public/private partnerships. It expands SCDOT's "toolbox" for project delivery by authorizing advanced contracting methods that prioritize technical qualifications and risk mitigation over traditional low-bid procurement. These methods are intended to expedite construction timelines for complex infrastructure projects. It also stipulates the state will waive immunity in federal court relating to lawsuits involving the NEPA process and certain environmental reviews. This will expedite some of the review processes. The bill updates turnpike statutes to allow for the development of "choice lanes" enabling projects that are self-funded. The bill provides for the voluntary transfer of local roads to local jurisdictions and establishes local funding options for the maintenance of those roads.

The bill authorizes DOT to promulgate regulations for public/private partnerships.

The bill requires the Department of Transportation to certify if a county-funded highway project is on the state's priority list and, if the county fully funds that project, the Department must select the county's next project on the priority list.

Finally, the bill establishes a Pothole Mitigation Program allowing the public to report potholes through a free mobile app, website, or phone. The Department of Transportation must complete permanent repairs within seven days of notification (except in emergencies), funded by a \$15 million annual transfer from the Infrastructure Maintenance Trust Fund dedicated to full-depth pavement repairs.

Estimated Fiscal Impact:

- **Pothole Mitigation:** Requires DOT to transfer \$15 million annually from the Infrastructure Maintenance Trust Fund (IMTF) specifically for full-depth pavement repairs.
- **Turnpike/Toll Revenue:** While the exact amount is currently undetermined, revenues from new tolling authorities are expected to eventually offset or fully recoup the costs of operating and maintaining those facilities.
- **System Realignment Fund:** The bill allows counties to impose a higher 2% local option transportation sales tax (up from 1%) and additional property tax millage to fund road maintenance.
- **Department of Transportation (DOT):** Estimate \$1.2 million annually for 9.0 new FTEs to manage tolling and public-private partnerships, though these costs are expected to be covered by revenues generated by the bill.
- **Department of Motor Vehicles (DMV):** Estimate approximately \$154,000 annually (including 3.0 FTEs) to manage registration suspensions related to toll violations.
- **Secretary of State's Office:** Estimate approximately \$69,000 annually (1.0 FTE). Other Funds expenditures are estimated at between \$102,000 and \$252,000 in one-time technology costs for processing public-private partnership contracts.

"THE BELOW CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFIT OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT".

Subcommittee Action/Explanation:

The Subcommittee adopted an amendment which removes references to the Coordinating Council and provides for the gubernatorial appointment of the Secretary of Transportation. It revises the committee composition by eliminating the two at-large appointees while retaining the seven members representing each congressional district. The amendment also authorizes the Department to adopt regulations related to public-private partnerships.

In addition, it clarifies provisions regarding road maintenance and the imposition of additional millage by counties and municipalities. It requires that members of county transportation committees reside in the respective county and be subject to the Ethics Act. Finally, the amendment establishes a biennial alternative fuel fee of \$400 for electric vehicles and \$200 for hybrid vehicles, with all such fees credited to the State Highway Fund.

Received FAVORABLE REPORT AS AMENDED on March 26, 2026.

Full Committee Action/Explanation:

N/A

Other Notes/Comments:

[CLICK HERE](#) to Enter Notes/Comments

SOUTH CAROLINA
HOUSE AMENDMENT

AMENDMENT NO. _____

David Good
March 31, 2026

ADOPTED	REJECTED	TABLED	ADJOURN DEBATE	RECONSIDERED	ROO

Clerk of the House

ADOPTION NO. _____

BILL NO: S. 831

(Reference is to the original version)

The Revenue Policy Subcommittee proposes the following amendment (LC-831.DG0003H):

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

SECTION 1. Section 57-1-410 of the S.C. Code is amended to read:

Section 57-1-410. The ~~commission~~ Governor shall appoint, with the advice and consent of the Senate, a Secretary of Transportation who shall serve at the pleasure of the ~~commission~~ Governor. A person appointed to this position shall possess practical and successful business and executive ability and be knowledgeable in the field of transportation. The Secretary of Transportation shall receive such compensation as may be established under the provisions of Section 8-11-160 and for which funds have been authorized in the general appropriations act.

SECTION 2. Section 1-30-10(B)(1)(iv) of the S.C. Code is 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 3. Section 57-1-310(A) and (B) of the S.C. Code is amended to read:

(A) The congressional districts of this State are constituted and created Department of Transportation Districts of the State, designated by numbers corresponding to the numbers of the respective congressional districts. The Commission of the Department of Transportation shall be composed of:

~~—(1) one member from each transportation district, all appointed by the Governor, subject to the provisions of Section 57-1-325.; and~~

~~—(2) two members from the State at large, both appointed by the Governor, upon the advice and consent of the General Assembly. Each house must hold a separate confirmation vote.~~

In making appointments to the commission, the Governor shall take into account race, gender, and other demographic factors, such as residence in rural or urban areas, so as to represent, to the greatest extent possible, all segments of the population of the State; however, consideration of these factors in making an appointment in no way creates a cause of action or basis for an employee grievance for a person appointed or for a person who fails to be appointed. The members of the commission shall represent the transportation needs of the State as a whole and may not subordinate the needs of the State to those of any particular area of the State.

(B) ~~The at-large appointments made by the Governor must be transmitted to the Senate and the House of Representatives for confirmation~~Reserved.

SECTION 4. Section 57-1-330 of the S.C. Code is amended to read:

Section 57-1-330. (A) All commission members are appointed to a term of office of four years which expires on February fifteenth of the appropriate year. However, a commission member may not serve more than two consecutive terms, and may not serve more than twelve years, regardless of when the term was served. Commissioners shall continue to serve until their successors are appointed and confirmed, provided that a commissioner only may serve in a hold-over capacity for a period not to exceed six months. Any vacancy occurring in the office of commissioner shall be filled by appointment in the manner provided in this article for the unexpired term only. ~~Except for the at-large member, a~~A person is not eligible to serve as a commission member who is not a resident of that district at the time of his appointment. Failure by such commission member to maintain residency in the district for which he is appointed shall result in the forfeiture of his office.

~~—(B) An at-large commission member may be appointed from any county in the State unless another commission member is serving from that county. Failure by an at-large commission member to maintain residence in the State shall result in a forfeiture of his office.~~

(B) Commission members may be removed from office at the discretion of the Governor.

SECTION 5. Notwithstanding the general effective date of this act, at-large members of the Commission of the Department of Transportation serving on the effective date of this act, shall continue to serve until their terms expire. If a vacancy occurs, another at-large member must be appointed to fill the unexpired term in the manner provided by law.

SECTION 6. Sections 57-1-360(B) through Section 57-1-370 of the S.C. Code are amended to read:

Section 57-1-360. (B)(1) The chief internal auditor must be a certified public accountant~~Certified Public Accountant~~, a certified internal auditor, or a certified fraud examiner, and possess any other experience the State Auditor may require. The chief internal auditor must establish, implement, and maintain the exclusive internal audit function of all departmental

activities. The State Auditor 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 scope of internal audit services shall cover the entire department, including all the department's activities, assets, and personnel. The scope of internal audit activities also encompasses all, but is not limited to, objective examinations of evidence to provide independent assurance on the adequacy, effectiveness, and efficiency of governance, risk management, control processes, and compliance for the department. 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 secretary, the commission 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. All final audit reports shall be published on the department's and the State Auditor's websites.

(3) The State Auditor is vested with the exclusive management and control of the chief internal auditor.

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 described in Section 57-1-25;

(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 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 Non-Federal Aid Highway Fund or other state revenue source. When developing the plan required by this subsection, the commission must consider, but is not limited to, considering the criteria in subsection (B)(8).~~

~~—(2)(C) 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) The commission must approve the department's annual budget.~~

(D) The commission shall have any other rights, duties, obligations, or responsibilities as specifically provided by law.

SECTION 7. Section 57-3-20 of the S.C. Code is amended to read:

Section 57-3-20. The responsibilities and duties of the following ~~division deputy directors~~ deputy secretaries must include, but not be limited to, ~~the following~~:

(1) ~~division deputy director for finance and administration~~ Deputy Secretary for Finance and Administration:

- (a) financial planning and management;
- (b) accounting systems necessary to comply with all federal and/or state laws and/or regulations as well as all policies established by the Comptroller General; ~~and~~
- (c) administrative functions, including recording proceedings of the commission and developing policy and procedures to ensure compliance with these policies and procedures; and
- (d) financial management of funding from federal, state, and local transit, rail, and other intermodal transportation.

(2) ~~division deputy director for construction, engineering, and planning~~ Deputy Secretary for Engineering:

- (a) ~~develop statewide strategic highway plans; and~~ operations and management of the department's highway districts;
- (b) direct highway engineering activities, including preconstruction, construction, ~~design~~, construction oversight, and maintenance of state highways; and
- (c) establish project and program priority lists.

(3) ~~division deputy director for intermodal and freight programs~~ Deputy Secretary for Intermodal and Freight Programs:

- (a) develop a statewide public transit system;
- (b) coordinate the preservation and revitalization of existing rail corridors;
- (c) develop and coordinate a statewide passenger and freight rail system, including the development of a comprehensive state rail plan for passenger and freight railroads and rail infrastructure services;
- (d) ~~plan, develop, and coordinate~~ and implement a comprehensive intermodal transportation

program for the movement of passengers and freight through integrated highway, railroad, port, airport, and other transit systems; and

~~— (e) financial management of funding from federal, state, and local transit, rail, and other intermodal sources; and~~

~~(f)~~(e) manage the Office of Railroads and the Office of Public Transit.

(4) Deputy Secretary for Planning:

(a) develop statewide strategic transportation plans; and

(b) coordinate statewide plans with federal and state-funded regional and local transportation planning organizations.

SECTION 8. Article 2, Chapter 3, Title 57 of the S.C. Code is amended by adding:

Section 57-3-205. (A) The department may enter into public-private partnership arrangements between or among the department and any public or private entity for the purpose of planning, designing, financing, constructing, operating or maintaining the highways, roads, streets, bridges, public transit, and work, improvements or facilities incidental or related thereto under the jurisdiction of the department. The provisions of this section may be used with any other provisions of state law to accomplish one or more projects.

(B) Public-private partnership arrangements may take the form of design-build agreements, design-build-operate agreements, design-build-operate-maintain agreements, design-build-finance-operate-maintain agreements, franchise agreements, pre-development agreements, tolling services agreements, direct agreements, guarantees, concession agreements, lease agreements, availability payments agreements, performance-based payments agreements, or any other form of contract approved by the department, or other similar arrangements or agreements pursuant to which the design, right-of-way acquisition, relocation of structures or utilities, construction, financing, management, maintenance, and operation, or any combination thereof, of a public highway, road, streets, buildings and facilities owned by the department, broadband technology, bridge, public transit project and work, improvements or facilities

incidental or related thereto is accomplished by the department or on behalf of the department by any public or private entities or methods. Additionally, such agreements may:

(1) be short-term or long-term agreements, but not exceed ninety-nine years;

(2) authorize the establishment, adjustment, indexation, and enforcement of fares, tolls, or other user fees, including time-of-day or dynamic pricing, consistent with policies adopted by the department, which may allow enforcement through photo monitoring, cashless tolling, toll-by-mail, and toll-by-license plate. Such enforcement tools are authorized for projects under this section as well as on a turnpike facility designated under Title 57, Chapter 5, Article 9;

(3) specify a revenue application waterfall, reserves, rate covenants, and collection and enforcement measures; and

(4) be structured on a revenue-risk, availability-payment, or hybrid basis, including shadow tolls or usage-based performance components.

(C) Subject to Section 57-3-615, any contracts entered into pursuant to this section may authorize funding to be established, set, modified, adjusted, and retained by the private entity, may include fares, tolls, or other user fees for use of the project that is the subject of the arrangement, and the department may provide enforcement and collection services for the benefit of a public-private partnership arrangement. The funding may be distributed among the participants in the project as may be provided for by contract. Multiyear payment obligations may be appropriation backed availability payments or milestone payments and may include standard non-appropriation clauses and termination-for-non-appropriation remedies with predefined compensation formulas.

(D) The department may:

(1) take any action to obtain federal, state, or local assistance for a qualifying project that serves the public purpose and the public-private partnership arrangements authorized by this section and may enter into any contracts required to receive such assistance;

(2) determine that it serves the public purpose and the public-private partnership arrangements authorized by this section for all or any portion of the costs of a project to be paid, directly or indirectly, from the proceeds of a grant or loan made by federal, state, or local government or any

agency or instrumentality thereof. Such assistance includes, but is not limited to, assistance under the Transportation Infrastructure Finance and Innovation Act, railroad rehabilitation and improvement financing, private activity bonds, and other federal credit or tax-exempt financing programs; and

(3) cooperate with private partners to obtain allocations or approvals necessary for the issuance of private activity bonds and similar instruments, and may establish or incorporate, or assist in the establishment and incorporation of, a not-for-profit corporation or entity for purpose of borrowing funds through a governmental conduit bond issuer for the benefit of a project procured by the department.

(E) Any contract entered into pursuant to this section shall require the private partner or each of its prime contractors to provide performance and payment security to the extent deemed necessary by the department or required by the financing parties. Notwithstanding any other provision of law, the penal sum or amount of such security may be less than the price of the contract involved, such as the value of the construction elements of the contract, based upon the department's determination on a project-by-project basis of what sum may be required to adequately protect the department, the state, and the contracting and subcontracting parties.

(F) Notwithstanding any provision of law to the contrary, proposals under this section, with respect to public highway, road, bridge, building, facility, or public transit projects or work incidental or related thereto that the department determines can be more efficiently accomplished by any of the means enumerated in this section, may be evaluated and awarded by the department based on qualifications of participants or best value, or both, as evaluated by procedures of the department and taking into consideration the best interest of the State of South Carolina. Projects authorized under a pre-development agreement may be authorized without specifying or finalizing the full or final scope of work to be performed under the procurement or pre-development agreement. The department may utilize a two-step request for qualifications or request for proposals process with shortlisting, conduct competitive dialogue or confidential meetings with proposers, solicit and accept alternative technical concepts, and make best-value tradeoffs without mandated formulaic weights.

(G)(1) To the extent not authorized by statutory provisions other than this section, the solicitation pursuant to subsection (B) for a given project must be submitted to the Joint Bond Review Committee for review and comment prior to advertisement of the solicitation.

(2) The contract may include an agreement to make payments to a development entity on a multi-year basis, provided either that payment and performance obligations for succeeding fiscal periods are subject to the availability and appropriation of funds for such periods, or that specific, limited revenues are identified in a solicitation which has received review and comment by the Joint Bond Review Committee prior to the solicitation of the procurement and such revenues are payable solely from a revenue-producing project or from a special source, which source does not involve revenues from any tax.

(3) The department may set up separate accounts, which may be with a commercial trustee, to account for any such funds and provide for the deposit and disbursement of moneys therein under the public-private partnership arrangement.

(4) The department shall notify the Joint Bond Review Committee within thirty days of execution of the public-private partnership arrangement and shall provide the Joint Bond Review Committee an annual report within one hundred twenty days of the end of each fiscal year regarding the status of all public private partnership arrangements outstanding.

(H) When the department proposes to enter into a public-private partnership arrangement under this section, it shall, prior to the execution and delivery of the contract documents for the public-private partnership arrangement, file a copy of the documents in the office of the Secretary of State. It is the duty of the Secretary of State to file and index the filing in a special book to be kept by such officer for such purpose. The Secretary of State shall be authorized to prepare and deliver certified copies of the filed documents and to deliver them to interested parties. For each certification a reasonable fee may be charged. No action shall be commenced on account of the validity of a public-private partnership arrangement after the expiration of twenty days from the date of the filing and indexing of the proposed contract documents for the public-private partnership arrangement in the office of the Secretary of State. The period within which such actions may be commenced shall not begin to run until such records have been filed as prescribed

in this section.

(I) The department may promulgate regulations to implement the provisions of this section.

SECTION 9. Section 57-3-615 of the S.C. Code is amended to read:

~~Section 57-3-615.— If a toll is administered on a project by the Department of Transportation, the toll must be used to pay for the construction, maintenance costs, and other expenses for only that project. A toll project that is in excess of one hundred fifty million dollars may only be initiated as provided in Chapter 37 of Title 4.~~

~~—No toll may be imposed on passage of any vehicle on federal interstate highways in this State which were in existence as of January 1, 1997, unless the imposition is otherwise affirmatively approved by the General Assembly in separate legislation enacted solely for that purpose.~~

(A) No toll may be imposed on the passage of any vehicle on any publicly owned or controlled road, bridge, highway, or interstate in this State except as provided by this section. Any toll imposition must be allowed by or not contrary to federal law. Tolls may be imposed on a publicly owned or controlled road, bridge, highway, or interstate under any of the following circumstances:

- (1) the toll imposition is specifically authorized by the General Assembly;
- (2) the toll imposition is on a turnpike facility designated under Title 57, Chapter 5, Article 9; or
- (3) the toll imposition is reviewed by the Joint Bond Review Committee and approved by the State Fiscal Accountability Authority in connection with an agreement under Section 57-3-200 or 57-3-205 prior to the solicitation of proposals for the agreement. The manner and method of toll imposition and rate setting are not required to be reviewed or approved, but must be set forth in the agreement, as may be amended from time to time.

(B) Tolls imposed under subsection (A)(2) or (3) of this section may only be imposed on managed or choice lane facilities that increase the capacity of the applicable road, bridge, highway, or interstate. Managed or choice lane facilities are those facilities that are actively

managed to achieve more effective and efficient use of a road, bridge, highway, or interstate using various strategies including but not limited to pricing, vehicle eligibility, and access control; the managed or choice lane facilities shall be in addition to and not in place of existing lanes.

(C) Tolls may continue to be imposed on the passage of vehicles on any publicly owned or controlled road, bridge, highway, or interstate in this State on which tolls were imposed as of January 1, 2026.

SECTION 10. Article 7, Chapter 3, Title 57 of the S.C. Code is amended by adding:

Section 57-3-790. (A) The State waives its immunity under the 11th Amendment of the United States Constitution and consents to suit in a federal court for lawsuits arising out of the department's compliance, discharge, or enforcement of responsibilities assumed pursuant to 23 U.S.C. Sections 326 and 327. The waiver of immunity under this section is valid only if:

(1) the Secretary of Transportation executes a memorandum of understanding with the United States Department of Transportation accepting the jurisdiction of the federal courts as required by 23 U.S.C. Sections 326(c) and 327(c);

(2) before execution of the memorandum of understanding under subsection (A), the South Carolina Attorney General has issued an opinion letter to the Secretary of Transportation and the administrator of the Federal Highway Administration that the memorandum of understanding and the waiver of immunity are valid and binding upon the State;

(3) the act or omission that is the subject of the lawsuit arises out of or relates to compliance, discharge, or enforcement of responsibilities assumed by the department pursuant to 23 U.S.C. Sections 326 and 327; and

(4) the memorandum of understanding is in effect when the act or omission that is the subject of the federal lawsuit occurred.

(B) Within one year of submitting an application to assume administration of 23 U.S.C. Sections 326 and 327, otherwise known as the National Environmental Policy Act (NEPA) Assignment Program pursuant to this section, the secretary shall issue a NEPA Manual detailing

the manner in which the department will carry out its NEPA responsibilities. The department must provide a public comment period of at least thirty days on a draft NEPA Manual prior to issuance of a final NEPA Manual.

(C) The department must annually publish a report describing the department's assumption of NEPA responsibilities. The annual report must be made available to the public and posted on the department's website. That report shall include, but not be limited to, an analysis of time savings, an analysis of positive and negative financial impacts, and a summary of any legal actions challenging the department's actions under the program.

SECTION 11. Chapter 3, Title 57 of the S.C. Code is amended by adding:

Section 57-3-800. The Department of Transportation may enter into reciprocal agreements with other jurisdictions including the federal government and any state, or agencies or departments thereof, to enforce toll violations. The agreement shall provide that, when another jurisdiction certifies that the owner of a vehicle registered in this State has failed to pay a toll, processing fee, or civil penalty due to that jurisdiction, the unpaid toll, processing fee, or civil penalty may be enforced by placing a registration suspension as if the owner of the motor vehicle has an outstanding judgment for failure to pay a toll under Section 56-3-1335, upon electronic notification by the Department of Transportation to the Department of Motor Vehicles. The agreement shall only be enforceable to the extent that:

(1) the other jurisdiction has its own reciprocal procedure for toll violation enforcement and does, in fact, reciprocate in enforcing toll violations within this State by withholding the registration renewal of registered owners of motor vehicles from such jurisdiction, and the other jurisdiction provides due process and appeal protections to avoid the likelihood that a false, mistaken, or unjustified claim will be pursued against the owner of a vehicle registered in this State;

(2) drivers and vehicles licensed or registered in this State, while operating on the highways and bridges of the other jurisdiction, shall receive the benefits, privileges, and exemptions of a

similar kind with regard to toll enforcement as are extended to the drivers and vehicles licensed or registered in the other jurisdiction while they are operating on the highways and bridges of this State;

(3) the owner of a vehicle registered in this State may present evidence to the other toll agency or jurisdiction by mail or other means to invoke rights of due process without having to appear personally in the jurisdiction where the violation allegedly occurred;

(4) the reciprocal violation enforcement arrangement between the department and the other toll agency provides that each party shall charge the other for costs associated with registration holds, or the like, in their respective jurisdictions.

SECTION 12. Chapter 3, Title 57 of the S.C. Code is amended by adding:

Section 57-3-1345.(A) In order to administer, collect, and enforce any toll, toll violation, processing fee, civil penalty, or registration-based enforcement mechanism authorized by this title, the Department of Transportation shall coordinate with the Department of Motor Vehicles to ensure access to current motor vehicle and owner registration data.

(B) The Department of Transportation shall, at a minimum, receive updated toll-related vehicle data from the Department of Motor Vehicles monthly. The data shall include, but is not limited to, vehicle identifiers, registration status indicators, and any information necessary to support toll billing, notice, enforcement actions, or registration renewal blocks authorized by law.

(C) The Department of Transportation and the Department of Motor Vehicles shall enter into a memorandum of understanding governing:

- (1) the frequency, format, and method of data exchange;
- (2) data security standards and confidentiality requirements;
- (3) limitations on use of the data solely for toll administration and enforcement purposes; and
- (4) procedures to ensure data accuracy, error resolution, and due process protections for registered vehicle owners.

(D) No toll enforcement action that relies upon registration suspension, renewal block, or

similar Department of Motor Vehicles action may be initiated unless the vehicle data relied upon has been updated in accordance with this section.

(E) Nothing in this section authorizes the disclosure of personal information except as otherwise permitted by state and federal law.

SECTION 13. Chapter 5, Title 57 of the S.C. Code is amended by adding:

Section 57-5-105. (A) The department shall publish a list of roads not essential to the operation of the State Highway System and ownership may be transferred to counties, municipalities, or other entities, provided that mutual consent is reached between the department and the county, municipality, or other entity pursuant to Section 57-5-80. The list shall be approved by the commission.

(B) The System Realignment Fund is hereby created to fund the transfer to local government of roads identified in subsection (A), subject to appropriations by the General Assembly or transfers from the State Highway Fund approved by the Secretary of Transportation.

(C) In counties where all roads identified by the department as non-essential to the State Highway System under this section have been transferred to the county and municipalities within that county, that county's county transportation committee shall not be required to meet the thirty-three percent on state highway system requirements of Section 12-28-2740(C).

(D) In counties where all roads identified by the department as non-essential to the State Highway System under this section have been transferred to the county and municipalities within that county, that county may impose a sales tax of two cents in accordance with the requirements of Section 4-37-30(A).

(E)(1) In a county where all the roads identified by the department as non-essential to the State Highway System under this section that are located in the unincorporated areas of the county have been transferred to the county, the local government may impose additional millage to meet the funding requirements of maintaining the roads. An additional millage imposed pursuant to this section is not subject to the provisions of Section 6-1-320.

(2) In a municipality where all roads identified by the department as non essential to the State Highway System under this section that are located within the municipality have been transferred to the municipality, the municipality may impose additional millage to meet the funding requirements of maintaining the roads.

(3) Any additional millage imposed pursuant to this section is not subject to the provisions of Section 6 1 320.

SECTION 14. Sections 57-5-820 and 57-5-830 of the S.C. Code are amended to read:

Section 57-5-820. (A) As used in this section and Section 57-5-830:

(1) “Structurally deficient” means not adequate to handle the vehicle weights authorized on roads leading to them.

(2) “Functionally obsolete” means narrow clearances or sharp roadway approach angles that make passage difficult or hazardous, or with too few lanes for existing traffic needs.

(B)(1) All work to be performed by the ~~D~~department department on state highways within a municipality must be with the consent and approval of the proper municipal authorities, except that work performed or to be performed on a bridge and its approaches, certified by the ~~D~~department department as functionally obsolete or structurally deficient, to remove, replace, or improve such bridge and its approaches shall not require prior consent and approval of a municipal authority if the bridge crosses the intracoastal waterway.

(2) A decision by a municipality to not consent and approve the work must be communicated in writing to the department within one hundred eighty days of receiving notice of the work from the department. A decision to disapprove of the work shall result in the cancellation of the project, unless the project is determined by the commission to be in the best interest of the State.

(3) Failure to provide consent and approval within one hundred eighty days shall be deemed acceptance of the work.

(4) A municipality shall not conditionally approve the work to be performed by the department.

Section 57-5-830. In every case of a proposed permanent improvement, construction, reconstruction, or alteration by the ~~D~~department of any highway or highway facility within a municipality, the municipality may review and approve the plans before the work is started, but in no event shall such review and approval of the plans delay the project schedule as communicated by the department to the municipality; except that a municipality may not have the right to review and approve plans to remove, replace, or improve a bridge and its approaches within its limits where such bridge and its approaches have been certified by the ~~D~~department to be functionally obsolete or structurally deficient and if the bridge crosses the intracoastal waterway. Any costs incurred by the department caused by the unreasonable delay in the review and approval of the plans shall be the responsibility of the municipality.

SECTION 15. Sections 57-5-1320 through 57-5-1360 of the S.C. Code are amended to read:

Section 57-5-1320. As used in this section: ~~Unless the context indicates another meaning or intent:~~

(1) “Department” means the Department of Transportation;

(2) “Turnpike facility” means any express highway or limited access highway ~~constructed or~~ any specified lanes or portion thereof, designated and ratified or approved as such under the provisions of this article ~~by the department,~~ whether or not financed with turnpike bonds, including any bridge, tunnel, overpass, underpass, interchange, entrance plaza, approach, toll house, service station and administration and storage and other buildings and facilities which the department considers necessary or desirable. A turnpike facility constitutes a portion or extension of any existing or proposed highway in the state highway system;

(3) “Bonds or turnpike bonds” means revenue bonds of the State authorized under the provisions of this article and Paragraph (9), Section 13, Article X of the South Carolina Constitution;

(4) “Authority” means the State Fiscal Accountability Authority;

(5) “Turnpike facility revenues” means all revenues resulting from tolls or other charges derived from the operation of a turnpike facility, including revenues derived from concession leases or other concessionaire operated facilities; and, to the extent designated by the bond resolution, such nontax revenues or other legally available funds as are or may be made available to the department from whatever source for the purpose of operating, financing, enforcing, and maintaining, or any combination thereof, turnpike facilities;

(6) “Bond resolution” means the resolution or resolutions of the ~~state board authority~~ making provision for the issuance of turnpike revenue bonds; as may be supplemented or amended from time to time;

(7) “General obligation bonds” means state highway bonds issued pursuant to Paragraph (6)(a), Section 13, Article X of the South Carolina Constitution;

(8) “State” means the State of South Carolina;

(9) “Commission” means the Commission of the Department of Transportation.

Section 57-5-1330. ~~1.(A)~~ The department may designate, establish, plan, improve, construct, maintain, operate, and regulate turnpike facilities as a part of the state highway system or any federal aid system whenever the department determines the traffic conditions, present or future, justify the facilities, except that the department may not designate as a turnpike facility any highway, road, bridge, or other transportation facility funded in whole or in part by a then imposed local option sales and use tax as provided in imposed pursuant to Chapter 37 of Title 4, unless by agreements with the applicable county government The department may utilize turnpike facilities revenues and funds available for the maintenance of the state highway system for the maintenance and operation of any turnpike facility financed pursuant to this article. The authority to designate turnpike facilities under this section shall at all times be subject to the provisions of Section 57-3-615, and such designation shall not be effective until ratified or approved by the State Fiscal Accountability Authority.

~~2.(B) In every highway construction project, except federal and state secondary projects, rehabilitation and widening of federal and state primary and secondary road and bridge projects~~

~~and highway safety projects, the Department shall consider making all or part of the highway construction a turnpike facility and financing it by the use of turnpike bonds. It shall make an entry in the construction project file indicating whether or not it determines making all or part of the project a turnpike facility. If the determines it is feasible to make all or part of the any construction project a turnpike facility, then it may engage in the preliminary estimates and studies incident to the determination of the feasibility or practicability of constructing any toll road as it from time to time considers necessary and the cost of the preliminary estimates and studies must be paid from the general highway fund and must be reimbursed from funds provided under this authority only if the studies and estimates lead to the construction of a toll road.~~

~~3.(C)~~ The department may acquire such lands and property including rights of access as may be needed for turnpike facilities by gift, devise, purchase, or condemnation by easement or in fee simple in the same manner as now or hereafter authorized by law for acquiring property or property rights in connection with other state highways.

~~4.(D)~~ In designating, establishing, planning, abandoning, improving, constructing, maintaining and regulating turnpike facilities the department may exercise ~~such~~ authorizations ~~as are granted to the department~~ by the provisions of other statute law applicable to the state highway system, except as they may be inconsistent with the provisions included herein.

~~5.(E)(1)~~ The Department~~department~~ may contract with any person, partnership, association or corporation desiring the use of any part of the turnpike facility, including the right-of-way adjoining the paved portion, for placing thereon telephone, telegraph, electric light or power lines, gas stations, garages, stores, hotels and restaurants or for any other purpose, except tracks for railroad or railway use and to fix the terms, conditions, rents and rates of charges for such use provided that a sufficient number of the aforementioned facilities shall be authorized to be established in each service area along any such turnpike project to permit reasonable competition by private business in the public interest. Revenues from these contracts would be included in turnpike facility revenues.

(2) The department may contract with any political subdivision desiring to assist the department, whether financially, in kind, or otherwise, in any of the designating, establishing,

planning, abandoning, financing, improving, constructing, maintaining, and regulating turnpike facilities as may be set forth in a short-term or long-term intergovernmental agreement between the department and the political subdivision. Revenues from these contracts may be pledged for the term thereof and may be included in turnpike facility revenues should the contract so provide. The right to receive any payments under such an intergovernmental agreement may be maintained by the department or assigned to the trustee for the turnpike revenue bonds, as may be provided or authorized in the bond resolution. The authority to enter into such an intergovernmental agreement is concurrent and supplementary to those general powers granted political subdivisions and the department in the South Carolina Code of Laws, including, without limitation, Title 57.

Section 57-5-1335. ~~The Department of Transportation~~ department, before constructing a bridge or replacing an existing bridge which ~~qualifies~~ is or is anticipated to be designated as a turnpike facility ~~as defined in Section 57-5-1320~~, shall conduct the feasibility study ~~required by referenced in Section 57-5-1330~~ and shall forward copies of the study to the Chairman of the Transportation and Finance Committees of the Senate and the Education and Public Works and Ways and Means Committees of the House of Representatives within fifteen days of the completion of the study.

Section 57-5-1340. In addition to the powers listed above, the South Carolina Department of Transportation may:

~~1.(1) Request~~ request the issuance of turnpike bonds for the purpose of paying all or any part of the cost of any one or more turnpike projects;

~~2.(2) Fix~~ fix and revise from time to time and charge and collect a program of tolls for transit over each designated turnpike facility; ~~constructed by it;~~ and each program may provide for dynamic tolling, scheduled tolling, variable tolling, uniform tolling, or some combination thereof, and may take into account the weight and class of certain vehicles, real-time and planned usage, and any other factors deemed appropriate by the department;

~~3.(3) Combine~~ combine, for the purposes of financing ~~the~~ any turnpike facilities, any two or

more turnpike facilities;

~~4.(4) Control~~control access to turnpike facilities;

~~5.(5) To~~to the extent permitted by a bond resolution, expend turnpike facility ~~or facilities~~ revenues in advertising the turnpike facilities and services of the turnpike facility or facilities to the traveling public;

~~6.(6) Receive~~receive and accept from any federal agency grants for or in the aid of the construction of any turnpike facility;

~~7.(7) Establish~~establish a separate division to administer turnpike facilities and a separate turnpike facility account;

~~8.(8) Do~~do all acts and things necessary or convenient to carry out the powers expressly granted in this article.

Section 57-5-1350. Whenever it becomes necessary that monies be raised for a turnpike facility, the commission may make request to the State Fiscal Accountability Authority 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.(1) the~~ turnpike facility proposed to be constructed or designated;

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

~~3.(3) a~~ tentative time schedule setting forth the period of time for which the sum ~~request must~~ requested is expected to be expended;

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

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

~~6.(6) the~~ commission's recommendations relating to any covenant to be made in the bond resolution of the State Fiscal Accountability Authority respecting competition between the proposed turnpike facility and possible future highways whose construction would have an

adverse effect upon the turnpike facility revenues which would otherwise be derived by the proposed turnpike facility.

Section 57-5-1360. Following the receipt of a request pursuant to Section 57-5-1350, the State Fiscal Accountability Authority shall review the request and, to the extent that it approves the request, it may effect, by bond resolution duly adopted, the issuance of turnpike bonds, or pending their issuance, may effect the issuance of bond anticipation notes pursuant to Title 11, Chapter 17. ~~A resolution approving any proposed turnpike bonds may not be adopted unless before approval the state board conducts, after not less than ten days' published notice, a public hearing in the City of Columbia.~~

SECTION 16. Sections 57-5-1380 through 57-5-1460 of the S.C. Code are amended to read:

Section 57-5-1380. (A) For the payment of the principal of and interest on all turnpike bonds, there is irrevocably pledged ~~all turnpike revenues derived from the~~ turnpike facility revenues financed by the bonds to the extent and in the manner prescribed by the bond resolution. Any interest earned on turnpike facility account balances must be credited to the turnpike facility account as prescribed in the bond resolution.

(B) The turnpike bonds authorized by this article are special limited obligations of the State. The principal and interest are payable solely out of the turnpike facility revenues. The turnpike bonds issued do not constitute an indebtedness of the State, State Fiscal Accountability Authority, or department within the meaning of any state constitutional provision or statutory limitation, except indebtedness payable solely from a revenue producing source or from a special source that does not include revenues from any tax within the meaning of Paragraph (9), Section 13, Article X of the South Carolina Constitution. The full faith, credit, and taxing powers of the State, State Fiscal Accountability Authority, or department are not pledged to the payment of the turnpike bonds and this fact must be plainly stated on the face of each turnpike bond. The State Fiscal Accountability Authority and the department each lack taxing power.

Section 57-5-1390. Turnpike bonds shall bear interest, payable on occasions prescribed by the State Fiscal Accountability Authority, at a rate not exceeding the maximum prescribed by ~~Section 11-9-350~~ the bond resolution. Each issue of turnpike bonds shall mature on the occasion prescribed by the State Fiscal Accountability Authority, not exceeding forty years from the date the bonds ~~bear~~ are issued. Turnpike bonds may, in the discretion of the State Fiscal Accountability Authority, be made subject to redemption at par and accrued interest, plus such redemption premium as it approves and on occasions and under conditions it prescribes. Turnpike bonds are not redeemable before maturity unless they contain a statement to that effect.

Section 57-5-1400. Turnpike bonds must be sold at private or public sale under conditions prescribed by the bond resolution ~~State Fiscal Accountability Authority~~. For the purpose of bringing about successful sales of the bonds, the State Fiscal Accountability Authority may do, or cause to be done, all things ordinarily and customarily done in connection with the sale of state or municipal bonds. All expenses incident to the sales of the turnpike bonds must be paid from the proceeds of the sale of the bonds or turnpike facility revenues.

Section 57-5-1410. All turnpike bonds must be executed in the name of and on behalf of the State ~~of South Carolina~~ and must be signed by the Governor and the State Treasurer. The Great Seal of the State must be affixed to, impressed, or reproduced upon each of them and they must be attested by the Secretary of State. If approved by the State Fiscal Accountability Authority, ~~any one or two~~ of the officers may, in lieu of manually signing, employ the use of the facsimile of their signatures in executing any turnpike bonds.

Section 57-5-1420. The proceeds derived from the sale of turnpike bonds must be applied only to the purposes ~~for which bonds are issued~~ authorized by this article and provided in the bond resolution.

Section 57-5-1430. Turnpike bonds must each be in the denomination of one thousand or five thousand dollars or some multiple thereof or such larger denominations as may be authorized by the State Fiscal Accountability Authority in the bond resolution.

~~Section 57-5-1440.—Turnpike bonds issued pursuant to this article may be in the form of negotiable coupon bonds, payable to bearer, with the privilege to the holder of having them registered in his name on the books of the State Treasurer as to principal only, or as to both principal and interest, and the principal or both principal and interest, as the case may be, thus made payable to the registered holder, subject to conditions the State Fiscal Accountability Authority prescribes. Turnpike bonds so registered as to principal in the name of the holder may thereafter be registered as payable to bearer and made payable accordingly.~~

Turnpike bonds may also be issued as fully registered bonds with both principal and interest made payable only to the registered holder. The fully registered bonds are subject to transfer under conditions the State Fiscal Accountability Authority prescribes. ~~The fully registered bonds may, if the proceedings authorizing their issuance so provide, be convertible into negotiable coupon bonds with the attributes set forth in the first paragraph of this section.~~

Section 57-5-1450. (A) The State Fiscal Accountability Authority, by bond resolution duly adopted, may make provision for the issuance of turnpike bonds. In the bond resolution, the State Fiscal Accountability Authority may prescribe:

- (1) the amount, denomination, and numbering of turnpike bonds to be issued;
- (2) ~~the date as of which they must be issued~~ method or manner of dating the turnpike bonds;
- (3) the estimated maturity schedule for the retirement of the turnpike bonds and a pro forma table of anticipated principal and interest payments for such turnpike bonds;
- (4) the form or forms of the turnpike bonds of the particular issue;
- (5) the redemption provisions or manner of determining the same, if any, applicable to the bonds;
- (6) the maximum rate or rates of interest the turnpike bonds shall bear;

(7) the specific purposes for which the turnpike bonds must be issued;

(8) the purposes for which the proceeds of the turnpike bonds must be expended, in the discretion of the State Fiscal Accountability Authority, a portion of the proceeds may be used as capitalized interest during the period of construction and initial operation and for the creation of appropriate debt service reserves and other funds and accounts as the State Fiscal Accountability Authority deems necessary or expedient from the turnpike bonds and the proper operation and functioning of the turnpike facilities;

~~—(9) the method and conditions by which turnpike revenues from the turnpike facility so financed must be collected and utilized;~~

~~(10)~~(9) the extent to which and the conditions under which additional parity turnpike bonds may be issued;

~~(11)~~(10) any covenant considered necessary protecting the turnpike facility so financed from possible future competition from other highways or comparable facilities;

~~(12)~~(11) the authorized method or methods by which the turnpike bonds must be sold and such other matters as may be considered necessary in order to effect the sale, issuance, and delivery of the turnpike bonds;

(12) the conditions under which refunding turnpike bonds may be issued.

~~—(B) Except as otherwise provided in this article, all expenses incurred in carrying out the provisions of this article are payable solely from funds provided under the authority of this article or from any funds provided by the federal government or from other special sources and no liability or obligation may be incurred by the department beyond the extent to which money has been provided under the provisions of this article.~~

~~(C)~~(B) The bond resolution shall set forth further a finding on the part of the State Fiscal Accountability Authority that the estimate of turnpike facility revenues made by the commission and approved by the State Fiscal Accountability Authority indicates that collection from turnpike facility revenues for applicable fiscal years is expected to be not less than that required for annual debt service requirements of the requested turnpike bonds. In making such finding, the department and the authority may rely in whole or in part on the work product of third-party

professionals engaged to provide financial, feasibility, or practicability studies related to the turnpike facilities or the financing thereof through turnpike bonds.

(C) The authority, by bond resolution duly adopted, may ratify and approve, in whole or in part, or modify in any way, the designation of turnpike facilities proposed pursuant to Section 57-5-1350.

(D) The authority, by bond resolution duly adopted, may ratify and approve, in whole or in part, the combining of any turnpike facilities then existing or proposed pursuant to Section 57-5-1350; provided, however, that prior to ratifying and approving such a combination from time to time the authority shall make a finding that it is in the best interest of the State after taking into account factors including, but not limited to, geographic connection, regional transportation planning, operational efficiencies, revenue stability, bonding capacity, and such other factors as it finds relevant.

Section 57-5-1460. If following presentation of a certified copy of the bond resolution it appears to the satisfaction of the Governor and the State Treasurer that the estimated collection from the ~~sources of revenue~~ turnpike facility revenues in applicable future fiscal years are not less than that required for annual debt service requirements for the requested turnpike bonds, then the Governor and State Treasurer may effect the delivery of bonds in accordance with the bond resolution.

SECTION 17. Sections 57-5-1480 through 57-5-1495(A), (B), and (C) of the S.C. Code are amended to read:

Section 57-5-1480. It is lawful for all executors, administrators, guardians, and other fiduciaries and all sinking fund commissions, including the ~~State Fiscal Accountability Authority Retirement System Investment Commission~~ and Public Employee Benefit Authority in their capacities as cotrustees of the funds of the South Carolina Retirement System and ~~as any~~ manager and administrator of other state sinking funds, to invest any monies in their hands in turnpike

bonds.

Section 57-5-1490. Any person who uses any turnpike ~~project~~ facility and fails or refuses to pay the any toll provided therefor then due shall be deemed guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not more than two hundred dollars or by imprisonment for not more than thirty days, and in addition thereto the ~~Ddepartment~~ department shall have a lien upon the vehicle driven by such person for the amount of such toll and may take and retain possession thereof.

Section 57-5-1495. (A) As used in this section:

(1) “Electronic toll collection system” means a system of collecting tolls or charges which is capable of charging an account holder or person the appropriate toll or charge by electronic meanstransmission of information from an electronic device on a motor vehicle to the toll lane, ~~which information is used to charge the account the appropriate toll or charge.~~

(2) “Lessor” means any person, corporation, firm, partnership, agency, association, or organization renting or leasing vehicles to a lessee under a rental agreement, lease, or otherwise wherein the said lessee has the exclusive use of the vehicle for any period of time.

(3) “Lessee” means any person, corporation, firm, partnership, agency, association, or organization that rents, leases, or contracts for the use of one or more vehicles and has exclusive use of the vehicles for any period of time.

(4) “Owner” means a person, other than a lienholder, having the property interest in or title to a vehicle. The term includes a person entitled to the use and possession of a vehicle subject to a security interest in another person, but excludes a lessee under a lease not intended as security ~~or an entity who, at the time of a toll violation and with respect to the vehicle involved in the violation, is the registrant or co-registrant of the vehicle with the Department of Motor Vehicles of this State or another state, territory, district, province, nation, or jurisdiction.~~

(5) “Photo-monitoring system” means a vehicle sensor installed to work in conjunction with a toll collection facility which automatically produces one or more photographs, one or more

microphotographs, a videotape, or other recorded images of a vehicle at the time it is used or operated in violation of toll collection regulations.

(6) "Toll violation" means the passage of a vehicle through a toll collection point without payment of the required toll.

(7) "Motor vehicle" or "vehicle" means every vehicle which is self-propelled~~"Vehicle" means a device in, upon, or by which a person or property is or may be transported or drawn upon a highway, except devices used exclusively upon stationary rails or tracks.~~

(B) Notwithstanding another provision of law, when a vehicle is driven through a turnpike facility without payment of the required toll, the owner ~~and operator~~ of the vehicle is ~~jointly and severally liable~~ responsible to the Department of Transportation to pay the required toll, administrative fees, and civil penalty as provided in this section. The department or its authorized agent may enforce collection of the required toll as provided for in this section.

(C) A certificate, sworn to or affirmed by an agent of the department, or a facsimile of it, that a toll violation has occurred, based upon inspection of photographs, microphotographs, videotape, ~~or other recorded images,~~ or other electronic means, produced by a photo-monitoring system, is prima facie evidence of the violation and is admissible in any proceeding charging a toll violation pursuant to this section. A photograph, microphotograph, videotape, or other recorded image evidencing a violation must be available for inspection by the party charged and is admissible into evidence in a proceeding to adjudicate liability for a violation.

SECTION 18. Chapter 5, Title 57 of the S.C. Code is amended by adding:

Section 57-5-1710.(A). As used in this section, "phased design-build" means a project delivery method that uses a stepped or progressive qualifications-based selection process, followed by a progression to a contract price. The department must select the phased design-build contractor exclusively on qualifications and technical approach, without consideration of schedule or costs, which must deliver the project in multiple phases.

(1) The phased design-build contractor is initially under contract for preconstruction activities

including, but not limited to, project validation, designing and developing plans, performing constructability reviews, and developing construction schedules and pricing.

(2) The department and the phased design-build contractor shall establish a guaranteed maximum construction cost. The guaranteed maximum construction cost is the total dollar amount within which the phased design-build contractors shall complete the final design and construction of the project including the contractor's direct costs, overhead, and profit, plus any authorized contingency. Upon agreement of the guaranteed maximum construction cost, the department and the phased design-build contractor will execute a second contract or an amendment to the initial contract for completion of the final designs and construction of the project consistent with subsection (C).

(3) If the department and phased design build contractor cannot reach agreement on a guaranteed maximum construction cost, then the department shall take ownership and assume liability of the design work product. Nothing shall prohibit the department from pursuing the project under any other legally allowed method.

(B) The department may only award a contract under this section if the department:

(1) determines that it is in the public's interest to use the phased design-build project delivery method; and

(2) prequalifies the prime contractor and lead designer firm that will be awarded the contract.

(C) The method for the department to award a contract using phased design-build procedures shall be:

(1) Prior to the initiating a phased design build procurement under this section, the department shall submit a report to the Joint Bond Review Committee on the nature and scope of the project and the reasons the phased design-build procurement project delivery method will best serve the public interest. The department shall not initiate a procurement until the Joint Bond Review Committee has provided its review and comment.

(2) Upon completion of a project awarded under subsection (B), the department shall submit a post-completion report to the Joint Bond Review Committee detailing the project results, including any cost and time efficiencies achieved using the phased design-build project delivery

method. This report must include a cost analysis comparing the use of phased design-build for awarding contracts with the award of contracts under the existing procedure.

(D) The department may promulgate regulations to implement the phased design-build method.

Section 57-5-1720.(A) The department may award highway construction contracts using a construction manager/general contractor (CM/GC) procedure. Under a CM/GC contract, the department shall perform preconstruction services via department personnel or via contract. A CM/GC contractor is responsible for providing advisory preconstruction services of the department's design including, but not limited to, constructability review, scheduling, pricing, and phasing. The CM/GC contractor shall be able to perform construction should the department and the contractor agree to a guaranteed maximum price.

(B) Should a guaranteed maximum price agreement be reached, construction services shall commence under a subsequent contract instrument. The contract instrument may be in the form of a CM/GC contract, a franchise agreement, or any other form of contract approved by the department. Before execution of a construction contract, the department shall retain an independent third party to develop a cost estimate to verify the guaranteed maximum price submitted by the contractor.

(C) Selection criteria shall include the contractor's cost for preconstruction services associated with the project, contractor qualifications, experience, past performance, best value, or any combination of the aforementioned criteria, or any other combination of selection criteria considered appropriate by the department.

(D) The department may promulgate regulations to implement the CM/GC project delivery method.

SECTION 19. Sections 56-5-4210 through 56-5-4220 of the S.C. Code are amended to read:

Section 56-5-4210. (A) Anything in this article to the contrary notwithstanding, the Department of Transportation with respect to state highways and local authorities with respect to

highways under their jurisdiction may prescribe, by notice as herein provided, loads and weights and speed limits lower than the limits prescribed in this chapter and other laws, whenever in their judgment any road or part thereof or any bridge or culvert shall by reason of its design, deterioration, rain or other climatic or natural causes be liable to be damaged or destroyed by motor vehicles, trailers or semitrailers, if the gross weight or speed limit thereof shall exceed the limits prescribed in such notice. And the Department of Transportation or such local authority may, by like notice, regulate or prohibit, in whole or in part, the operation of any specified class or size of motor vehicle, trailer, or semitrailer on any highways or specified parts thereof under its jurisdiction, whenever in its judgment, such regulation or prohibition is necessary to provide for the public safety and convenience on such highways or parts thereof by reason of traffic density, intensive use thereof by the traveling public or other reasons of public safety and convenience. The notice or the substance thereof shall be posted at conspicuous places at terminals of and all intermediate cross-roads and road junctions with the section of highway to which such notice shall apply. After any such notice shall have been posted, the operation of any motor vehicle or combination contrary to its provisions shall constitute a violation of this chapter.

(B) The imposition of any restrictions pursuant to subsection (A) must first be approved by the Department of Transportation on any highways transferred to local authorities after July 2026.

Section 56-5-4220. No limitation shall be established by any county, municipal, or other local authority pursuant to the provisions of Section 56-5-4210 that would interfere with or interrupt traffic as authorized hereunder ~~over~~ along public state highways, including officially established detours for such highways and cases where such traffic passes over roads, streets or thoroughfares within the sole jurisdiction of such county, municipal, or other local authority, unless such limitations and further restrictions shall have first been approved by the Department of Transportation, except that with respect to county roads, other than such as are in use as state highway detours, the respective county road authorities shall have full power and authority to further limit the weights of vehicles upon bridges and culverts that have failed to meet the National Bridge Inspection Standards as administered by the Department of Transportation upon

such public notice as they deem sufficient, and existing laws applicable thereto shall not be affected by the terms of this article.

SECTION 20. Section 11-43-140 of the S.C. 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 of the Department~~ the Secretary 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 of the Senate; and one member of the Senate appointed by the President of the Senate, ex officio. Directors appointed by the Governor, the Speaker of the House, and the President of the Senate 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 21. Section 11-35-710 of the S.C. Code is amended to read:

Section 11-35-710. (A) The board, upon the recommendation of the chief procurement officer, may exempt governmental bodies from purchasing certain items through the respective chief procurement officer's area of responsibility. The board may exempt specific supplies, services, information technology, or construction from the purchasing procedures required in this chapter and for just cause by unanimous written decision limit or may withdraw exemptions provided for in this section. The following exemptions are granted from this chapter:

(1) ~~the construction, maintenance, and repair of bridges, highways, and roads; vehicle and road equipment maintenance and repair; and other emergency type parts or equipment utilized~~

~~by the Department of Transportation or the Department of Public Safety the acquisition by the Department of Transportation of: transportation planning; the construction, maintenance, design, financing, operation, and repair of bridges, highways, roads, and other improvements within the state rights of way; technology related to operations within the state rights of way; and vehicle and road equipment maintenance and repair and other emergency-type parts and equipment;~~

(2) the purchase of raw materials by the South Carolina Department of Corrections, Division of Prison Industries;

(3) South Carolina State Ports Authority;

(4) Division of Public Railways of the Department of Commerce;

(5) South Carolina Public Service Authority;

(6) expenditure of funds at state institutions of higher learning derived wholly from athletic or other student contests, from the activities of student organizations, and from the operation of canteens and bookstores, except as the funds are used for the procurement of construction, architect-engineer, construction-management, and land surveying services;

(7) livestock, feed, and veterinary supplies;

(8) articles for commercial sale by all governmental bodies;

(9) fresh fruits, vegetables, meats, fish, milk, and eggs;

(10) South Carolina Arts Commission and South Carolina Museum Commission for the purchase of one-of-a-kind items such as paintings, antiques, sculpture, and similar objects. Before a governmental body procures the objects, the head of the purchasing agency shall prepare a written determination specifying the need for the objects and the benefits to the State. The South Carolina Arts Commission shall review the determination and forward a recommendation to the board for approval;

(11) published books, periodicals, and technical pamphlets;

(12) South Carolina Research Authority;

(13) the purchase of supplies, services, or information technology by state offices, departments, institutions, agencies, boards, and commissions or the political subdivisions of this State from the South Carolina Department of Corrections, Division of Prison Industries;

(14) Medical University Hospital Authority, if the Medical University Hospital Authority has promulgated a procurement process in accordance with its enabling provision;

(15) if approved in writing by the State Engineer in advance, and if some aspect of the overall transaction is otherwise approved by the board in advance of the acquisition, an acquisition of construction from an eleemosynary corporation or foundation, or a wholly owned business thereof, established solely for the governmental body's benefit, but only if the eleemosynary corporation or foundation acquires the construction on behalf of or for the use of the governmental body and does so pursuant to this code, as required by Section 11-35-40(4).

(16) the acquisition by the Department of Public Safety of vehicle and road equipment maintenance and repair and other emergency-type parts and equipment.

(B) The State Fiscal Accountability Authority shall maintain and post publicly a running list of all currently effective actions taken by the board pursuant to subsection (A);

SECTION 22. Section 12-28-2740 of the S.C. Code is amended to read:

Section 12-28-2740. (A) The proceeds from ~~two and sixty-six~~ three and ninety-nine one-hundredths cents a gallon of the user fee on gasoline only as levied and provided for in this chapter must be deposited with the State Treasurer and expended for purposes set forth in this section. The monies must be apportioned among the counties of the State in the following manner:

(1) one-third distributed in the ratio which the land area of the county bears to the total land area of the State;

(2) one-third distributed in the ratio which the population of the county bears to the total population of the State as shown by the latest official decennial census;

(3) one-third distributed in the ratio which the mileage of all rural roads in the county bears to the total rural road mileage in the State as shown by the latest official records of the Department of Transportation. The Department of Revenue shall collect the information required pursuant to Section 12-28-1390 regarding the number of gallons sold in each county for use in making allocations of donor funds as provided in subsection ~~(H)~~(I). The Department of Revenue shall

submit the percentage of the total represented by each county to the Department of Transportation and to each county transportation committee annually by May first of the following calendar year. Upon request of a county transportation committee, the Department of Transportation shall continue to administer the funds allocated to the county.

(B) All interest earnings on the County Transportation Fund in the State Treasury must be added to the distribution to counties under this section in proportion to each county's portion of the entire County Transportation Fund. Except for those funds being used in connection with highway projects administered by the Department of Transportation on behalf of counties administering their own “C” funds, these distributions of earnings and the calculation required to determine the appropriate amount shall not include those counties administering their own “C” funds.

~~(B)~~(C)(1) The funds expended must be approved by and used in furtherance of a countywide transportation plan adopted by a county transportation committee.

(2) The county legislative delegation shall appoint the county transportation committee, and shall ensure that the committee includes fair representation from municipalities and unincorporated areas of the county. All members of the county transportation committee must be residents of the county. The Department of Transportation shall publish a register on its website of members of the respective county transportation committees. The county transportation committee shall publish on the county website the members of the county transportation committee.

(3) The countywide transportation plan shall list the criteria by which projects shall be selected by the county transportation committee. The criteria shall include, but not be limited to, the condition of state and local highway roads and bridges, safety, efficient traffic operations, and economic development. The plan shall be updated at least every four years. Expenses related to preparing a plan may be incurred from “C” funds. This subsection does not prohibit the county legislative delegation from making project recommendations to the county transportation committee. The county transportation committee shall publish on the county website the countywide transportation plan.

(4) County transportation committees may join in approving a regional transportation plan,

and the funds must be used in furtherance of the regional transportation plan. The regional transportation plan shall be updated every four years. Expenses related to preparing a plan may be incurred from “C” funds. This subsection does not prohibit the county legislative delegation from making project recommendations to the county transportation committee.

(5) A county transportation committee may expend from the funds allocated under this section an amount not to exceed ~~twoten~~ ten thousand dollars for reasonable administrative expenses directly related to the activities of the committee. Administrative expenses may include costs associated with copying, mailings, public notices, correspondence, and recordkeeping but do not include the payment of per diem or salaries for members of the committee.

(6) A county transportation committee shall comply with notice requirements under Section 30-4-80(a). The agenda shall include the proposed actions of the county transportation committee and include the requested amount of “C” funds to be allocated.

(7) A county transportation committee shall comply with the minutes requirements Section 30-4-90. The minutes shall include the final amount of “C” funds allocated to each recipient.

(8) A county transportation committee shall meet at least twice annually.

~~(C)~~(D) At least ~~twenty-five~~ thirty-three percent of a county's apportionment of “C” funds, based on a biennial averaging of expenditures, must be expended on the state highway system for construction, improvements, and maintenance. The Secretary of Transportation, or his designee, shall approve the proposed expenditure based on the anticipated improvement to the existing condition and operations of the state highway system. The Department of Transportation shall administer all funds expended on the state highway system unless the department has given explicit authority to a county or municipal government or other agent acting on behalf of the county transportation committee to design, engineer, construct, and inspect projects using their own personnel. The county transportation committee, at its discretion, may expend up to ~~seventy-five~~ sixty-seven percent of “C” construction funds for activities including other local paving or improving county roads, for street and traffic signs, and for other road and bridge projects.

~~(D)~~(E) The funds allocated to the county also may be used to issue county bonds or state

highway bonds as provided in subsection ~~(J)~~(K), pay directly for appropriate highway projects, including engineering, contracting, and project supervision, and match federal funds available for appropriate projects. Beginning July 1, 2002, for any new “C” fund allocations received on or after this date, the balance of uncommitted funds carried forward from one year into the next may not exceed three hundred percent of the county's total apportionment for the most recent year. Expenditures must be documented on a per-project basis upon the completion of each project in reports to the respective county transportation committees. This documentation must be provided by the agency or local government actually expending the funds and it shall include a description of the completed project and a general accounting of all expenditures made in connection with the project summaries of these reports then must be forwarded by each county transportation committee to the department using guidelines established by the department and the department shall compile these reports into an annual statewide report to be submitted to the General Assembly by the second Tuesday of January of each year. The documentation and reporting requirements of this subsection apply only to counties administering their own “C” funds. For purposes of this section, “uncommitted funds” means funds held in the county's “C” fund account that have not been designated for specific projects.

~~(E)~~(F) All unexpended “C” funds allocated to a county remain in the account allocated to the county for the succeeding fiscal year and must be expended as provided in this section.

~~(F)~~(G) The countywide and regional transportation plans provided for in this section must be reviewed and approved by the Department of Transportation. Before the expenditure of funds by a county transportation committee, the committee shall adopt specifications for local road projects. In counties electing to expend their allocation directly pursuant to subsection (A), specifications of roads built with “C” funds are to be established by the countywide or regional transportation committee. In counties in which the county transportation committee elects to have “C” funds administered by the Department of Transportation, primary and secondary roads built using “C” funds must meet Department of Transportation specifications.

~~(G)~~(H) This section must not be construed as affecting the plans and implementation of plans for a Statewide Surface Transportation System as developed by the Department of Transportation.

~~(H)~~(I)(1) For purposes of this subsection, “donor county” means a county that contributes to the “C” fund an amount in excess of what it receives under the allocation formula as stated in subsection (A). In addition to the allocation to the counties pursuant to subsection (A), the Department of Transportation annually shall transfer to the donor counties an amount equal to seventeen million dollars in the ratio of the individual donor county's contribution in excess of “C” fund revenue allocated to the county under subsection (A) to the total excess contributions of all donor counties.

(2) A county is eligible for an additional allocation from the Department of Transportation if the county contributed to the “C” fund an amount in excess of what it receives under the allocation formula as stated in subsection (A) plus what it receives under item (1). The Department of Transportation annually shall transfer to the eligible counties an amount up to three and one-half million dollars in the ratio of the individual eligible county's contribution to the “C” fund in excess of the eligible county's total allocations under subsection (A) and item (1) to the total excess contributions of all eligible counties remaining after all allocations under subsection (A) and item (1) have been made. Under no circumstances can an allocation under this item result in an eligible county receiving total allocations in excess of what the county contributed to the “C” fund.

~~(H)~~(J)(1) In expending funds pursuant to this section, counties that administer their own “C” funds shall use a procurement system that requires competitive sealed bids, no bid preferences not required by state or federal law, and public advertisement of all projects. All bids for contracts in excess of one hundred thousand dollars must be accompanied by certified bid bonds, and all work awarded under the contracts must be covered by performance and payment bonds for one hundred percent of the contract value. Bid summaries must be published in a newspaper of general distribution following each award.

(2) The requirement of a bond for bid security or a bond for payment and performance may not include the requirement that the surety bond be furnished by a particular surety company or through a particular agent or broker.

~~(H)~~(K) State highway bonds may be issued for the completion of projects for which “C” funds may be expended for projects as determined by the county transportation committee. ~~The~~

~~applicable source for payment of principal and interest on the bonds is the share of “C” fund revenues available for use by the county transportation committee. The application for the bonds must be filed by the county transportation committee with the Commission of the Department of Transportation and the State Treasurer, which shall forward the application to the State Fiscal Accountability Authority. The Department of Transportation shall review the request and ensure it includes the information and schedules contemplated by Section 57-11-220 and that estimated principal and interest on the proposed bonds may be met from such county’s “C” funds, and if it, through the Secretary of Transportation, finds that such request, as submitted or as supplemented by the department, includes the required information, demonstrates that available “C” funds will satisfy estimated principal and interest on the proposed bonds, and does not unreasonably impact the published plans of the Department of Transportation, then it shall submit such request for state highway bonds to the State Fiscal Accountability Authority. The State Fiscal Accountability Authority shall consider the application request in the same manner that it considers state highway bonds, mutatis mutandis. The county transportation committee shall allocate and apply from its share of "C" fund revenues available for use by the county transportation committee the amount of principal and interest on the state highway bonds. The department shall provide notice of the debt service requirements of such state highway bonds upon the issuance thereof to the county transportation committee.~~

~~(K)(L) Members of the committee are insulated from all personal liability arising out of matters related directly to and within the scope of the performance of official duties and functions conferred upon the committee pursuant to this section.~~

~~—(L) In Berkeley County, appointments made pursuant to this section are governed by the provisions of Act 159 of 1995.~~

~~—(M) In Dorchester County, appointments made pursuant to this section are governed by the provisions of Act 512 of 1996. In addition to the members and appointment procedures of the Dorchester County Transportation Committee as provided by this section and subsection, two additional members of the county transportation committee must be appointed from that portion of the Town of Summerville in Dorchester County and that portion of the City of North~~

~~Charleston in Dorchester County. These members must be residents of the designated municipalities and of the county, and notwithstanding another provision of this subsection, must be appointed by the governing body of the respective municipality.~~

~~(N) In Georgetown County, appointments made pursuant to this section are governed by the provisions of Act 515 of 1996 and Section 2, Act 141 of 2001.~~

~~(O)(M) Notwithstanding other provisions of this section, the legislative delegation of a county may by delegation resolution abolish the county transportation committee and devolve its powers and duties to appoint the members of the committee to ~~on~~ the governing body of the county. This devolution may be reversed and the county transportation committee reestablished by a subsequent delegation resolution. ~~The exercise of county transportation committee powers and duties by a county governing body is not deemed to constitute dual office holding.~~~~

~~(P)(N)~~ The Department of Transportation shall perform reviews to ensure compliance with subsections (C)(3), (C)(4), (C)(5), (C)(6), (C)(7), (C)(8), ~~(C)(D), (D)(E), (F)(G), and (H)(J)~~. A county failing to comply with these subsections must have all subsequent “C” fund allocations withheld until the requirements of those subsections are met. If a county fails to comply with those subsections within twenty-four months, then the county forfeits fifty percent of its allocations for the following year and the forfeited amount must be divided among the other counties as provided in subsection (A).

~~(Q)(O)~~ A county subject to a proposed withholding or forfeiture of “C” fund allocations pursuant to this section must be notified in writing of the department's decision. The county, within sixty days of receipt of notice of the decision, may request a review of the decision by a panel consisting of the state highway engineer or his designee, the chairman of the affected county's transportation committee or his designee, and a third person named by mutual agreement between the state highway engineer and the county transportation committee chairman. The panel shall meet and render a decision within ninety days of the request by the county transportation committee. The decision of the panel may be appealed by requesting a contested case hearing before the Administrative Law Court pursuant to Section 1-23-600 and the rules of procedure for the Administrative Law Court. The request for a hearing must be made within thirty days of

receipt of the panel's decision.

~~(R)~~(P) The legislative delegation of the county, by resolution, may rename the county transportation committee established by this section as the (insert name of county) Legislative Delegation transportation committee. Upon the adoption of such a resolution, all references in this section and any other provisions of law to the county transportation committee, for purposes of that county, are deemed references to that county's legislative delegation transportation committee.

~~(S)~~ Notwithstanding the provisions of subsection (A), on July 1, 2018, and each July first thereafter until after July 1, 2021, the amount of proceeds of the user fee on gasoline only as levied for in this chapter that must be deposited with the State Treasurer and expended for the purposes of this section must be increased by .3325 cents a gallon, until such time as the total amount equals three and ninety nine one hundredths cents a gallon. Any increase in proceeds resulting from the provisions of this subsection must be used exclusively for repairs, maintenance, and improvements to the state highway system.

(Q) It is unlawful for a member of a county transportation committee, an engineer, agent, or other employee, acting for or on behalf of a committee, 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 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.

(R) Any official or employee of a county transportation committee is subject to the provisions of Chapter 13, Title 8, the State Ethics Act.

SECTION 23. Section 12-28-2920 of the S.C. Code is amended to read:

Section 12-28-2920. The department shall review projects for the possibility of constructing toll roads to defray the cost of these projects pursuant to the authority granted the department in ~~Section 57-5-1330~~ Title 57, Chapter 5, Article 9, as well as Section 57-3-205. No project may be funded in whole or in part by means of imposing a toll on the users of the project unless ~~in conjunction with federal funds authorized for use on toll roads~~ it is determined to be substantially feasible by the department, taking into account all funding sources. The funds derived from tolls must be:

(1) credited to the State Highway Fund ~~or~~;

(2) retained and applied by the entity or entities developing the toll road pursuant to an agreement authorized under Section 57-3-200 or 57-3-205 for the purpose of funding the cost of construction, financing, operation, and maintenance of the toll project; ~~or~~

~~(2)~~(3) used to service bonded indebtedness for highway transportation purposes incurred pursuant to Paragraph 9, Section 13, Article X of the South Carolina Constitution; or

(4) used to pay for the operation and maintenance costs of the toll project.

~~Upon repayment of the cost of construction and financing, toll charges shall cease.~~

SECTION 24. Chapter 5, Title 57 of the S.C. Code is amended by adding:

Section 57-5-1800 (A) There is established within the Department of Transportation the Pothole Mitigation Program for the purposes of public reporting of pothole locations along the state highway system. The department must implement the program in each county.

(B) The Pothole Mitigation Program must provide means for the public to report the location

of potholes to the department via telephone, the internet, a website application, or other electronic means as determined by the department. Within one year of adoption of this act, the department shall make available on the commercial mobile application stores a free application that allows the public to report the location of a pothole. The department must post notices in conspicuous locations including the department website, the State Highway Map, rest areas, and other facilities that provide information about the means for the public to report potholes.

(C) The department must ensure that, within seven days of receiving notice of the location of a pothole, the pothole is repaired. Each pothole repair must be a permanent repair unless weather conditions, emergency events, supplier availability, or other exigent circumstance requires a temporary repair until a permanent repair can be made. The department may use its own personnel or may contract with outside parties for pothole repair pursuant to the Pothole Mitigation Program.

(D) From the Infrastructure Maintenance Trust Fund, the department shall annually allocate \$15 million for full depth pavement repairs of repetitive potholes as identified in Section 57-5-1800(B). These funds shall be in addition to existing funds allocated for pavement rehabilitation.

SECTION 25. Section 57-11-210 of the S.C. Code is amended to read:

Section 57-11-210. The terms ~~defined herein shall have the meanings hereinafter set forth~~used in this section shall have the following meaning:

(1) “Fiscal year” means the fiscal year upon which the affairs of the State of South Carolina are then being conducted. As of the date of this enactment it is that which begins on July first and ends on June thirtieth of the succeeding calendar year.

(2) “Fuel oil user fee” means the user fee levied pursuant to Chapter 28, Title 12.

(3) “Gasoline user fee” means the per gallon user fee imposed upon gasoline, components thereof or substitutes therefor, pursuant to the provisions of Chapter 28 of Title 12.

(4) “Commission” means that agency of government now composed in accordance with the provisions of Article 3 of Chapter 1, Title 57, and any other commission or agency of government

hereafter exercising the powers granted to the commission pursuant to the provisions of Chapter 1, Title 57.

(5) “Highway transportation purposes” means the construction of roads and bridges now or hereafter made a part of the state highway system, or the reconstruction and improvement of highways and bridges now or hereafter made a part of the state highway system and to provide state funds to obtain matching federal highway funds.

(6) “Motor vehicle license tax” means the annual tax imposed upon a corporation, an individual, and an owner of a motor and other vehicle pursuant to the provisions of Title 56 and Title 57.

(7) “Road tax” means the road tax imposed on motor carriers pursuant to Chapter 11, Title 56.

(8) “Sources of revenue” means the gasoline user fee, the fuel oil user fee, the road tax, [the alternative fuel fees](#), and the motor vehicle license tax.

(9) “Authority” means the State Fiscal Accountability Authority of South Carolina.

(10) “State highway bonds” means all general obligation bonds of the State of South Carolina designated as state highway bonds, which are now outstanding and which may hereafter be issued pursuant to the authorizations of this article.

(11) “Alternative fuel fees” means those charges imposed pursuant to Section 56-3-645.

SECTION 26. Section 56-3-645 of the S.C. Code is amended to read:

Section 56-3-645. (A) In addition to the registration fees imposed by this chapter, the owner of motor vehicles that are powered:

(1) exclusively by electricity, hydrogen, or any fuel other than motor fuel, as defined in Section 12-28-110(39), that are not subject to motor fuel user fees imposed by Chapter 28, Title 12 shall pay a biennial ~~road-use~~[alternative fuel](#) fee of ~~one-four~~ hundred ~~twenty~~ dollars; and

(2) by a combination of motor fuel subject to motor fuel user fees imposed by Chapter 28, Title 12 and electricity, hydrogen, or any fuel other than motor fuel that is not subject to motor fuel user fees imposed by Chapter 28, Title 12 shall pay a biennial ~~road-use~~[alternative fuel](#) fee of ~~sixty-two~~ hundred dollars.

(B) Notwithstanding subsection (A), when a vehicle owner registers a vehicle with a declared gross vehicle weight, pursuant to Section 56-3-660, of at least eleven thousand one pounds that is powered by a source prescribed in either subsection (A)(1) or (A)(2), the owner owes the applicable alternative fuel fee plus an additional ten percent. The total alternative fuel fee owed increases ten percent for each of the gross vehicle weight ranges prescribed in Section 56-3-660(B). Vehicle owners registered under Section 56-3-660 must pay the applicable amount based on the gross vehicle weight of the registered vehicle. Commercial motor vehicles powered by alternative fuels that participate in the international registration plan or international fuel tax agreement are exempt from this subsection.

(C) Beginning October 1, 2030, and every fourth year thereafter, the Revenue and Fiscal Affairs Office must review and may adjust the amount of fees charged pursuant to subsection (A)(1) and (A)(2) according to the average change in the Consumer Price Index for All Urban Customers as published by the Bureau of Labor Statistics of the United States Department of Labor from the previous review. The adjustment may be either upward or downward in accordance with the Consumer Price Index. The Office must report the new fee to the Department of Motor Vehicles no later than October fifteenth of the appropriate year. The department must apply the revised fee amount to vehicles subject to the fee beginning with those required for registration in January of the next calendar year and conspicuously post the new fee on its official agency website. This does not apply to section 56-3-645(B).

~~(B)(D)~~ All of the fees collected pursuant to this section must be credited to the ~~Infrastructure Maintenance Trust Fund~~ State Highway Fund.

~~(C)(E)~~ The Department of Motor Vehicles shall collect this fee at the same time as the vehicle subject to the fee is ~~titled or~~ registered.

(F) The charges imposed by this section constitute a tax or license imposed upon individuals or vehicles for the privilege of using the public highways of the State.

SECTION 27. The General Assembly finds that the sections presented in this act constitute one subject as required by Article III, Section 17 of the South Carolina Constitution, in particular

finding that each change and each topic relates directly to or in conjunction with other sections to the subject of improving the state's transportation system as clearly enumerated in the title. 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 28.If any 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 section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 29. This act takes effect upon approval by the Governor. County Legislative delegations have ninety days from the effective date of this act to comply with the provisions of Section 12-28-2740(C)(2).

Renumber sections to conform.
Amend title to conform.



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0831 Amended by Senate Transportation on March 4, 2026
Subject: SCDOT Modernization
Requestor: Senate Transportation
RFA Analyst(s): Griffith, Daigle, and Miller
Impact Date: March 19, 2026

Fiscal Impact Summary

This bill establishes the Coordinating Council for Transportation and Mobility (CCTM), which is responsible for developing coordinated transportation plans and policy for South Carolina, for approving the long-range Statewide Transportation Plan and the Transportation Asset Management Plan, and for reviewing and commenting on plans developed by the member agencies for the furtherance of coordinated transportation planning in the state, among other responsibilities. The bill also amends duties of the Commission of the Department of Transportation (DOT) and establishes the Pothole Mitigation Program within DOT.

The bill makes changes to DOT's authority to designate turnpike facilities (toll roads), changes the requirements and process for highway construction contracts and phased design-builds, and establishes a new process for transferring ownership for certain roads from state to local governments. To fund the transfer of nonessential roads to local governments, the bill creates the System Realignment Fund within DOT. The fund may receive monies from an appropriation or authorization of the General Assembly, and the Secretary of Transportation may transfer monies from the State Highway Fund (SHF).

DOT expects to manage any expenses associated with the requested public hearings for transportation projects, expanded audit and reporting responsibilities, the creation of the CCTM and the Pothole Mitigation Program, and additional planning and oversight functions with existing staff and appropriations. Additionally, DOT indicates that it will need 9.0 FTEs, with salary and fringe of \$1,200,000, to manage the public-private partnerships and other administrative and operational functions related to the new responsibilities surrounding tolls. DOT indicates that they can manage the expenses with existing appropriations and revenues generated by the bill. Please note that over time, the expenditures are expected to be offset or fully recouped through toll revenues, user fees, and project financing mechanisms, subject to project performance and traffic volumes.

This bill will increase recurring General Fund expenditures of the Department of Motor Vehicles (DMV) by approximately \$154,000 beginning in FY 2026-27. Of this amount, \$136,000 is for 3.0 FTEs, who will be responsible for notifications to motor vehicle registrants whose registrations are pending suspension or suspended for toll violations. The remaining \$18,000 is for mailing costs. DMV will request a General Fund appropriation increase for these expenditures.

Based upon a previous response, this bill will increase recurring General Fund expenditures of the Secretary of State's Office by approximately \$69,000 for 1.0 FTE (Administrative Assistant) to manage the processing of filed public-private partnership contracts. Additionally, Other Funds expenditures are expected to increase by a range of \$102,000 to \$252,000 in FY 2026-27 for technology required for the development, storage, indexing, certifying, and securing of documents related to public-private partnership contracts. Further, the Secretary of State's Office noted that additional office space will be needed to accommodate the new FTE and equipment since the Office is currently at full capacity. However, the cost is unknown at this time. The bill specifies that the Secretary of State's Office may charge a fee for each certification of filed public-private partnership documents. While the revenue from this fee may offset some of the Office's costs, the Office expects that expenditures will exceed revenue. The Office will request an increase in Other Funds authorization and a General Fund appropriation increase to cover the remaining expenses.

The bill adds the Secretary of DOT to the South Carolina Transportation Infrastructure Bank (SCTIB) Board of Directors. SCTIB previously expressed concerns that amending its board could fiscally impact SCTIB because it will change the current operating procedures but could not quantify the impact at this time.

This bill adds responsibilities to DOT related to the administration of 23 U.S.C. Sections 326 and 327, otherwise known as the National Environmental Policy Act (NEPA) Assignment Program. Since the NEPA Assignment Program is administered by the United States Environmental Protection Agency (US EPA), the Revenue and Fiscal Affairs Office (RFA) anticipates that the bill will have no fiscal impact to the Department of Environmental Services (DES).

The bill will have no fiscal impact on the Department of Public Safety (DPS), the Department of Commerce, the Office of Regulatory Staff (ORS), the Aeronautics Commission, the Governor's Office, the House of Representatives, the Senate, the Retirement System Investment Commission (RSIC), the State Fiscal Accountability Authority (SFAA), the Office of the State Auditor, or the Office of the Attorney General as this bill marginally affects current operations, and these agencies will manage the responsibilities with existing staff and resources.

The fiscal impact of the bill on the Ports Authority is pending, contingent upon a response from the agency.

Overall, Other Funds revenue of DOT will increase by an undetermined amount based on the new fees. DOT may receive additional funding from appropriations to the System Realignment Fund and from turnpike facility revenue.

Any appropriations to the System Realignment Fund are at the discretion of the General Assembly and are undetermined at this time.

This bill permits the funds derived from toll roads to be used to pay the operation and maintenance costs of a toll project. As it is unknown how many roads DOT will designate as toll

roads and how soon turnpike facilities would begin generating revenue, the Other Funds revenue increase of DOT is undetermined. DOT will use the revenue to offset the administration costs of turnpike facilities but indicates that the revenue is expected to exceed the expenditures, with the excess revenue supporting project costs. Further, the bill requires DOT to transfer \$15 million annually from the Infrastructure Maintenance Trust Fund (IMTF) for full depth pavement repairs of respective potholes for the Pothole Mitigation Program. These funds are in addition to the existing funds allocated for pavement rehabilitation. Therefore, the bill will shift Other Funds of DOT from one program to another.

The bill requires DOT to publish a list of nonessential roads and may transfer ownership to, with their consent, counties, municipalities, and other entities. The list must be approved by the CCTM. To fund the transfer of nonessential roads to local governments, the bill creates the System Realignment Fund within DOT. The fund may receive monies from an appropriation or authorization of the General Assembly, and the Secretary of Transportation may transfer monies from the SHF. Further, the bill permits any county in which all roads identified by DOT as non-essential to the State Highway System have been transferred to the local governments in the county may impose a local option transportation sales tax of “2 cents”, compared to the 1 percent tax currently allowed. It is unclear how the “2-cent” tax will be implemented. Further, any increase in local option transportation sales tax collections due to the authorized 2-cent sales tax is undetermined as the imposition of the additional tax is permissive in nature and will depend upon what roads are transferred from DOT to local government for maintenance and whether the tax is approved by referendum.

The bill increases the share of a county’s apportionment of county transportation funds, or “C” funds, that must be expended on the state highway system from 25 percent to 33 percent. Additionally, local governments may impose additional millage to meet the funding requirements of maintaining the roads transferred from DOT. The initial additional millage is not subject to the millage rate increase limitation pursuant to Section 6-1-320. The increase in local property tax due to the increase in millage is undetermined as the imposition of additional millage is permissive in nature and will depend upon what roads are transferred from DOT to local government for maintenance and the millage the local government chooses to impose. For reference, as of tax year 2023, the value of mil by county ranges from \$32,080 to \$5,390,974.

RFA contacted all forty-six counties and the Municipal Association of South Carolina (MASC) regarding the potential fiscal impact of the bill. Charleston County anticipates that the bill will have no immediate fiscal impact but could have long-term effects related to how many miles of state roads are transferred to the county and the increase in required “C” funds spending on the state highway system. Lancaster County expects that the county would likely not accept the transfer of state roads but indicates that the costs to the county would be significant if it did. MASC also anticipates that these changes could result in an increase in expenditures for municipalities, but the amount is unknown.

Explanation of Fiscal Impact

Amended by Senate Transportation on March 4, 2026

State Expenditure

This bill establishes the CCTM, which is responsible for developing coordinated transportation plans and policy for South Carolina, for approving the long-range Statewide Transportation Plan and the Transportation Asset Management Plan, and for reviewing and commenting on plans developed by the member agencies for the furtherance of coordinated transportation planning in the state. The CCTM will consist of the Secretary of Transportation, the Director of DPS, the Director of DMV, the Secretary of Commerce, the Director of ORS, the Chairman of the State Ports Authority, the Chairman of the Aeronautics Commission, the Chairman of the SCTIB, and one municipal and one county representative, both appointed by the Governor.

The bill provides that the Secretary of Transportation is a member of the board of directors of the SCTIB. Further, the bill creates within DOT the position of Deputy Secretary for Planning, who is responsible for developing statewide strategic transportation plans, coordinating statewide plans with federal and state-funded regional and local transportation planning organization, and serving as staff to the newly created CCTM.

This bill updates DOT's authority to designate turnpike facilities and impose tolls to allow dynamic tolling, scheduled tolling, variable tolling, uniform tolling, or some combination thereof, and may take into account the weight and class of certain vehicles, real-time and planned usage, and any other factors deemed appropriate by the department. Unless a toll imposition is specifically authorized by the General Assembly, tolls may only be imposed on managed or choice lane facilities that increase the capacity of the applicable road, bridge, highway, or interstate. The Commission may request the issuance of turnpike bonds by SFAA. Principal and interest are payable solely out of the turnpike facility revenues. The bill also allows all executors, administrators, guardians, and other fiduciaries and all sinking fund commissions, including RSIC in its capacity as a co-trustee of the funds of the SC Retirement System, to invest any monies in turnpike bonds.

DOT may utilize turnpike facility revenues and funds available for the maintenance of the state highway system for the maintenance and operation of any turnpike facility. DOT also may contract with any political subdivision desiring to assist the department with turnpike facilities. Revenues from these contracts may be included in turnpike facility revenues. It also allows DOT to enter into reciprocal agreements with other jurisdictions, including the federal government and any other state, to enforce toll violations.

The amended bill also establishes within DOT the Pothole Mitigation Program for the purposes of public reporting of pothole locations along the state highway system. DOT must implement the program in each county, posting conspicuous notices to notify the public of the reporting process, and must provide within one year of the effective date of the act, a free application for the public to report the locations of potholes to the agency via telephone, the internet, a website application, or other electronic means. The amended bill requires DOT to ensure the permanent repair of a pothole within seven days of receiving notice of the pothole's location, unless exigent

circumstances require a temporary repair. DOT may use its own personnel or contract with outside parties for pothole repair pursuant to the Pothole Mitigation Program. To fund the permanent repairs, DOT is required to allocate \$15 million from the IMTF annually, which shall be in addition to existing funds allocated for pavement rehabilitation.

The bill provides requirements for the selection of highway construction contracts and phased design-builds. Further, the bill permits DOT to enter into public-private partnership arrangements for planning, constructing, operating, and maintaining the roads, bridges, and other infrastructure under the jurisdiction of DOT. The determination of the type of contract to use for a given project must be reviewed by the Joint Bond Review Committee (JBRC), and DOT must update the JBRC annually on the status of all outstanding public-private partnership arrangements. DOT must also file a copy of public-private partnership contract documents with the Secretary of State, who must file and index the documents and is authorized to prepare and deliver certified copies of the documents as filed. For each certification, a reasonable fee may be charged. Lastly, SFAA may exempt from procurement code specific supplies, services, information technology, or construction.

DOT is required to publish a list of nonessential roads and may transfer ownership to consent, counties, municipalities, and other entities with their consent. The list must be approved by the CCTM. To fund the transfer of nonessential roads to local governments, the bill creates the System Realignment Fund within DOT. The fund may receive monies from an appropriation or authorization of the General Assembly, and the Secretary of Transportation may transfer monies from the SHF.

Department of Transportation. This bill makes changes to the administration and operation of DOT, including expanded planning and oversight requirements, authorization for choice lane tolling and project delivery methods, the creation of new coordination mechanisms, and the creation of the Pothole Mitigation Program. However, DOT expects to manage these expenditures with existing appropriations and staff. The bill also requires DOT to allocate \$15 million from the IMTF annually for pothole repair pursuant to the Pothole Mitigation Program.

This bill gives DOT the authority to collect tolls on choice lanes, impose administrative fees and penalties, and utilize electronic toll collection systems. Implementation of these responsibilities will require 2.0 FTEs related to procurement functions and 7.0 FTEs related to the management of public-private partnerships and other administrative and operational functions. Salary and fringe benefits for the FTEs will increase Other Funds expenditures by \$1,200,000 in FY 2026-27 and each year thereafter. Other major operating expenses related to the implementation of tolls include credit card transaction fees, call center contractual costs, InterAgency Group E-Z pass costs, and transponder issuance contractual costs. These expenses will increase Other Funds expenditures of DOT by at least \$50,000. DOT indicates that they can manage the expenses with existing appropriations and revenues generated by the bill. Please note that over time, the expenditures are expected to be offset or fully recouped through toll revenues, user fees, and project financing mechanisms, subject to project performance and traffic volumes.

State Fiscal Accountability Authority. Based on a previous response, this bill will have no fiscal impact on SFAA because the Authority will manage the provisions of the bill with existing staff and resources.

Retirement System Investment Commission. The duties in the bill related to RSIC will be performed in the normal course of business. Therefore, there is no fiscal impact to RSIC.

Department of Public Safety. This bill requires the Director of Public Safety to be a member of the CCTM. DPS will manage this responsibility with its existing appropriations. Therefore, there is no fiscal impact to DPS.

Department of Motor Vehicles. This amended bill requires DMV to send DOT, at a minimum monthly, updated toll-related vehicle data for the purposes of administering, collecting, and enforcing any toll, toll violation, processing fee, civil penalty, or registration-based enforcement mechanism. The bill also requires the Director of DMV to be a member of the CCTM. Additionally, the amended bill requires DMV to notify motor vehicle registrants of pending registration suspensions related to toll violations and to suspend vehicle registrations when such violations remain unpaid. DMV anticipates having to mail a high volume of notices of suspension related to toll violations. The agency indicates that it currently does not have the capacity to manage these duties with existing staff and resources. Therefore, the bill will increase recurring expenses of DMV by approximately \$154,000 beginning in FY 2026-27. Of this amount, \$136,000 is for 3.0 FTEs to manage the new responsibilities of the bill. The remaining \$18,000 is for annual mailing costs. The agency will request a General Fund appropriation increase for these expenses.

Department of Commerce. This bill requires the Secretary of Commerce to be a member of the CCTM. The Department of Commerce will manage this responsibility with its existing appropriations. Therefore, there is no fiscal impact to the Department of Commerce.

Office of Regulatory Staff. This bill requires the Director of ORS to be a member of the CCTM. ORS will manage this responsibility with its existing appropriations. Therefore, there is no fiscal impact to ORS.

South Carolina Ports Authority. This bill requires the Chairman of the Ports Authority to be a member of the CCTM. The fiscal impact of the bill on the Ports Authority is pending, contingent upon a response from the agency.

South Carolina Aeronautics Commission. This bill requires the Chairman of the Aeronautics Commission to be a member of the CCTM. Aeronautics will manage this responsibility with its existing appropriations. Therefore, there is no fiscal impact to Aeronautics.

South Carolina Transportation Infrastructure Bank. This bill requires the Chairman of the SCTIB to be a member of the CCTM and replaces the Chairman of the DOT Commission with DOT's Secretary of Transportation. SCTIB previously indicated that amending the SCTIB Board

could fiscally impact SCTIB. However, the impact to SCTIB is undetermined since, it is unclear as to how the bill will affect the SCTIB's operations.

Governor's Office. The duties in the bill related to the Governor's Office will be performed in the normal course of business. Therefore, there is no fiscal impact to the Governor's Office.

Office of the State Auditor. The bill expands who may be employed by the State Auditor as the chief internal auditor of DOT. Currently, the chief internal auditor of DOT must be a certified public accountant. However, the bill expands the experience to include a certified internal auditor or a certified fraud examiner and specifies that the scope of internal audit services shall cover the entire department. This responsibility can be accomplished under the normal course of business for the office. Therefore, there is no fiscal impact to the Office of the State Auditor.

The House of Representatives and the Senate. This bill provides additional responsibilities of the JBRC, which consists of members of the House of Representatives and the Senate. These legislative bodies anticipate that any expenses due to the additional responsibilities can be managed with existing appropriations. Therefore, there is no fiscal impact to the House or the Senate.

Office of the Attorney General. Based on a previous response, this bill requires the Attorney General to perform activities that will be conducted in the course of normal agency business. Therefore, there is no fiscal impact to the Office of the Attorney General.

Secretary of State's Office. This bill requires DOT to file a copy of documents related to public-private partnerships with the Secretary of State's Office. The Secretary of State's Office must also prepare and send certified copies of the documents to interested parties. In order to manage the provisions of the bill, the Secretary of State's Office previously indicated that it will need 1.0 FTE (Administrative Assistant), which will increase recurring expenditures by approximately \$69,000 including salary and fringe. Additionally, Other Funds expenditures are expected to increase by a range of \$102,000 to \$252,000 in FY 2026-27 for technology required for the development, storage, indexing, certifying, and securing of documents related to public-private partnership contracts. Further, the Secretary of State's Office noted that additional office space will be needed to accommodate the new FTE and equipment since the Office is currently at full capacity. However, the cost for the new space is unknown at this time. The bill specifies that the Secretary of State's Office may charge a fee for each certification of filed public-private partnership documents. While the revenue from this fee may offset some of the Office's costs, the Office expects that expenditures will exceed revenue. The Office will request both an increase in Other Funds authorization and a General Fund appropriation increase to cover the remaining expenses.

Department of Environmental Services. This bill requires the Secretary of Transportation, within one year of submitting an application to assume administration of 23 U.S.C Sections 326 and 327, also known as the NEPA Assignment Program, to issue a NEPA manual detailing the manner in which DOT will carry out its NEPA responsibilities. The NEPA Assignment Program

is administered by the US EPA, and therefore, RFA anticipates that the bill will have no fiscal impact on DES.

State Revenue

Turnpike Facility Revenues

This bill permits the funds derived from toll roads to be used to pay the operation and maintenance costs of a toll project. As it is unknown how many roads DOT will designate as toll roads and how soon turnpike facilities would begin generating revenue, the revenue increase in Other Funds of DOT related to turnpike facilities is undetermined. DOT indicates that the department will use some of the revenue to offset the administration of turnpike facilities but anticipates that the revenue increase will exceed expenditures.

System Realignment Fund

To fund the transfer of nonessential roads to local governments, the bill creates the System Realignment Fund within DOT. The fund may receive monies from an appropriation or authorization of the General Assembly, and the Secretary of Transportation may transfer monies from the SHF. As this is a new fund and funds are at the discretion of the General Assembly and the Secretary of Transportation, the impact on Other Funds revenue of DOT is undetermined.

Secretary of State Certification Fee

This bill specifies that the Secretary of State's Office may charge a fee for each certification of filed public-private partnership documents. While the revenue from this fee may offset some of the Office's costs, the Office expects that expenditures will outweigh revenue.

Pothole Mitigation Program

The bill requires DOT to transfer \$15 million annually from the IMTF for full depth pavement repairs of respective potholes for the Pothole Mitigation Program. These funds are in addition to the existing funds allocated for pavement rehabilitation. Therefore, the bill will shift Other Funds of DOT from one program to another.

Local Expenditure

This bill increases the portion of a county's apportionment of "C" funds that must be expended on the state highway system from 25 percent to 33 percent. In addition, the bill specifies that any costs incurred by DOT caused by an unreasonable delay in the review and approval of plans for a permanent improvement, construction, reconstruction, or alteration of a highway or highway facility within a municipality is the responsibility of the municipality.

RFA contacted all forty-six counties and MASC regarding the potential fiscal impact of the bill. Charleston County anticipates that the bill will have no immediate fiscal impact but could have long-term effects related to how many miles of state roads are transferred to the county and the increase in required "C" funds spending on the state highway system. Lancaster County expects that the county would likely not accept the transfer of state roads but indicates that the costs to the county would be significant if it did. Similarly, MASC expressed concerns that municipalities may experience shortfalls in funds due to 1) the reduction of the use of "C" funds for local roads, 2) the responsibility of potential costs related to an unreasonable delay in the

review and approval of transportation plans. MASC indicates that the measures that would increase expenditures and decrease revenue may be greater than the increase in revenues from the permissive millage increases, which is discussed in the Local Revenue section of this fiscal impact statement. This would result in an undetermined net increase in expenditures for municipalities.

Local Revenue

Millage Increase

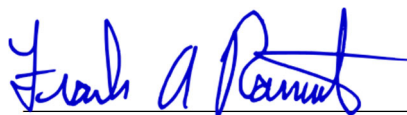
Section 32 of this bill requires DOT to identify nonessential roads and may transfer ownership and maintenance responsibilities of these roads to the local government with the local government's consent. The local government may impose additional millage to meet the funding requirements of maintaining these roads. The initial additional millage is not subject to the millage rate increase limitation pursuant to Section 6-1-320. For reference, as of tax year 2023 the value of mil by county ranges from \$32,080 to \$5,390,974.

The increase in local property tax due to the increase in millage is undetermined as the imposition of additional millage is permissive in nature and will depend upon what roads are transferred from DOT to local government for maintenance and the millage the local government chooses to impose.

Local Option Transportation Sales and Use Tax

This bill requires DOT to identify nonessential roads and allows for the transfer of ownership and maintenance responsibilities of these roads to the local government with mutual consent. In a county where DOT has transferred all nonessential roads, the county may impose a local option transportation sales and use tax of "2 cents." Currently, counties are authorized to impose a 1 percent local option transportation sales tax, subject to a referendum. It is unclear how the tax of 2 cents will be implemented.

The increase in local option transportation sales tax collections due to the authorized 2-cent sales tax is undetermined as the imposition of the additional tax is permissive in nature and will depend upon what roads are transferred from DOT to local governments for maintenance and whether the tax is approved by referendum.



Frank A. Rainwater, Executive Director

South Carolina General Assembly
126th Session, 2025-2026

S. 831

STATUS INFORMATION

General Bill

Sponsors: Senators Grooms, Jackson, Kimbrell, Sutton and Bennett

Document Path: SR-0095CEM26.docx

Introduced in the Senate on January 20, 2026

Introduced in the House on March 24, 2026

Last Amended on March 19, 2026

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

Summary: SCDOT Modernization

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
1/20/2026	Senate	Introduced and read first time (Senate Journal-page 6)
1/20/2026	Senate	Referred to Committee on Transportation (Senate Journal-page 6)
1/27/2026		Scrivener's error corrected
3/4/2026	Senate	Committee report: Favorable with amendment Transportation (Senate Journal-page 29)
3/6/2026		Scrivener's error corrected
3/10/2026	Senate	Committee Amendment Adopted (Senate Journal-page 22)
3/11/2026	Senate	Amended (Senate Journal-page 22)
3/11/2026	Senate	Read second time (Senate Journal-page 22)
3/19/2026	Senate	Amended (Senate Journal-page 10)
3/19/2026	Senate	Read third time and sent to House (Senate Journal-page 10)
3/19/2026	Senate	Roll call Ayes-37 Nays-1 (Senate Journal-page 10)
3/24/2026	House	Introduced and read first time (House Journal-page 39)
3/24/2026	House	Referred to Committee on Ways and Means (House Journal-page 39)

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VERSIONS OF THIS BILL

[01/20/2026](#)

[01/27/2026](#)

[03/04/2026](#)

[03/06/2026](#)

[03/10/2026](#)

[03/11/2026](#)

03/19/2026

1 ~~Indicates Matter Stricken~~

2 Indicates New Matter

3

4 AS PASSED BY THE SENATE

5 March 19, 2026

6

7

S. 831

8

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Introduced by Senators Grooms, Jackson, Kimbrell, Sutton and Bennett

10

11 S. Printed 3/19/26--S.

12 Read the first time January 20, 2026

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A BILL

11 TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 57-1-25 SO AS
12 TO ESTABLISH A COORDINATING COUNCIL FOR TRANSPORTATION AND MOBILITY
13 AND DEFINE ITS MEMBERSHIP, POWERS, AND RESPONSIBILITIES; BY AMENDING
14 SECTION 57-1-360, RELATING TO THE CHIEF INTERNAL AUDITOR, SO AS TO CLARIFY
15 QUALIFICATIONS AND SCOPE OF ACTIVITIES; BY AMENDING SECTION 57-1-370,
16 RELATING TO THE DEVELOPMENT OF A LONG-RANGE STATEWIDE TRANSPORTATION
17 PLAN, SO AS TO MANDATE THAT THE DEPARTMENT OF TRANSPORTATION IS
18 RESPONSIBLE FOR DEVELOPING THE PLAN; BY AMENDING SECTION 57-3-20,
19 RELATING TO RESPONSIBILITIES AND DUTIES OF THE DEPUTY SECRETARIES, SO AS
20 TO PROVIDE FOR THE RESPONSIBILITIES AND DUTIES OF THE DEPUTY SECRETARIES;
21 BY ADDING SECTION 57-3-205 SO AS TO ALLOW THE DEPARTMENT TO ENTER INTO
22 PUBLIC-PRIVATE PARTNERSHIP AGREEMENTS; BY AMENDING SECTION 57-3-615,
23 RELATING TO HIGHWAY TOLLS AND USAGE, SO AS TO ALLOW THE IMPOSITION OF
24 TOLLS IN CERTAIN SITUATIONS; BY ADDING SECTION 57-3-790 SO AS TO WAIVE THE
25 STATE'S IMMUNITY; BY ADDING SECTION 57-3-800 SO AS TO ALLOW THE
26 DEPARTMENT OF TRANSPORTATION TO ENTER INTO RECIPROCAL AGREEMENTS
27 WITH OTHERS TO ENFORCE TOLL VIOLATIONS; BY AMENDING SECTION 57-5-820,
28 RELATING TO THE CONSENT OF A MUNICIPALITY TO WORK ON STATE HIGHWAYS, SO
29 AS TO PROVIDE FOR CANCELLATION OF PROJECTS IN CERTAIN CIRCUMSTANCES; BY
30 AMENDING SECTION 57-5-830, RELATING TO THE ASSENT OF MUNICIPALITY TO PLANS,
31 SO AS TO PROVIDE THAT COSTS CAUSED BY AN UNREASONABLE DELAY ARE THE
32 RESPONSIBILITY OF THE MUNICIPALITY; BY ADDING SECTION 57-5-105 SO AS TO
33 IDENTIFY AND TRANSFER OWNERSHIP OF NON-ESSENTIAL ROADS TO THE STATE
34 HIGHWAY SYSTEM; BY ADDING SECTION 57-5-1085 SO AS TO IMPOSE FEES ON NEW
35 DEVELOPMENTS WITHIN THE STATE IN ORDER TO MITIGATE CONGESTION CAUSED
36 BY ADDITIONAL TRAFFIC; BY AMENDING SECTION 57-5-1320, RELATING TO TURNPIKE
37 PROJECT DEFINITIONS, SO AS TO INCLUDE NONTAX REVENUES OR OTHER LEGALLY
38 AVAILABLE FUNDS AS A SOURCE FOR FUNDING TURNPIKE FACILITIES; BY AMENDING
39 SECTION 57-5-1330, RELATING TO GENERAL POWERS OF THE DEPARTMENT OF
40 TRANSPORTATION, SO AS TO ALLOW THE DEPARTMENT TO CONTRACT WITH OTHER
41 POLITICAL SUBDIVISIONS IN DESIGNATING, ESTABLISHING, PLANNING,
42 ABANDONING, FINANCING, IMPROVING, CONSTRUCTING, MAINTAINING, AND
43 REGULATING TURNPIKE FACILITIES; BY AMENDING SECTION 57-5-1335, RELATING TO
44 THE FEASIBILITY STUDIES, SO AS TO REQUIRE THE DEPARTMENT TO COMPLETE A
45 FEASIBILITY STUDY PRIOR TO A BRIDGE CONSTRUCTION QUALIFYING AS TURNPIKE
46 FACILITY; BY AMENDING SECTION 57-5-1340, RELATING TO ADDITIONAL POWERS OF
47 THE DEPARTMENT, SO AS TO MAKE CONFORMING CHANGES; BY AMENDING SECTION
48 57-5-1350, RELATING TO A REQUEST FOR AN ISSUANCE OF TURNPIKE BONDS, SO AS TO
49 MAKE CONFORMING CHANGES; BY AMENDING SECTION 57-5-1360, RELATING TO
50 POWERS AND DUTIES OF THE STATE FISCAL ACCOUNTABILITY AUTHORITY UPON
51 RECEIPT OF REQUEST, SO AS TO PROVIDE THAT A RESOLUTION APPROVING ANY
52 PROPOSED TURNPIKE BONDS MAY NOT BE ADOPTED UNLESS THE STATE BOARD
53 CONDUCTS A HEARING BEFORE APPROVAL; BY AMENDING SECTION 57-5-1380,

1 RELATING TO TURNPIKE REVENUE PLEDGED FOR PAYMENT OF BONDS, SO AS TO
2 CLARIFY THAT TURNPIKE BONDS ISSUED BY THIS ARTICLE DO NOT CONSTITUTE AN
3 INDEBTEDNESS OF THE STATE; BY AMENDING SECTION 57-5-1390, RELATING TO BOND
4 INTEREST, MATURITY, AND REDEMPTION, SO AS TO UPDATE TERMS; BY AMENDING
5 SECTION 57-5-1400, RELATING TO THE SALE OF BONDS AND EXPENSES INCIDENT TO
6 SALE, SO AS TO MAKE CONFORMING CHANGES; BY AMENDING SECTION 57-5-1410,
7 RELATING TO THE EXECUTION OF BONDS, SO AS TO MAKE CONFORMING CHANGES;
8 BY AMENDING SECTION 57-5-1420, RELATING TO THE APPLICATION OF BOND
9 PROCEEDS, SO AS TO PROVIDE THAT THE PROCEEDS DERIVED FROM THE SALE OF
10 TURNPIKE BONDS MUST BE APPLIED ONLY TO THE PURPOSES AUTHORIZED BY THIS
11 ARTICLE AND PROVIDED IN THE BOND RESOLUTION; BY AMENDING SECTION
12 57-5-1430, RELATING TO DENOMINATIONS OF TURNPIKE BONDS, SO AS TO PROVIDE
13 THAT TURNPIKE BONDS MUST EACH BE IN THE DENOMINATION OF ONE THOUSAND
14 OR FIVE THOUSAND DOLLARS OR SOME MULTIPLE THEREOF OR SUCH LARGER
15 DENOMINATIONS AS MAY BE AUTHORIZED BY THE AUTHORITY IN THE BOND
16 RESOLUTION; BY AMENDING SECTION 57-5-1440, RELATING TO THE FORM OF BONDS,
17 SO AS TO REMOVE THE PROVISION THAT TURNPIKE BONDS ISSUED PURSUANT TO
18 THIS ARTICLE MAY BE IN THE FORM OF NEGOTIABLE COUPON BONDS, PAYABLE TO
19 BEARER; BY AMENDING SECTION 57-5-1450, RELATING TO THE RESOLUTION TO ISSUE
20 BONDS, SO AS TO PROVIDE THAT THE DEPARTMENT AND THE AUTHORITY MAY RELY
21 ON THE WORK PRODUCT OF THIRD-PARTY PROFESSIONALS TO PROVIDE FINANCIAL,
22 FEASIBILITY, OR PRACTICABILITY STUDIES RELATED TO THE TURNPIKE FACILITIES;
23 BY AMENDING SECTION 57-5-1460, RELATING TO THE POWERS AND DUTIES OF THE
24 GOVERNOR AND THE STATE TREASURER UPON RECEIPT OF THE BOND RESOLUTION,
25 SO AS TO MAKE CONFORMING CHANGES; BY AMENDING SECTION 57-5-1480,
26 RELATING TO THE PROVISION THAT IT IS LAWFUL FOR FIDUCIARIES AND SINKING
27 FUND COMMISSIONS TO INVEST IN TURNPIKE BONDS; BY AMENDING SECTION
28 57-5-1490, RELATING TO PENALTIES FOR FAILURE TO PAY TOLLS, SO AS TO MAKE
29 CONFORMING CHANGES; BY AMENDING SECTION 57-5-1495, RELATING TO THE
30 COLLECTION OF TOLLS, SO AS TO CHANGE THE DEFINITION OF “ELECTRONIC TOLL
31 COLLECTION SYSTEM” AND ADD THAT A CERTIFICATE THAT A TOLL VIOLATION HAS
32 OCCURRED BASED UPON ELECTRONIC MEANS IS PRIMA FACIE EVIDENCE OF THE
33 VIOLATION; BY ADDING SECTION 57-5-1710 SO AS TO ALLOW THE DEPARTMENT TO
34 USE PHASED DESIGN-BUILD AS A PROJECT DELIVERY METHOD AND PROSCRIBE THE
35 PROCEDURE FOR ENTERING INTO A PHASED DESIGN-BUILD CONTRACT; BY ADDING
36 SECTION 57-5-1720 SO AS TO ALLOW THE DEPARTMENT TO AWARD HIGHWAY
37 CONSTRUCTION CONTRACTS USING A CONSTRUCTION MANAGER/GENERAL
38 CONTRACTOR PROCEDURE; BY AMENDING SECTION 57-11-210, RELATING TO
39 DEFINITIONS PERTAINING TO STATE HIGHWAY BONDS, SO AS TO DEFINE
40 “ALTERNATIVE FUEL FEES”; BY AMENDING SECTION 56-3-645, RELATING TO
41 ALTERNATIVE FUEL FEES FOR VEHICLES POWERED BY ELECTRICITY, HYDROGEN,
42 AND FUELS OTHER THAN MOTOR FUEL, SO AS TO INCREASE FEES, PROVIDE FOR
43 ADJUSTMENT OF THE FEES, AND TO CREDIT THE FEES TO THE STATE HIGHWAY FUND;
44 BY AMENDING SECTION 11-43-140, RELATING TO THE BOARD OF DIRECTORS OF THE
45 SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK, SO AS TO DESIGNATE
46 THE SECRETARY OF TRANSPORTATION AS AN EX OFFICIO MEMBER; BY AMENDING
47 SECTION 11-35-710, RELATING TO EXEMPTIONS IN THE SOUTH CAROLINA
48 CONSOLIDATED PROCUREMENT CODE, SO AS TO INCLUDE AN EXEMPTION FOR THE
49 PURCHASE AND MANAGEMENT OF INFORMATION TECHNOLOGY BY THE
50 DEPARTMENT OF TRANSPORTATION; BY ADDING SECTION 12-28-315 SO AS TO
51 PRESCRIBE A USER FEE ON ELECTRICITY CONSUMED WHEN USING A PUBLICLY
52 ACCESSIBLE ELECTRIC VEHICLE CHARGING STATION; BY AMENDING SECTION
53 12-28-2740, RELATING TO THE DISTRIBUTION OF A GASOLINE USER FEE AMONG
54 COUNTIES, REQUIREMENTS FOR THE EXPENDITURE OF FUNDS, AND COUNTY

1 TRANSPORTATION COMMITTEES, SO AS TO PROVIDE FOR THE POWERS AND
2 RESPONSIBILITIES OF THE COUNTY TRANSPORTATION COMMITTEES AND
3 PROCEDURES FOR USING “C” FUNDS REVENUES; AND BY AMENDING SECTION
4 12-28-2920, RELATING TO CONSTRUCTION OF TOLL ROADS, SO AS TO DEFINE HOW
5 FUNDS DERIVED FROM TOLLS MAY BE USED.

6 Amend Title To Conform

7
8 Be it enacted by the General Assembly of the State of South Carolina:

9
10 SECTION 1. Article 1, Chapter 1, Title 57 of the S.C. Code is amended by adding:

11
12 Section 57-1-25. (A) The Coordinating Council for Transportation and Mobility, is established and
13 responsible for developing coordinated transportation plans and policy for the State of South Carolina,
14 for approving the plans described in Sections 57-1-370(A) and 57-1-380 and shall also provide review
15 and comment on plans developed by the member agencies for the furtherance of coordinated
16 transportation planning in the State.

17 (B)(1) The coordinating council shall include the following members or their designees:

18 (a) the Secretary of Transportation, who shall serve as chairman;

19 (b) the Director of Public Safety;

20 (c) the Director of the Department of Motor Vehicles;

21 (d) the Secretary of Commerce;

22 (e) the Director of the Office of Regulatory Staff;

23 (f) the Chairman of the State Ports Authority;

24 (g) the Chairman of the Aeronautics Commission; and

25 (h) the Chairman of State Transportation Infrastructure Bank or his designee.

26 (2) The Governor shall appoint one municipal representative and one county representative.

27 (3) The Deputy Secretary for Planning shall serve as staff to the coordinating council.

28 (C) The coordinating council shall recommend for the Governor’s certification the boundaries of
29 metropolitan planning organizations within urban areas in cooperation with the local governments in
30 the metropolitan planning organization as provided by United States Department of Transportation.

31 (D) The coordinating council shall establish nonmetropolitan areas outside of the boundaries of
32 metropolitan planning organizations. In developing the boundaries of the nonmetropolitan areas, the
33 coordinating council should consider existing population centers, commuting patterns, and anticipated
34 future growth patterns. The coordinating council shall establish the representation from local
35 jurisdictions for each nonmetropolitan area.

36 (E) The coordinating council shall approve the host organizations for each metropolitan planning
37 organization and nonmetropolitan area. When approving the host organization, the coordinating council
38 shall consider independence from influence by one jurisdiction and institutional capacity.

1
2 SECTION 2. Sections 57-1-360(B) through Section 57-1-370 of the S.C. Code are amended to read:

3
4 Section 57-1-360. (B)(1) The chief internal auditor must be a certified public accountant~~Certified~~
5 ~~Public Accountant~~, a certified internal auditor, or a certified fraud examiner, and possess any other
6 experience the State Auditor may require. The chief internal auditor must establish, implement, and
7 maintain the exclusive internal audit function of all departmental activities. The State Auditor shall set
8 the salary for the chief internal auditor as allowed by statute or applicable law.

9 (2) The audits performed by the chief internal auditor must comply with recognized governmental
10 auditing standards. The scope of internal audit services shall cover the entire department, including all
11 the department's activities, assets, and personnel. The scope of internal audit activities also
12 encompasses all, but is not limited to, objective examinations of evidence to provide independent
13 assurance on the adequacy, effectiveness, and efficiency of governance, risk management, control
14 processes, and compliance for the department. The department and any entity contracting with the
15 department must fully cooperate with the chief internal auditor in the discharge of his duties and
16 responsibilities and must timely produce all books, papers, correspondence, memoranda, and other
17 records considered necessary in connection with an internal audit. All final audit reports must be
18 submitted to the secretary, the commission and the Chairman of the Senate Transportation Committee,
19 the Chairman of the Senate Finance Committee, the Chairman of the House of Representatives
20 Education and Public Works Committee, and the Chairman of the House of Representatives Ways and
21 Means Committee before being made public. All final audit reports shall be published on the
22 department's and the State Auditor's websites.

23 (3) The State Auditor is vested with the exclusive management and control of the chief internal
24 auditor.

25
26 Section 57-1-370. (A) The ~~commission~~department must develop the long-range Statewide
27 Transportation Plan, with a minimum twenty-year forecast period at the time of adoption, that provides
28 for the development and implementation of the multimodal transportation system for the State. The
29 plan must be developed in a manner consistent with all federal laws or regulations and in consultation
30 with all interested parties, particularly the metropolitan planning organizations and the nonmetropolitan
31 planning organization area local officials. The plan may be revised from time to time as permitted by
32 and in the manner required by federal laws or regulations.

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

35 (1) develop a process for consulting with nonmetropolitan local officials, with responsibility for
36 transportation, that provides an opportunity for their participation in the development of the long-range

1 Statewide Transportation Plan and the Statewide Transportation Improvement Program;

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

6 (3) develop and revise the transportation plan for inclusion in the Statewide Transportation
7 Improvement Program, for each nonmetropolitan planning area in consultation with local officials with
8 responsibility for transportation described in Section 57-1-25;

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

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

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

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

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

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

30 (b) public safety;

31 (c) potential for economic development;

32 (d) traffic volume and congestion;

33 (e) truck traffic;

34 (f) the pavement quality index;

35 (g) environmental impact;

36 (h) alternative transportation solutions; and

1 (i) consistency with local land use plans.

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

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

11 ~~—(D) The commission must approve the department's annual budget.~~

12 (D) The commission shall have any other rights, duties, obligations, or responsibilities as specifically
13 provided by law.

14
15 SECTION 3. Section 57-3-20 of the S.C. Code is amended to read:

16
17 Section 57-3-20. The responsibilities and duties of the following ~~division deputy directors~~ deputy
18 secretaries must include, but not be limited to, ~~the following:~~

19 (1) ~~division deputy director for finance and administration~~ Deputy Secretary for Finance and
20 Administration:

21 (a) financial planning and management;

22 (b) accounting systems necessary to comply with all federal and/or state laws and/or regulations
23 as well as all policies established by the Comptroller General; ~~and~~

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

26 (d) financial management of funding from federal, state, and local transit, rail, and other
27 intermodal transportation.

28 (2) ~~division deputy director for construction, engineering, and planning~~ Deputy Secretary for
29 Engineering:

30 (a) ~~develop statewide strategic highway plans; and~~ operations and management of the
31 department's highway districts;

32 (b) direct highway engineering activities, including preconstruction, construction, design,
33 construction oversight, and maintenance of state highways; and

34 (c) establish project and program priority lists.

35 (3) ~~division deputy director for intermodal and freight programs~~ Deputy Secretary for Intermodal and
36 Freight Programs:

- 1 (a) develop a statewide public transit system;
- 2 (b) coordinate the preservation and revitalization of existing rail corridors;
- 3 (c) develop and coordinate a statewide passenger and freight rail system, including the
- 4 development of a comprehensive state rail plan for passenger and freight railroads and rail
- 5 infrastructure services;
- 6 (d) ~~plan, develop, and coordinate~~ and implement a comprehensive intermodal transportation
- 7 program for the movement of passengers and freight through integrated highway, railroad, port, airport,
- 8 and other transit systems; and
- 9 ~~—(e) financial management of funding from federal, state, and local transit, rail, and other~~
- 10 ~~intermodal sources; and~~
- 11 ~~(f)(e)~~ manage the Office of Railroads and the Office of Public Transit.

12 (4) Deputy Secretary for Planning:

- 13 (a) develop statewide strategic transportation plans;
- 14 (b) coordinate statewide plans with federal and state-funded regional and local transportation
- 15 planning organizations; and
- 16 (c) serve as the staff for the department to the Coordinating Council for Transportation and
- 17 Mobility.

18

19 SECTION 4. Article 2, Chapter 3, Title 57 of the S.C. Code is amended by adding:

20

21 Section 57-3-205. (A) The department may enter into public-private partnership arrangements

22 between or among the department and any public or private entity for the purpose of planning,

23 designing, financing, constructing, operating or maintaining the highways, roads, streets, bridges,

24 public transit, and work, improvements or facilities incidental or related thereto under the jurisdiction

25 of the department. The provisions of this section may be used with any other provisions of state law to

26 accomplish one or more projects.

27 (B) Public-private partnership arrangements may take the form of design-build agreements,

28 design-build-operate agreements, design-build-operate-maintain agreements,

29 design-build-finance-operate-maintain agreements, franchise agreements, pre-development

30 agreements, tolling services agreements, direct agreements, guarantees, concession agreements, lease

31 agreements, availability payments agreements, performance-based payments agreements, or any other

32 form of contract approved by the department, or other similar arrangements or agreements pursuant to

33 which the design, right-of-way acquisition, relocation of structures or utilities, construction, financing,

34 management, maintenance, and operation, or any combination thereof, of a public highway, road,

35 streets, buildings and facilities owned by the department, broadband technology, bridge, public transit

36 project and work, improvements or facilities incidental or related thereto is accomplished by the

1 department or on behalf of the department by any public or private entities or methods. Additionally,
2 such agreements may:

3 (1) be short-term or long-term agreements, but not exceed ninety-nine years;

4 (2) authorize the establishment, adjustment, indexation, and enforcement of fares, tolls, or other
5 user fees, including time-of-day or dynamic pricing, consistent with policies adopted by the department,
6 which may allow enforcement through photo monitoring, cashless tolling, toll-by-mail, and toll-by-
7 license plate. Such enforcement tools are authorized for projects under this section as well as on a
8 turnpike facility designated under Title 57, Chapter 5, Article 9;

9 (3) specify a revenue application waterfall, reserves, rate covenants, and collection and
10 enforcement measures; and

11 (4) be structured on a revenue-risk, availability-payment, or hybrid basis, including shadow tolls
12 or usage-based performance components.

13 (C) Subject to Section 57-3-615, any contracts entered into pursuant to this section may authorize
14 funding to be established, set, modified, adjusted, and retained by the private entity, may include fares,
15 tolls, or other user fees for use of the project that is the subject of the arrangement, and the department
16 may provide enforcement and collection services for the benefit of a public-private partnership
17 arrangement. The funding may be distributed among the participants in the project as may be provided
18 for by contract. Multiyear payment obligations may be appropriation backed availability payments or
19 milestone payments and may include standard non-appropriation clauses and
20 termination-for-non-appropriation remedies with predefined compensation formulas.

21 (D) The department may:

22 (1) take any action to obtain federal, state, or local assistance for a qualifying project that serves
23 the public purpose and the public-private partnership arrangements authorized by this section and may
24 enter into any contracts required to receive such assistance;

25 (2) determine that it serves the public purpose and the public-private partnership arrangements
26 authorized by this section for all or any portion of the costs of a project to be paid, directly or indirectly,
27 from the proceeds of a grant or loan made by federal, state, or local government or any agency or
28 instrumentality thereof. Such assistance includes, but is not limited to, assistance under the
29 Transportation Infrastructure Finance and Innovation Act, railroad rehabilitation and improvement
30 financing, private activity bonds, and other federal credit or tax-exempt financing programs; and

31 (3) cooperate with private partners to obtain allocations or approvals necessary for the issuance of
32 private activity bonds and similar instruments, and may establish or incorporate, or assist in the
33 establishment and incorporation of, a not-for-profit corporation or entity for purpose of borrowing
34 funds through a governmental conduit bond issuer for the benefit of a project procured by the
35 department.

36 (E) Any contract entered into pursuant to this section shall require the private partner or each of its

1 prime contractors to provide performance and payment security to the extent deemed necessary by the
2 department or required by the financing parties. Notwithstanding any other provision of law, the penal
3 sum or amount of such security may be less than the price of the contract involved, such as the value
4 of the construction elements of the contract, based upon the department's determination on a
5 project-by-project basis of what sum may be required to adequately protect the department, the state,
6 and the contracting and subcontracting parties.

7 (F) Notwithstanding any provision of law to the contrary, proposals under this section, with respect
8 to public highway, road, bridge, building, facility, or public transit projects or work incidental or related
9 thereto that the department determines can be more efficiently accomplished by any of the means
10 enumerated in this section, may be evaluated and awarded by the department based on qualifications
11 of participants or best value, or both, as evaluated by procedures of the department and taking into
12 consideration the best interest of the State of South Carolina. Projects authorized under a
13 pre-development agreement may be authorized without specifying or finalizing the full or final scope
14 of work to be performed under the procurement or pre-development agreement. The department may
15 utilize a two-step request for qualifications or request for proposals process with shortlisting, conduct
16 competitive dialogue or confidential meetings with proposers, solicit and accept alternative technical
17 concepts, and make best-value tradeoffs without mandated formulaic weights.

18 (G)(1) To the extent not authorized by statutory provisions other than this section, the solicitation
19 pursuant to subsection (B) for a given project must be submitted to the Joint Bond Review Committee
20 for review and comment prior to advertisement of the solicitation.

21 (2) The contract may include an agreement to make payments to a development entity on a
22 multi-year basis, provided either that payment and performance obligations for succeeding fiscal
23 periods are subject to the availability and appropriation of funds for such periods, or that specific,
24 limited revenues are identified in a solicitation which has received review and comment by the Joint
25 Bond Review Committee prior to the solicitation of the procurement and such revenues are payable
26 solely from a revenue-producing project or from a special source, which source does not involve
27 revenues from any tax.

28 (3) The department may set up separate accounts, which may be with a commercial trustee, to
29 account for any such funds and provide for the deposit and disbursement of moneys therein under the
30 public-private partnership arrangement.

31 (4) The department shall notify the Joint Bond Review Committee within thirty days of execution
32 of the public-private partnership arrangement and shall provide the Joint Bond Review Committee an
33 annual report within one hundred twenty days of the end of each fiscal year regarding the status of all
34 public private partnership arrangements outstanding.

35 (H) When the department proposes to enter into a public-private partnership arrangement under this
36 section, it shall, prior to the execution and delivery of the contract documents for the public-private

1 partnership arrangement, file a copy of the documents in the office of the Secretary of State. It is the
2 duty of the Secretary of State to file and index the filing in a special book to be kept by such officer for
3 such purpose. The Secretary of State shall be authorized to prepare and deliver certified copies of the
4 filed documents and to deliver them to interested parties. For each certification a reasonable fee may
5 be charged. No action shall be commenced on account of the validity of a public-private partnership
6 arrangement after the expiration of twenty days from the date of the filing and indexing of the proposed
7 contract documents for the public-private partnership arrangement in the office of the Secretary of
8 State. The period within which such actions may be commenced shall not begin to run until such records
9 have been filed as prescribed in this section.

10 (I) Prior to entering into any public-private partnership arrangement structure as a design-build-
11 finance-operate-maintain project in which the private entity assumes revenue risk, the department shall
12 promulgate regulations in accordance with the Administrative Procedures Act, Section 1-23-10 et seq.,
13 governing the solicitation, evaluation, award, financing, and oversight of such projects.

14
15 SECTION 5. Section 57-3-615 of the S.C. Code is amended to read:

16
17 ~~Section 57-3-615.—If a toll is administered on a project by the Department of Transportation, the toll~~
18 ~~must be used to pay for the construction, maintenance costs, and other expenses for only that project.~~
19 ~~A toll project that is in excess of one hundred fifty million dollars may only be initiated as provided in~~
20 ~~Chapter 37 of Title 4.~~

21 ~~—No toll may be imposed on passage of any vehicle on federal interstate highways in this State which~~
22 ~~were in existence as of January 1, 1997, unless the imposition is otherwise affirmatively approved by~~
23 ~~the General Assembly in separate legislation enacted solely for that purpose.~~

24 (A) No toll may be imposed on the passage of any vehicle on any publicly owned or controlled road,
25 bridge, highway, or interstate in this State except as provided by this section. Any toll imposition must
26 be allowed by or not contrary to federal law. Tolls may be imposed on a publicly owned or controlled
27 road, bridge, highway, or interstate under any of the following circumstances:

28 (1) the toll imposition is specifically authorized by the General Assembly;

29 (2) the toll imposition is on a turnpike facility designated under Title 57, Chapter 5, Article 9; or

30 (3) the toll imposition is reviewed by the Joint Bond Review Committee and approved by the State
31 Fiscal Accountability Authority in connection with an agreement under Section 57-3-200 or 57-3-205
32 prior to the solicitation of proposals for the agreement. The manner and method of toll imposition and
33 rate setting are not required to be reviewed or approved, but must be set forth in the agreement, as may
34 be amended from time to time.

35 (B) Tolls imposed under subsection (A)(2) or (3) of this section may only be imposed on managed
36 or choice lane facilities that increase the capacity of the applicable road, bridge, highway, or interstate.

1 Managed or choice lane facilities are those facilities that are actively managed to achieve more effective
2 and efficient use of a road, bridge, highway, or interstate using various strategies including but not
3 limited to pricing, vehicle eligibility, and access control; the managed or choice lane facilities shall be
4 in addition to and not in place of existing lanes.

5 (C) Tolls may continue to be imposed on the passage of vehicles on any publicly owned or controlled
6 road, bridge, highway, or interstate in this State on which tolls were imposed as of January 1, 2026.

7
8 SECTION 6. Article 7, Chapter 3, Title 57 of the S.C. Code is amended by adding:

9
10 Section 57-3-790. (A) The State waives its immunity under the 11th Amendment of the United
11 States Constitution and consents to suit in a federal court for lawsuits arising out of the department's
12 compliance, discharge, or enforcement of responsibilities assumed pursuant to 23 U.S.C. Sections 326
13 and 327. The waiver of immunity under this section is valid only if:

14 (1) the Secretary of Transportation executes a memorandum of understanding with the United
15 States Department of Transportation accepting the jurisdiction of the federal courts as required by 23
16 U.S.C. Sections 326(c) and 327(c);

17 (2) before execution of the memorandum of understanding under subsection (A), the South
18 Carolina Attorney General has issued an opinion letter to the Secretary of Transportation and the
19 administrator of the Federal Highway Administration that the memorandum of understanding and the
20 waiver of immunity are valid and binding upon the State;

21 (3) the act or omission that is the subject of the lawsuit arises out of or relates to compliance,
22 discharge, or enforcement of responsibilities assumed by the department pursuant to 23 U.S.C. Sections
23 326 and 327; and

24 (4) the memorandum of understanding is in effect when the act or omission that is the subject of
25 the federal lawsuit occurred.

26 (B) Within one year of submitting an application to assume administration of 23 U.S.C. Sections 326
27 and 327, otherwise known as the National Environmental Policy Act (NEPA) Assignment Program
28 pursuant to this section, the secretary shall issue a NEPA Manual detailing the manner in which the
29 department will carry out its NEPA responsibilities. The department must provide a public comment
30 period of at least thirty days on a draft NEPA Manual prior to issuance of a final NEPA Manual.

31 (C) The department must annually publish a report describing the department's assumption of NEPA
32 responsibilities. The annual report must be made available to the public and posted on the department's
33 website. That report shall include, but not be limited to, an analysis of time savings, an analysis of
34 positive and negative financial impacts, and a summary of any legal actions challenging the
35 department's actions under the program.

1 SECTION 7. Chapter 3, Title 57 of the S.C. Code is amended by adding:

2
3 Section 57-3-800. The Department of Transportation may enter into reciprocal agreements with
4 other jurisdictions including the federal government and any state, or agencies or departments thereof,
5 to enforce toll violations. The agreement shall provide that, when another jurisdiction certifies that the
6 owner of a vehicle registered in this State has failed to pay a toll, processing fee, or civil penalty due
7 to that jurisdiction, the unpaid toll, processing fee, or civil penalty may be enforced by placing a
8 registration suspension as if the owner of the motor vehicle has an outstanding judgment for failure to
9 pay a toll under Section 56-3-1335, upon electronic notification by the Department of Transportation
10 to the Department of Motor Vehicles. The agreement shall only be enforceable to the extent that:

11 (1) the other jurisdiction has its own reciprocal procedure for toll violation enforcement and does, in
12 fact, reciprocate in enforcing toll violations within this State by withholding the registration renewal of
13 registered owners of motor vehicles from such jurisdiction, and the other jurisdiction provides due
14 process and appeal protections to avoid the likelihood that a false, mistaken, or unjustified claim will
15 be pursued against the owner of a vehicle registered in this State;

16 (2) drivers and vehicles licensed or registered in this State, while operating on the highways and
17 bridges of the other jurisdiction, shall receive the benefits, privileges, and exemptions of a similar kind
18 with regard to toll enforcement as are extended to the drivers and vehicles licensed or registered in the
19 other jurisdiction while they are operating on the highways and bridges of this State;

20 (3) the owner of a vehicle registered in this State may present evidence to the other toll agency or
21 jurisdiction by mail or other means to invoke rights of due process without having to appear personally
22 in the jurisdiction where the violation allegedly occurred;

23 (4) the reciprocal violation enforcement arrangement between the department and the other toll
24 agency provides that each party shall charge the other for costs associated with registration holds, or
25 the like, in their respective jurisdictions.

26
27 SECTION 8. Chapter 3, Title 57 of the S.C. Code is amended by adding:

28
29 Section 57-3-1345. (A) In order to administer, collect, and enforce any toll, toll violation, processing
30 fee, civil penalty, or registration-based enforcement mechanism authorized by this title, the Department
31 of Transportation shall coordinate with the Department of Motor Vehicles to ensure access to current
32 motor vehicle and owner registration data.

33 (B) The Department of Transportation shall, at a minimum, receive updated toll-related vehicle data
34 from the Department of Motor Vehicles monthly. The data shall include, but is not limited to, vehicle
35 identifiers, registration status indicators, and any information necessary to support toll billing, notice,
36 enforcement actions, or registration renewal blocks authorized by law.

1 (C) The Department of Transportation and the Department of Motor Vehicles shall enter into a
2 memorandum of understanding governing:

3 (1) the frequency, format, and method of data exchange;

4 (2) data security standards and confidentiality requirements;

5 (3) limitations on use of the data solely for toll administration and enforcement purposes; and

6 (4) procedures to ensure data accuracy, error resolution, and due process protections for registered
7 vehicle owners.

8 (D) No toll enforcement action that relies upon registration suspension, renewal block, or similar
9 Department of Motor Vehicles action may be initiated unless the vehicle data relied upon has been
10 updated in accordance with this section.

11 (E) Nothing in this section authorizes the disclosure of personal information except as otherwise
12 permitted by state and federal law.

13
14 SECTION 9. Chapter 5, Title 57 of the S.C. Code is amended by adding:

15
16 Section 57-5-105. (A) The department shall publish a list of roads not essential to the operation of
17 the State Highway System and ownership may be transferred to counties, municipalities, or other
18 entities, provided that mutual consent is reached between the department and the county, municipality,
19 or other entity pursuant to Section 57-5-80. The list shall be approved by the Coordinating Council for
20 Transportation and Mobility.

21 (B) The System Realignment Fund is hereby created to fund the transfer to local government of roads
22 identified in subsection (A), subject to appropriations by the General Assembly or transfers from the
23 State Highway Fund approved by the Secretary of Transportation.

24 (C) In counties where all roads identified by the department as non-essential to the State Highway
25 System under this section have been transferred to the county and municipalities within that county,
26 that county's county transportation committee shall not be required to meet the twenty-five percent on
27 state highway system requirements of Section 12-28-2740(C).

28 (D) In counties where all roads identified by the department as non-essential to the State Highway
29 System under this section have been transferred to the county and municipalities within that county,
30 that county may impose a sales tax of two cents in accordance with the requirements of Section
31 4-37-30(A).

32 (E) In local governments where all roads identified by the department as non-essential to the State
33 Highway System under this section have been transferred to the county, the local government may
34 impose additional millage to meet the funding requirements of maintaining the roads. An additional
35 millage imposed pursuant to this section is not subject to the provisions of Section 6-1-320.

1 SECTION 10. Sections 57-5-820 and 57-5-830 of the S.C. Code are amended to read:

2
3 Section 57-5-820. (A) As used in this section and Section 57-5-830:

4 (1) “Structurally deficient” means not adequate to handle the vehicle weights authorized on roads
5 leading to them.

6 (2) “Functionally obsolete” means narrow clearances or sharp roadway approach angles that make
7 passage difficult or hazardous, or with too few lanes for existing traffic needs.

8 (B)(1) All work to be performed by the ~~D~~department on state highways within a municipality must
9 be with the consent and approval of the proper municipal authorities, except that work performed or to
10 be performed on a bridge and its approaches, certified by the ~~D~~department as functionally obsolete or
11 structurally deficient, to remove, replace, or improve such bridge and its approaches shall not require
12 prior consent and approval of a municipal authority if the bridge crosses the intracoastal waterway.

13 (2) A decision by a municipality to not consent and approve the work must be communicated in
14 writing to the department within one hundred eighty days of receiving notice of the work from the
15 department. A decision to disapprove of the work shall result in the cancellation of the project, unless
16 the project is determined by the Coordinating Council for Transportation and Mobility to be in the best
17 interest of the State.

18 (3) Failure to provide consent and approval within one hundred eighty days shall be deemed
19 acceptance of the work.

20 (4) A municipality shall not conditionally approve the work to be performed by the department.

21
22 Section 57-5-830. In every case of a proposed permanent improvement, construction,
23 reconstruction, or alteration by the ~~D~~department of any highway or highway facility within a
24 municipality, the municipality may review and approve the plans before the work is started, but in no
25 event shall such review and approval of the plans delay the project schedule as communicated by the
26 department to the municipality; except that a municipality may not have the right to review and approve
27 plans to remove, replace, or improve a bridge and its approaches within its limits where such bridge
28 and its approaches have been certified by the ~~D~~department to be functionally obsolete or structurally
29 deficient and if the bridge crosses the intracoastal waterway. Any costs incurred by the department
30 caused by the unreasonable delay in the review and approval of the plans shall be the responsibility of
31 the municipality.

32
33 SECTION 11. Sections 57-5-1320 through 57-5-1360 of the S.C. Code are amended to read:

34
35 Section 57-5-1320. As used in this section: Unless the context indicates another meaning or intent:

36 (1) “Department” means the Department of Transportation;

1 (2) "Turnpike facility" means any express highway or limited access highway ~~constructed or any~~
2 specified lanes or portion thereof, designated and ratified or approved as such under the provisions of
3 this article ~~by the department~~, whether or not financed with turnpike bonds, including any bridge,
4 tunnel, overpass, underpass, interchange, entrance plaza, approach, toll house, service station and
5 administration and storage and other buildings and facilities which the department considers necessary
6 or desirable. A turnpike facility constitutes a portion or extension of any existing or proposed highway
7 in the state highway system;

8 (3) "Bonds or turnpike bonds" means revenue bonds of the State authorized under the provisions of
9 this article and Paragraph (9), Section 13, Article X of the South Carolina Constitution;

10 (4) "Authority" means the State Fiscal Accountability Authority;

11 (5) "Turnpike facility revenues" means all revenues resulting from tolls or other charges derived
12 from the operation of a turnpike facility, including revenues derived from concession leases or other
13 concessionaire operated facilities; and, to the extent designated by the bond resolution, such nontax
14 revenues or other legally available funds as are or may be made available to the department from
15 whatever source for the purpose of operating, financing, enforcing, and maintaining, or any
16 combination thereof, turnpike facilities;

17 (6) "Bond resolution" means the resolution or resolutions of the ~~state board authority~~ making
18 provision for the issuance of turnpike revenue bonds; as may be supplemented or amended from time
19 to time;

20 (7) "General obligation bonds" means state highway bonds issued pursuant to Paragraph (6)(a),
21 Section 13, Article X of the South Carolina Constitution;

22 (8) "State" means the State of South Carolina;

23 (9) "Commission" means the Commission of the Department of Transportation.

24
25 Section 57-5-1330. ~~1.(A)~~ The department may designate, establish, plan, improve, construct,
26 maintain, operate, and regulate turnpike facilities as a part of the state highway system or any federal
27 aid system whenever the department determines the traffic conditions, present or future, justify the
28 facilities, except that the department may not designate as a turnpike facility any highway, road, bridge,
29 or other transportation facility funded in whole or in part by a then imposed local option sales and use
30 tax ~~as provided in~~ imposed pursuant to Chapter 37 of Title 4, unless by agreements with the applicable
31 county government The department may utilize turnpike facilities revenues and funds available for the
32 maintenance of the state highway system for the maintenance and operation of any turnpike facility
33 ~~financed pursuant to this article. The authority to designate turnpike facilities under this section shall~~
34 at all times be subject to the provisions of Section 57-3-615, and such designation shall not be effective
35 until ratified or approved by the State Fiscal Accountability Authority.

36 ~~2.(B) In every highway construction project, except federal and state secondary projects,~~

1 ~~rehabilitation and widening of federal and state primary and secondary road and bridge projects and~~
2 ~~highway safety projects, the Department shall consider making all or part of the highway construction~~
3 ~~a turnpike facility and financing it by the use of turnpike bonds. It shall make an entry in the~~
4 ~~construction project file indicating whether or not it determines making all or part of the project a~~
5 ~~turnpike facility.~~ If the determines it is feasible to make all or part of ~~the~~ any construction project a
6 turnpike facility, then it may engage in the preliminary estimates and studies incident to the
7 determination of the feasibility or practicability of constructing any toll road as it from time to time
8 considers necessary and the cost of the preliminary estimates and studies must be paid from the general
9 highway fund and must be reimbursed from funds provided under this authority only if the studies and
10 estimates lead to the construction of a toll road.

11 ~~3-(C)~~ The department may acquire such lands and property including rights of access as may be
12 needed for turnpike facilities by gift, devise, purchase, or condemnation by easement or in fee simple
13 in the same manner as now or hereafter authorized by law for acquiring property or property rights in
14 connection with other state highways.

15 ~~4-(D)~~ In designating, establishing, planning, abandoning, improving, constructing, maintaining and
16 regulating turnpike facilities the department may exercise ~~such~~ authorizations ~~as are~~ granted to the
17 department by the provisions of other statute law applicable to the state highway system, except as they
18 may be inconsistent with the provisions included herein.

19 ~~5-(E)(1)~~ The ~~Department~~department may contract with any person, partnership, association or
20 corporation desiring the use of any part of the turnpike facility, including the right-of-way adjoining
21 the paved portion, for placing thereon telephone, telegraph, electric light or power lines, gas stations,
22 garages, stores, hotels and restaurants or for any other purpose, except tracks for railroad or railway
23 use and to fix the terms, conditions, rents and rates of charges for such use provided that a sufficient
24 number of the aforementioned facilities shall be authorized to be established in each service area along
25 any such turnpike project to permit reasonable competition by private business in the public interest.
26 Revenues from these contracts would be included in turnpike facility revenues.

27 (2) The department may contract with any political subdivision desiring to assist the department,
28 whether financially, in kind, or otherwise, in any of the designating, establishing, planning, abandoning,
29 financing, improving, constructing, maintaining, and regulating turnpike facilities as may be set forth
30 in a short-term or long-term intergovernmental agreement between the department and the political
31 subdivision. Revenues from these contracts may be pledged for the term thereof and may be included
32 in turnpike facility revenues should the contract so provide. The right to receive any payments under
33 such an intergovernmental agreement may be maintained by the department or assigned to the trustee
34 for the turnpike revenue bonds, as may be provided or authorized in the bond resolution. The authority
35 to enter into such an intergovernmental agreement is concurrent and supplementary to those general
36 powers granted political subdivisions and the department in the South Carolina Code of Laws,

1 including, without limitation, Title 57.

2
3 Section 57-5-1335. The ~~Department of Transportation~~ department, before constructing a bridge or
4 replacing an existing bridge which ~~qualifies is or is anticipated to be designated~~ as a turnpike facility
5 ~~as defined in Section 57-5-1320~~, shall conduct the feasibility study ~~required by~~ referenced in Section
6 57-5-1330 and shall forward copies of the study to the Chairman of the Transportation and Finance
7 Committees of the Senate and the Education and Public Works and Ways and Means Committees of
8 the House of Representatives within fifteen days of the completion of the study.

9
10 Section 57-5-1340. In addition to the powers listed above, the South Carolina Department of
11 Transportation may:

12 ~~1.(1) Request~~ request the issuance of turnpike bonds for the purpose of paying all or any part of the
13 cost of any one or more turnpike projects;

14 ~~2.(2) Fix~~ fix and revise from time to time and charge and collect a program of tolls for transit over
15 each designated turnpike facility; ~~constructed by it; and each program may provide for dynamic tolling,~~
16 scheduled tolling, variable tolling, uniform tolling, or some combination thereof, and may take into
17 account the weight and class of certain vehicles, real-time and planned usage, and any other factors
18 deemed appropriate by the department;

19 ~~3.(3) Combine~~ combine, for the purposes of financing ~~the~~ any turnpike facilities, any two or more
20 turnpike facilities;

21 ~~4.(4) Control~~ control access to turnpike facilities;

22 ~~5.(5) To~~ to the extent permitted by a bond resolution, expend turnpike facility ~~or facilities~~ revenues
23 in advertising the turnpike facilities and services of the turnpike facility or facilities to the traveling
24 public;

25 ~~6.(6) Receive~~ receive and accept from any federal agency grants for or in the aid of the construction
26 of any turnpike facility;

27 ~~7.(7) Establish~~ establish a separate division to administer turnpike facilities and a separate turnpike
28 facility account;

29 ~~8.(8) Do~~ do all acts and things necessary or convenient to carry out the powers expressly granted in
30 this article.

31
32 Section 57-5-1350. Whenever it becomes necessary that monies be raised for a turnpike facility, the
33 commission may make request to the State Fiscal Accountability Authority for the issuance of turnpike
34 bonds. The request may be in the form of resolution adopted at any regular or special meeting of the
35 commission. The request shall set forth on the face thereof or by schedule attached thereto:

36 ~~1.(1)~~ the turnpike facility proposed to be constructed or designated;

1 ~~2-(2)~~ the amount required for feasibility studies, planning, design, right-of-way acquisition, and
2 construction of the turnpike facility;

3 ~~3-(3)~~ a tentative time schedule setting forth the period of time for which the sum ~~request must~~
4 requested is expected to be expended;

5 ~~4-(4)~~ a debt service table showing the estimated annual principal and interest requirements for the
6 requested turnpike bonds;

7 ~~5-(5)~~ any feasibility study obtained by the commission relating to the proposed turnpike facility;

8 ~~6-(6)~~ the commission's recommendations relating to any covenant to be made in the bond resolution
9 of the State Fiscal Accountability Authority respecting competition between the proposed turnpike
10 facility and possible future highways whose construction would have an adverse effect upon the
11 turnpike facility revenues which would otherwise be derived by the proposed turnpike facility.

12
13 Section 57-5-1360. Following the receipt of a request pursuant to Section 57-5-1350, the State Fiscal
14 Accountability Authority shall review the request and, to the extent that it approves the request, it may
15 effect, by bond resolution duly adopted, the issuance of turnpike bonds, or pending their issuance, may
16 effect the issuance of bond anticipation notes pursuant to Title 11, Chapter 17. ~~A resolution approving~~
17 ~~any proposed turnpike bonds may not be adopted unless before approval the state board conducts, after~~
18 ~~not less than ten days' published notice, a public hearing in the City of Columbia.~~

19
20 SECTION 12. Sections 57-5-1380 through 57-5-1460 of the S.C. Code are amended to read:

21
22 Section 57-5-1380. (A) For the payment of the principal of and interest on all turnpike bonds, there
23 is irrevocably pledged ~~all turnpike revenues derived from the~~ turnpike facility revenues financed by the
24 ~~bonds~~ to the extent and in the manner prescribed by the bond resolution. Any interest earned on
25 turnpike facility account balances must be credited to the turnpike facility account as prescribed in the
26 bond resolution.

27 (B) The turnpike bonds authorized by this article are special limited obligations of the State. The
28 principal and interest are payable solely out of the turnpike facility revenues. The turnpike bonds issued
29 do not constitute an indebtedness of the State, State Fiscal Accountability Authority, or department
30 within the meaning of any state constitutional provision or statutory limitation, except indebtedness
31 payable solely from a revenue producing source or from a special source that does not include revenues
32 from any tax within the meaning of Paragraph (9), Section 13, Article X of the South Carolina
33 Constitution. The full faith, credit, and taxing powers of the State, State Fiscal Accountability
34 Authority, or department are not pledged to the payment of the turnpike bonds and this fact must be
35 plainly stated on the face of each turnpike bond. The State Fiscal Accountability Authority and the
36 department each lack taxing power.

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Section 57-5-1390. Turnpike bonds shall bear interest, payable on occasions prescribed by the State Fiscal Accountability Authority, at a rate not exceeding the maximum prescribed by ~~Section 11-9-350~~ the bond resolution. Each issue of turnpike bonds shall mature on the occasion prescribed by the State Fiscal Accountability Authority, not exceeding forty years from the date the bonds ~~bear~~ are issued. Turnpike bonds may, in the discretion of the State Fiscal Accountability Authority, be made subject to redemption at par and accrued interest, plus such redemption premium as it approves and on occasions and under conditions it prescribes. Turnpike bonds are not redeemable before maturity unless they contain a statement to that effect.

Section 57-5-1400. Turnpike bonds must be sold at private or public sale under conditions prescribed by the ~~bond resolution~~ State Fiscal Accountability Authority. For the purpose of bringing about successful sales of the bonds, the State Fiscal Accountability Authority may ~~do, or cause to be done,~~ all things ordinarily and customarily done in connection with the sale of state or municipal bonds. All expenses incident to the sales of the turnpike bonds must be paid from the proceeds of the sale of the ~~bonds or turnpike facility revenues~~.

Section 57-5-1410. All turnpike bonds must be executed in the name of and on behalf of the State ~~of South Carolina~~ and must be signed by the Governor and the State Treasurer. The Great Seal of the State must be affixed to, impressed, or reproduced upon each of them and they must be attested by the Secretary of State. If approved by the State Fiscal Accountability Authority, ~~any one or two of the~~ officers may, in lieu of manually signing, employ the use of the facsimile of their signatures in executing any turnpike bonds.

Section 57-5-1420. The proceeds derived from the sale of turnpike bonds must be applied only to the purposes ~~for which bonds are issued~~ authorized by this article and provided in the bond resolution.

Section 57-5-1430. Turnpike bonds must each be in the denomination of one thousand or five thousand dollars or some multiple thereof or such larger denominations as may be authorized by the State Fiscal Accountability Authority in the bond resolution.

Section 57-5-1440. ~~Turnpike bonds issued pursuant to this article may be in the form of negotiable coupon bonds, payable to bearer, with the privilege to the holder of having them registered in his name on the books of the State Treasurer as to principal only, or as to both principal and interest, and the principal or both principal and interest, as the case may be, thus made payable to the registered holder, subject to conditions the State Fiscal Accountability Authority prescribes. Turnpike bonds so~~

1 ~~registered as to principal in the name of the holder may thereafter be registered as payable to bearer~~
2 ~~and made payable accordingly.~~

3 Turnpike bonds may ~~also~~ be issued as fully registered bonds with both principal and interest made
4 payable only to the registered holder. The fully registered bonds are subject to transfer under conditions
5 the State Fiscal Accountability Authority prescribes. ~~The fully registered bonds may, if the proceedings~~
6 ~~authorizing their issuance so provide, be convertible into negotiable coupon bonds with the attributes~~
7 ~~set forth in the first paragraph of this section.~~

8
9 Section 57-5-1450. (A) The State Fiscal Accountability Authority, by bond resolution duly adopted,
10 may make provision for the issuance of turnpike bonds. In the bond resolution, the State Fiscal
11 Accountability Authority may prescribe:

12 (1) the amount, denomination, and numbering of turnpike bonds to be issued;

13 (2) ~~the date as of which they must be issued~~ method or manner of dating the turnpike bonds;

14 (3) the estimated maturity schedule for the retirement of the turnpike bonds and a pro forma table
15 of anticipated principal and interest payments for such turnpike bonds;

16 (4) the form or forms of the turnpike bonds of the particular issue;

17 (5) the redemption provisions or manner of determining the same, if any, applicable to the bonds;

18 (6) the maximum rate or rates of interest the turnpike bonds shall bear;

19 (7) the specific purposes for which the turnpike bonds must be issued;

20 (8) the purposes for which the proceeds of the turnpike bonds must be expended, in the discretion
21 of the State Fiscal Accountability Authority, a portion of the proceeds may be used as capitalized
22 interest during the period of construction and initial operation and for the creation of appropriate debt
23 service reserves and other funds and accounts as the State Fiscal Accountability Authority deems
24 necessary or expedient from the turnpike bonds and the proper operation and functioning of the turnpike
25 facilities;

26 ~~—(9) the method and conditions by which turnpike revenues from the turnpike facility so financed~~
27 ~~must be collected and utilized;~~

28 ~~(10)~~(9) the extent to which and the conditions under which additional parity turnpike bonds may
29 be issued;

30 ~~(11)~~(10) any covenant considered necessary protecting the turnpike facility so financed from
31 possible future competition from other highways or comparable facilities;

32 ~~(12)~~(11) the authorized method or methods by which the turnpike bonds must be sold and such
33 other matters as may be considered necessary in order to effect the sale, issuance, and delivery of the
34 turnpike bonds;

35 (12) the conditions under which refunding turnpike bonds may be issued.

36 ~~—(B) Except as otherwise provided in this article, all expenses incurred in carrying out the provisions~~

1 of this article are payable solely from funds provided under the authority of this article or from any
2 funds provided by the federal government or from other special sources and no liability or obligation
3 may be incurred by the department beyond the extent to which money has been provided under the
4 provisions of this article.

5 ~~(C)~~(B) The bond resolution shall set forth further a finding on the part of the State Fiscal
6 Accountability Authority that the estimate of turnpike facility revenues made by the commission and
7 approved by the State Fiscal Accountability Authority indicates that collection from turnpike facility
8 revenues for applicable fiscal years is expected to be not less than that required for annual debt service
9 requirements of the requested turnpike bonds. In making such finding, the department and the authority
10 may rely in whole or in part on the work product of third-party professionals engaged to provide
11 financial, feasibility, or practicability studies related to the turnpike facilities or the financing thereof
12 through turnpike bonds.

13 (C) The authority, by bond resolution duly adopted, may ratify and approve, in whole or in part, or
14 modify in any way, the designation of turnpike facilities proposed pursuant to Section 57-5-1350.

15 (D) The authority, by bond resolution duly adopted, may ratify and approve, in whole or in part, the
16 combining of any turnpike facilities then existing or proposed pursuant to Section 57-5-1350; provided,
17 however, that prior to ratifying and approving such a combination from time to time the authority shall
18 make a finding that it is in the best interest of the State after taking into account factors including, but
19 not limited to, geographic connection, regional transportation planning, operational efficiencies,
20 revenue stability, bonding capacity, and such other factors as it finds relevant.

21
22 Section 57-5-1460. If following presentation of a certified copy of the bond resolution it appears to
23 the satisfaction of the Governor and the State Treasurer that the estimated collection from the ~~sources~~
24 ~~of revenue~~ turnpike facility revenues in applicable future fiscal years are not less than that required for
25 annual debt service requirements for the requested turnpike bonds, then the Governor and State
26 Treasurer may effect the delivery of bonds in accordance with the bond resolution.

27
28 SECTION 13. Sections 57-5-1480 through 57-5-1495(A), (B), and (C) of the S.C. Code are amended
29 to read:

30
31 Section 57-5-1480. It is lawful for all executors, administrators, guardians, and other fiduciaries and
32 all sinking fund commissions, including the ~~State Fiscal Accountability Authority~~ Retirement System
33 Investment Commission and Public Employee Benefit Authority in their capacities as cotrustees of the
34 funds of the South Carolina Retirement System and ~~as any~~ manager and administrator of other state
35 sinking funds, to invest any monies in their hands in turnpike bonds.

1 Section 57-5-1490. Any person who uses any turnpike ~~project~~ facility and fails or refuses to pay ~~the~~
2 any toll provided therefor then due shall be deemed guilty of a misdemeanor and, upon conviction,
3 shall be punished by a fine of not more than two hundred dollars or by imprisonment for not more than
4 thirty days, and in addition thereto the ~~D~~department shall have a lien upon the vehicle driven by such
5 person for the amount of such toll and may take and retain possession thereof.

6
7 Section 57-5-1495. (A) As used in this section:

8 (1) "Electronic toll collection system" means a system of collecting tolls or charges which is
9 capable of charging an account holder or person the appropriate toll or charge by electronic
10 meanstransmission of information from an electronic device on a motor vehicle to the toll lane, which
11 information is used to charge the account the appropriate toll or charge.

12 (2) "Lessor" means any person, corporation, firm, partnership, agency, association, or
13 organization renting or leasing vehicles to a lessee under a rental agreement, lease, or otherwise wherein
14 the said lessee has the exclusive use of the vehicle for any period of time.

15 (3) "Lessee" means any person, corporation, firm, partnership, agency, association, or
16 organization that rents, leases, or contracts for the use of one or more vehicles and has exclusive use of
17 the vehicles for any period of time.

18 (4) "Owner" means a person, other than a lienholder, having the property interest in or title to a
19 vehicle. The term includes a person entitled to the use and possession of a vehicle subject to a security
20 interest in another person, but excludes a lessee under a lease not intended as security or an entity who,
21 at the time of a toll violation and with respect to the vehicle involved in the violation, is the registrant
22 or co-registrant of the vehicle with the Department of Motor Vehicles of this State or another state,
23 territory, district, province, nation, or jurisdiction.

24 (5) "Photo-monitoring system" means a vehicle sensor installed to work in conjunction with a toll
25 collection facility which automatically produces one or more photographs, one or more
26 microphotographs, a videotape, or other recorded images of a vehicle at the time it is used or operated
27 in violation of toll collection regulations.

28 (6) "Toll violation" means the passage of a vehicle through a toll collection point without payment
29 of the required toll.

30 (7) "Motor vehicle" or "vehicle" means every vehicle which is self-propelled "Vehicle" means a
31 device in, upon, or by which a person or property is or may be transported or drawn upon a highway,
32 except devices used exclusively upon stationary rails or tracks.

33 (B) Notwithstanding another provision of law, when a vehicle is driven through a turnpike facility
34 without payment of the required toll, the owner ~~and operator~~ of the vehicle is ~~jointly and severally~~
35 liable responsible to the Department of Transportation to pay the required toll, administrative fees, and
36 civil penalty as provided in this section. The department or its authorized agent may enforce collection

1 of the required toll as provided for in this section.

2 (C) A certificate, sworn to or affirmed by an agent of the department, or a facsimile of it, that a toll
3 violation has occurred, based upon inspection of photographs, microphotographs, videotape, ~~or~~ other
4 recorded images, or other electronic means, produced by a photo-monitoring system, is prima facie
5 evidence of the violation and is admissible in any proceeding charging a toll violation pursuant to this
6 section. A photograph, microphotograph, videotape, or other recorded image evidencing a violation
7 must be available for inspection by the party charged and is admissible into evidence in a proceeding
8 to adjudicate liability for a violation.

9
10 SECTION 14. Chapter 5, Title 57 of the S.C. Code is amended by adding:

11
12 Section 57-5-1710. (A). As used in this section, “phased design-build” means a project delivery
13 method that uses a stepped or progressive qualifications-based selection process, followed by a
14 progression to a contract price. The department must select the phased design-build contractor
15 exclusively on qualifications and technical approach, without consideration of schedule or costs, which
16 must deliver the project in multiple phases.

17 (1) The phased design-build contractor is initially under contract for preconstruction activities
18 including, but not limited to, project validation, designing and developing plans, performing
19 constructability reviews, and developing construction schedules and pricing.

20 (2) The department and the phased design-build contractor shall establish a guaranteed maximum
21 construction cost. The guaranteed maximum construction cost is the total dollar amount within which
22 the phased design-build contractors shall complete the final design and construction of the project
23 including the contractor’s direct costs, overhead, and profit, plus any authorized contingency. Upon
24 agreement of the guaranteed maximum construction cost, the department and the phased design-build
25 contractor will execute a second contract or an amendment to the initial contract for completion of the
26 final designs and construction of the project consistent with subsection (C).

27 (3) If the department and phased design build contractor cannot reach agreement on a guaranteed
28 maximum construction cost, then the department shall take ownership and assume liability of the design
29 work product. Nothing shall prohibit the department from pursuing the project under any other legally
30 allowed method.

31 (B) The department may only award a contract under this section if the department:

32 (1) determines that it is in the public’s interest to use the phased design-build project delivery
33 method; and

34 (2) prequalifies the prime contractor and lead designer firm that will be awarded the contract.

35 (C) The method for the department to award a contract using phased design-build procedures shall
36 be:

1 (1) Prior to the initiating a phased design build procurement under this section, the department
2 shall submit a report to the Joint Bond Review Committee on the nature and scope of the project and
3 the reasons the phased design-build procurement project delivery method will best serve the public
4 interest. The department shall not initiate a procurement until the Joint Bond Review Committee has
5 provided its review and comment.

6 (2) Upon completion of a project awarded under subsection (B), the department shall submit a
7 post-completion report to the Joint Bond Review Committee detailing the project results, including any
8 cost and time efficiencies achieved using the phased design-build project delivery method. This report
9 must include a cost analysis comparing the use of phased design-build for awarding contracts with the
10 award of contracts under the existing procedure.

11 (D) The department may promulgate regulations to implement the phased design-build method.
12

13 Section 57-5-1720. (A) The department may award highway construction contracts using a
14 construction manager/general contractor (CM/GC) procedure. Under a CM/GC contract, the
15 department shall perform preconstruction services via department personnel or via contract. A CM/GC
16 contractor is responsible for providing advisory preconstruction services of the department's design
17 including, but not limited to, constructability review, scheduling, pricing, and phasing. The CM/GC
18 contractor shall be able to perform construction should the department and the contractor agree to a
19 guaranteed maximum price.

20 (B) Should a guaranteed maximum price agreement be reached, construction services shall
21 commence under a subsequent contract instrument. The contract instrument may be in the form of a
22 CM/GC contract, a franchise agreement, or any other form of contract approved by the department.
23 Before execution of a construction contract, the department shall retain an independent third party to
24 develop a cost estimate to verify the guaranteed maximum price submitted by the contractor.

25 (C) Selection criteria shall include the contractor's cost for preconstruction services associated with
26 the project, contractor qualifications, experience, past performance, best value, or any combination of
27 the aforementioned criteria, or any other combination of selection criteria considered appropriate by
28 the department.

29 (D) The department may promulgate regulations to implement the CM/GC project delivery method.
30

31 SECTION 15. Sections 56-5-4210 through 56-5-4220 of the S.C. Code are amended to read:
32

33 Section 56-5-4210. (A) Anything in this article to the contrary notwithstanding, the Department of
34 Transportation with respect to state highways and local authorities with respect to highways under their
35 jurisdiction may prescribe, by notice as herein provided, loads and weights and speed limits lower than
36 the limits prescribed in this chapter and other laws, whenever in their judgment any road or part thereof

1 or any bridge or culvert shall by reason of its design, deterioration, rain or other climatic or natural
2 causes be liable to be damaged or destroyed by motor vehicles, trailers or semitrailers, if the gross
3 weight or speed limit thereof shall exceed the limits prescribed in such notice. And the Department of
4 Transportation or such local authority may, by like notice, regulate or prohibit, in whole or in part, the
5 operation of any specified class or size of motor vehicle, trailer, or semitrailer on any highways or
6 specified parts thereof under its jurisdiction, whenever in its judgment, such regulation or prohibition
7 is necessary to provide for the public safety and convenience on such highways or parts thereof by
8 reason of traffic density, intensive use thereof by the traveling public or other reasons of public safety
9 and convenience. The notice or the substance thereof shall be posted at conspicuous places at terminals
10 of and all intermediate cross-roads and road junctions with the section of highway to which such notice
11 shall apply. After any such notice shall have been posted, the operation of any motor vehicle or
12 combination contrary to its provisions shall constitute a violation of this chapter.

13 (B) The imposition of any restrictions pursuant to subsection (A) must first be approved by the
14 Department of Transportation on any highways transferred to local authorities after July 2026.

15
16 Section 56-5-4220. No limitation shall be established by any county, municipal, or other local
17 authority pursuant to the provisions of Section 56-5-4210 that would interfere with or interrupt traffic
18 as authorized hereunder ~~over~~ along public state highways, including officially established detours for
19 such highways and cases where such traffic passes over roads, streets or thoroughfares within the sole
20 jurisdiction of such county, municipal, or other local authority, unless such limitations and further
21 restrictions shall have first been approved by the Department of Transportation, except that with respect
22 to county roads, other than such as are in use as state highway detours, the respective county road
23 authorities shall have full power and authority to further limit the weights of vehicles upon bridges and
24 culverts that have failed to meet the National Bridge Inspection Standards as administered by the
25 Department of Transportation upon such public notice as they deem sufficient, and existing laws
26 applicable thereto shall not be affected by the terms of this article.

27
28 SECTION 16. Section 11-43-140 of the S.C. Code is amended to read:

29
30 Section 11-43-140. The board of directors is the governing board of the bank. The board consists of
31 seven voting directors as follows: ~~the Chairman of the Department~~ the Secretary of Transportation
32 ~~Commission~~, ex officio; one director appointed by the Governor who shall serve as chairman; one
33 director appointed by the Governor; one director appointed by the Speaker of the House of
34 Representatives; one member of the House of Representatives appointed by the Speaker, ex officio;
35 one director appointed by the President of the Senate; and one member of the Senate appointed by the
36 President of the Senate, ex officio. Directors appointed by the Governor, the Speaker of the House, and

1 the President of the Senate shall serve terms coterminous with those of their appointing authority. The
2 terms for the legislative members are coterminous with their terms of office. The vice chairman must
3 be elected by the board. Any person appointed to fill a vacancy must be appointed in the same manner
4 as the original appointee for the remainder of the unexpired term.

5
6 SECTION 17. Section 11-35-710 of the S.C. Code is amended to read:

7
8 Section 11-35-710. (A) The board, upon the recommendation of the chief procurement officer, may
9 exempt governmental bodies from purchasing certain items through the respective chief procurement
10 officer's area of responsibility. The board may exempt specific supplies, services, information
11 technology, or construction from the purchasing procedures required in this chapter and for just cause
12 by unanimous written decision limit or may withdraw exemptions provided for in this section. The
13 following exemptions are granted from this chapter:

14 (1) ~~the construction, maintenance, and repair of bridges, highways, and roads; vehicle and road~~
15 ~~equipment maintenance and repair; and other emergency-type parts or equipment utilized by the~~
16 ~~Department of Transportation or the Department of Public Safety~~ the acquisition by the Department of
17 Transportation of: transportation planning; the construction, maintenance, design, financing, operation,
18 and repair of bridges, highways, roads, and other improvements within the state rights of way;
19 technology related to operations within the state rights of way; and vehicle and road equipment
20 maintenance and repair and other emergency-type parts and equipment;

21 (2) the purchase of raw materials by the South Carolina Department of Corrections, Division of
22 Prison Industries;

23 (3) South Carolina State Ports Authority;

24 (4) Division of Public Railways of the Department of Commerce;

25 (5) South Carolina Public Service Authority;

26 (6) expenditure of funds at state institutions of higher learning derived wholly from athletic or
27 other student contests, from the activities of student organizations, and from the operation of canteens
28 and bookstores, except as the funds are used for the procurement of construction, architect-engineer,
29 construction-management, and land surveying services;

30 (7) livestock, feed, and veterinary supplies;

31 (8) articles for commercial sale by all governmental bodies;

32 (9) fresh fruits, vegetables, meats, fish, milk, and eggs;

33 (10) South Carolina Arts Commission and South Carolina Museum Commission for the purchase
34 of one-of-a-kind items such as paintings, antiques, sculpture, and similar objects. Before a
35 governmental body procures the objects, the head of the purchasing agency shall prepare a written
36 determination specifying the need for the objects and the benefits to the State. The South Carolina Arts

1 Commission shall review the determination and forward a recommendation to the board for approval;

2 (11) published books, periodicals, and technical pamphlets;

3 (12) South Carolina Research Authority;

4 (13) the purchase of supplies, services, or information technology by state offices, departments,
5 institutions, agencies, boards, and commissions or the political subdivisions of this State from the South
6 Carolina Department of Corrections, Division of Prison Industries;

7 (14) Medical University Hospital Authority, if the Medical University Hospital Authority has
8 promulgated a procurement process in accordance with its enabling provision;

9 (15) if approved in writing by the State Engineer in advance, and if some aspect of the overall
10 transaction is otherwise approved by the board in advance of the acquisition, an acquisition of
11 construction from an eleemosynary corporation or foundation, or a wholly owned business thereof,
12 established solely for the governmental body's benefit, but only if the eleemosynary corporation or
13 foundation acquires the construction on behalf of or for the use of the governmental body and does so
14 pursuant to this code, as required by Section 11-35-40(4).

15 (16) the acquisition by the Department of Public Safety of vehicle and road equipment
16 maintenance and repair and other emergency-type parts and equipment.

17 (B) The State Fiscal Accountability Authority shall maintain and post publicly a running list of all
18 currently effective actions taken by the board pursuant to subsection (A);

19
20 SECTION 18. Section 12-28-2740 of the S.C. Code is amended to read:

21
22 Section 12-28-2740. (A) The proceeds from ~~two and sixty-six~~ three and ninety-nine one-hundredths
23 cents a gallon of the user fee on gasoline only as levied and provided for in this chapter must be
24 deposited with the State Treasurer and expended for purposes set forth in this section. The monies must
25 be apportioned among the counties of the State in the following manner:

26 (1) one-third distributed in the ratio which the land area of the county bears to the total land area
27 of the State;

28 (2) one-third distributed in the ratio which the population of the county bears to the total population
29 of the State as shown by the latest official decennial census;

30 (3) one-third distributed in the ratio which the mileage of all rural roads in the county bears to the
31 total rural road mileage in the State as shown by the latest official records of the Department of
32 Transportation. The Department of Revenue shall collect the information required pursuant to Section
33 12-28-1390 regarding the number of gallons sold in each county for use in making allocations of donor
34 funds as provided in subsection ~~(H)~~ (I). The Department of Revenue shall submit the percentage of the
35 total represented by each county to the Department of Transportation and to each county transportation
36 committee annually by May first of the following calendar year. Upon request of a county

1 transportation committee, the Department of Transportation shall continue to administer the funds
2 allocated to the county.

3 (B) All interest earnings on the County Transportation Fund in the State Treasury must be added to
4 the distribution to counties under this section in proportion to each county's portion of the entire County
5 Transportation Fund. Except for those funds being used in connection with highway projects
6 administered by the Department of Transportation on behalf of counties administering their own "C"
7 funds, these distributions of earnings and the calculation required to determine the appropriate amount
8 shall not include those counties administering their own "C" funds.

9 (B)(C) The funds expended must be approved by and used in furtherance of a countywide
10 transportation plan adopted by a county transportation committee.

11 (1) The county legislative delegation shall appoint the county transportation committee, and shall
12 ensure that the committee includes fair representation from municipalities and unincorporated areas of
13 the county. The Department of Transportation shall publish a register on its website of members of the
14 respective county transportation committees. The county transportation committee shall publish on the
15 county website the members of the county transportation committee.

16 (2) The countywide transportation plan shall list the criteria by which projects shall be selected by
17 the county transportation committee. The criteria shall include, but not be limited to, the condition of
18 state and local highway roads and bridges, safety, efficient traffic operations, and economic
19 development. The plan shall be updated at least every four years. Expenses related to preparing a plan
20 may be incurred from "C" funds. This subsection does not prohibit the county legislative delegation
21 from making project recommendations to the county transportation committee. The county
22 transportation committee shall publish on the county website the countywide transportation plan.

23 (3) County transportation committees may join in approving a regional transportation plan, and
24 the funds must be used in furtherance of the regional transportation plan. The regional transportation
25 plan shall be updated every four years. Expenses related to preparing a plan may be incurred from "C"
26 funds. This subsection does not prohibit the county legislative delegation from making project
27 recommendations to the county transportation committee.

28 (4) A county transportation committee may expend from the funds allocated under this section an
29 amount not to exceed ~~two~~ten thousand dollars for reasonable administrative expenses directly related
30 to the activities of the committee. Administrative expenses may include costs associated with copying,
31 mailings, public notices, correspondence, and recordkeeping but do not include the payment of per
32 diem or salaries for members of the committee.

33 (5) A county transportation committee shall comply with notice requirements under Section
34 30-4-80(a). The agenda shall include the proposed actions of the county transportation committee and
35 include the requested amount of "C" funds to be allocated.

36 (6) A county transportation committee shall comply with the minutes requirements Section

1 30-4-90. The minutes shall include the final amount of “C” funds allocated to each recipient.

2 (7) A county transportation committee shall meet at least twice annually.

3 ~~(C)~~(D) At least ~~twenty-five~~thirty-three percent of a county's apportionment of “C” funds, based on
4 a biennial averaging of expenditures, must be expended on the state highway system for construction,
5 improvements, and maintenance. The Secretary of Transportation, or his designee, shall approve the
6 proposed expenditure based on the anticipated improvement to the existing condition and operations
7 of the state highway system. The Department of Transportation shall administer all funds expended on
8 the state highway system unless the department has given explicit authority to a county or municipal
9 government or other agent acting on behalf of the county transportation committee to design, engineer,
10 construct, and inspect projects using their own personnel. The county transportation committee, at its
11 discretion, may expend up to ~~seventy-five~~sixty-seven percent of “C” construction funds for activities
12 including other local paving or improving county roads, for street and traffic signs, and for other road
13 and bridge projects.

14 ~~(D)~~(E) The funds allocated to the county also may be used to issue county bonds or state highway
15 bonds as provided in subsection ~~(D)~~(K), pay directly for appropriate highway projects, including
16 engineering, contracting, and project supervision, and match federal funds available for appropriate
17 projects. Beginning July 1, 2002, for any new “C” fund allocations received on or after this date, the
18 balance of uncommitted funds carried forward from one year into the next may not exceed three
19 hundred percent of the county's total apportionment for the most recent year. Expenditures must be
20 documented on a per-project basis upon the completion of each project in reports to the respective
21 county transportation committees. This documentation must be provided by the agency or local
22 government actually expending the funds and it shall include a description of the completed project
23 and a general accounting of all expenditures made in connection with the project summaries of these
24 reports then must be forwarded by each county transportation committee to the department using
25 guidelines established by the department and the department shall compile these reports into an annual
26 statewide report to be submitted to the General Assembly by the second Tuesday of January of each
27 year. The documentation and reporting requirements of this subsection apply only to counties
28 administering their own “C” funds. For purposes of this section, “uncommitted funds” means funds
29 held in the county's “C” fund account that have not been designated for specific projects.

30 ~~(E)~~(F) All unexpended “C” funds allocated to a county remain in the account allocated to the county
31 for the succeeding fiscal year and must be expended as provided in this section.

32 ~~(F)~~(G) The countywide and regional transportation plans provided for in this section must be
33 reviewed and approved by the Department of Transportation and approved by the Coordinating Council
34 for Transportation and Mobility. Before the expenditure of funds by a county transportation committee,
35 the committee shall adopt specifications for local road projects. In counties electing to expend their
36 allocation directly pursuant to subsection (A), specifications of roads built with “C” funds are to be

1 established by the countywide or regional transportation committee. In counties in which the county
2 transportation committee elects to have “C” funds administered by the Department of Transportation,
3 primary and secondary roads built using “C” funds must meet Department of Transportation
4 specifications.

5 ~~(G)~~(H) This section must not be construed as affecting the plans and implementation of plans for a
6 Statewide Surface Transportation System as developed by the Department of Transportation.

7 ~~(H)~~(I)(1) For purposes of this subsection, “donor county” means a county that contributes to the “C”
8 fund an amount in excess of what it receives under the allocation formula as stated in subsection (A).
9 In addition to the allocation to the counties pursuant to subsection (A), the Department of
10 Transportation annually shall transfer to the donor counties an amount equal to seventeen million
11 dollars in the ratio of the individual donor county's contribution in excess of “C” fund revenue allocated
12 to the county under subsection (A) to the total excess contributions of all donor counties.

13 (2) A county is eligible for an additional allocation from the Department of Transportation if the
14 county contributed to the “C” fund an amount in excess of what it receives under the allocation formula
15 as stated in subsection (A) plus what it receives under item (1). The Department of Transportation
16 annually shall transfer to the eligible counties an amount up to three and one-half million dollars in the
17 ratio of the individual eligible county's contribution to the “C” fund in excess of the eligible county's
18 total allocations under subsection (A) and item (1) to the total excess contributions of all eligible
19 counties remaining after all allocations under subsection (A) and item (1) have been made. Under no
20 circumstances can an allocation under this item result in an eligible county receiving total allocations
21 in excess of what the county contributed to the “C” fund.

22 ~~(I)~~(J)(1) In expending funds pursuant to this section, counties that administer their own “C” funds
23 shall use a procurement system that requires competitive sealed bids, no bid preferences not required
24 by state or federal law, and public advertisement of all projects. All bids for contracts in excess of one
25 hundred thousand dollars must be accompanied by certified bid bonds, and all work awarded under the
26 contracts must be covered by performance and payment bonds for one hundred percent of the contract
27 value. Bid summaries must be published in a newspaper of general distribution following each award.

28 (2) The requirement of a bond for bid security or a bond for payment and performance may not
29 include the requirement that the surety bond be furnished by a particular surety company or through a
30 particular agent or broker.

31 ~~(J)~~(K) State highway bonds may be issued for the completion of projects for which “C” funds may
32 be expended for projects as determined by the county transportation committee. ~~The applicable source~~
33 ~~for payment of principal and interest on the bonds is the share of “C” fund revenues available for use~~
34 ~~by the county transportation committee.~~ The application for the bonds must be filed by the county
35 transportation committee with ~~the Commission~~ of the Department of Transportation and the State
36 Treasurer, which shall forward the application to the State Fiscal Accountability Authority. The

1 Department of Transportation shall review the request and ensure it includes the information and
2 schedules contemplated by Section 57-11-220 and that estimated principal and interest on the proposed
3 bonds may be met from such county’s “C” funds, and if it, through the Secretary of Transportation,
4 finds that such request, as submitted or as supplemented by the department, includes the required
5 information, demonstrates that available “C” funds will satisfy estimated principal and interest on the
6 proposed bonds, and does not unreasonably impact the published plans of the Department of
7 Transportation, then it shall submit such request for state highway bonds to the State Fiscal
8 Accountability Authority. The State Fiscal Accountability Authority shall consider the
9 application request in the same manner that it considers state highway bonds, mutatis mutandis. The
10 county transportation committee shall allocate and apply from its share of "C" fund revenues available
11 for use by the county transportation committee the amount of principal and interest on the state highway
12 bonds. The department shall provide notice of the debt service requirements of such state highway
13 bonds upon the issuance thereof to the county transportation committee.

14 ~~(K)~~(L) Members of the committee are insulated from all personal liability arising out of matters
15 related directly to and within the scope of the performance of official duties and functions conferred
16 upon the committee pursuant to this section.

17 ~~—(L) In Berkeley County, appointments made pursuant to this section are governed by the provisions~~
18 ~~of Act 159 of 1995.~~

19 ~~—(M) In Dorchester County, appointments made pursuant to this section are governed by the~~
20 ~~provisions of Act 512 of 1996. In addition to the members and appointment procedures of the~~
21 ~~Dorchester County Transportation Committee as provided by this section and subsection, two~~
22 ~~additional members of the county transportation committee must be appointed from that portion of the~~
23 ~~Town of Summerville in Dorchester County and that portion of the City of North Charleston in~~
24 ~~Dorchester County. These members must be residents of the designated municipalities and of the~~
25 ~~county, and notwithstanding another provision of this subsection, must be appointed by the governing~~
26 ~~body of the respective municipality.~~

27 ~~—(N) In Georgetown County, appointments made pursuant to this section are governed by the~~
28 ~~provisions of Act 515 of 1996 and Section 2, Act 141 of 2001.~~

29 ~~(O)~~(M) Notwithstanding other provisions of this section, the legislative delegation of a county may
30 by delegation resolution ~~abolish the county transportation committee and~~ devolve its powers and duties
31 to appoint the members of the committee to on the governing body of the county. This devolution may
32 be reversed ~~and the county transportation committee reestablished~~ by a subsequent delegation
33 resolution. ~~The exercise of county transportation committee powers and duties by a county governing~~
34 ~~body is not deemed to constitute dual office holding.~~

35 ~~(P)~~(N) The Department of Transportation shall perform reviews to ensure compliance with
36 subsections (C)(2), (C)(3), (C)(4), (C)(5), (C)(6), (C)(7), ~~(C)(D), ~~(D)(E), ~~(F)(G), and ~~(H)(J).~~~~~~~~ A county

1 failing to comply with these subsections must have all subsequent “C” fund allocations withheld until
2 the requirements of those subsections are met. If a county fails to comply with those subsections within
3 twenty-four months, then the county forfeits fifty percent of its allocations for the following year and
4 the forfeited amount must be divided among the other counties as provided in subsection (A).

5 ~~(Q)~~(O) A county subject to a proposed withholding or forfeiture of “C” fund allocations pursuant to
6 this section must be notified in writing of the department's decision. The county, within sixty days of
7 receipt of notice of the decision, may request a review of the decision by a panel consisting of the state
8 highway engineer or his designee, the chairman of the affected county's transportation committee or
9 his designee, and a third person named by mutual agreement between the state highway engineer and
10 the county transportation committee chairman. The panel shall meet and render a decision within ninety
11 days of the request by the county transportation committee. The decision of the panel may be appealed
12 by requesting a contested case hearing before the Administrative Law Court pursuant to Section
13 1-23-600 and the rules of procedure for the Administrative Law Court. The request for a hearing must
14 be made within thirty days of receipt of the panel's decision.

15 ~~(R)~~(P) The legislative delegation of the county, by resolution, may rename the county transportation
16 committee established by this section as the (insert name of county) Legislative Delegation
17 transportation committee. Upon the adoption of such a resolution, all references in this section and any
18 other provisions of law to the county transportation committee, for purposes of that county, are deemed
19 references to that county's legislative delegation transportation committee.

20 ~~—(S) Notwithstanding the provisions of subsection (A), on July 1, 2018, and each July first thereafter~~
21 ~~until after July 1, 2021, the amount of proceeds of the user fee on gasoline only as levied for in this~~
22 ~~chapter that must be deposited with the State Treasurer and expended for the purposes of this section~~
23 ~~must be increased by .3325 cents a gallon, until such time as the total amount equals three and~~
24 ~~ninety nine one hundredths cents a gallon. Any increase in proceeds resulting from the provisions of~~
25 ~~this subsection must be used exclusively for repairs, maintenance, and improvements to the state~~
26 ~~highway system.~~

27
28 SECTION 19. Section 12-28-2920 of the S.C. Code is amended to read:

29
30 Section 12-28-2920. The department shall review projects for the possibility of constructing toll
31 roads to defray the cost of these projects pursuant to the authority granted the department in ~~Section~~
32 ~~57-5-1330~~ Title 57, Chapter 5, Article 9, as well as Section 57-3-205. No project may be funded in
33 whole or in part by means of imposing a toll on the users of the project unless ~~in conjunction with~~
34 ~~federal funds authorized for use on toll roads~~ it is determined to be substantially feasible by the
35 department, taking into account all funding sources. The funds derived from tolls must be:

36 (1) credited to the State Highway Fund ~~or~~;

1 (2) retained and applied by the entity or entities developing the toll road pursuant to an agreement
2 authorized under Section 57-3-200 or 57-3-205 for the purpose of funding the cost of construction,
3 financing, operation, and maintenance of the toll project; ~~or~~

4 ~~(2)~~(3) used to service bonded indebtedness for highway transportation purposes incurred pursuant to
5 Paragraph 9, Section 13, Article X of the South Carolina Constitution; ~~or~~

6 (4) used to pay for the operation and maintenance costs of the toll project.

7 ~~Upon repayment of the cost of construction and financing, toll charges shall cease.~~

8
9 SECTION 20. Chapter 1, Title 57 of the S.C. Code is amended by adding:

10
11 Section 57-1-375. (A) Upon notification from a county that the county has appropriated funds for
12 projects to improve the state highway system, the department must review the priority list for projects
13 to be undertaken pursuant to Section 57-1-370(B)(8) to see if the projects proposed by the county are
14 also on the department's priority list of projects to be undertaken pursuant to Section 57-1-370(B)(8).

15 (B) The department shall provide certification within ninety days to the county if a project proposed
16 to be funded from funds appropriated by that county is also on the department's priority list of projects
17 to be undertaken pursuant to Section 57-1-370(B)(8).

18 (C) In the event the county funds in its entirety a project certified by the department pursuant to
19 subsection (B), the department shall reprioritize the next project within that county that is also on the
20 department's priority list of projects to be undertaken pursuant to Section 57-1-370(B)(8) in place of
21 the project funded by the county. This subsection does not apply to bridges that are closed, load posted,
22 or structurally deficient.

23
24 SECTION 21. Chapter 5, Title 57 of the S.C. Code is amended by adding:

25
26 Section 57-5-1800 (A) There is established within the Department of Transportation the Pothole
27 Mitigation Program for the purposes of public reporting of pothole locations along the state highway
28 system. The department must implement the program in each county.

29 (B) The Pothole Mitigation Program must provide means for the public to report the location of
30 potholes to the department via telephone, the internet, a website application, or other electronic means
31 as determined by the department. Within one year of adoption of this act, the department shall make
32 available on the commercial mobile application stores a free application that allows the public to report
33 the location of a pothole. The department must post notices in conspicuous locations including the
34 department website, the State Highway Map, rest areas, and other facilities that provide information
35 about the means for the public to report potholes.

36 (C) The department must ensure that, within seven days of receiving notice of the location of a

1 pothole, the pothole is repaired. Each pothole repair must be a permanent repair unless weather
2 conditions, emergency events, supplier availability, or other exigent circumstance requires a temporary
3 repair until a permanent repair can be made. The department may use its own personnel or may contract
4 with outside parties for pothole repair pursuant to the Pothole Mitigation Program.

5 (D) From the Infrastructure Maintenance Trust Fund, the department shall annually allocate \$15
6 million for full depth pavement repairs of repetitive potholes as identified in Section 57-5-1800(B).
7 These funds shall be in addition to existing funds allocated for pavement rehabilitation.

8

9 SECTION 22. This act takes effect upon approval by the Governor. County Legislative delegations
10 have ninety days from the effective date of this act to comply with the provisions of Section
11 12-28-2740(C)(1).

12

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