

# REPORT OF THE REVENUE POLICY SUBCOMMITTEE

(White, Bingham, Herbkersman, Limehouse & Pitts - Staff Contact: Rena N. Grant)

---

---

## HOUSE BILL 3579

---

---

H 3579 -- Reps. Simrill, White, Lucas, Allison, Henderson, Limehouse, Newton, Ott, Clary, Collins, Dellaney, Forrester, Gambrell, Hardwick, Hiott, Horne, Merrill, D.C. Moss, V.S. Moss, Murphy, Pitts, Sandifer, G.M. Smith, Sottile, Spires, Wells, Whitmire, Yow, Jefferson, Erickson, Funderburk, Hosey, Hixon, Clyburn, Knight, Herbkersman, H.A. Crawford, Felder, Willis, McCoy, Bradley, Douglas, Norrell, Long, Bales, Daning, Loftis, Tallon, Anthony, Howard, Gagnon, Riley, Williams, Hayes, G.A. Brown, R.L. Brown, Hart, Weeks, Whipper, Pope, Tinkler, Hicks, Brannon and Corley: A BILL TO AMEND SECTIONS 57-1-310, 57-1-320, 57-1-325, AND 57-1-330, ALL AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE COMMISSION OF THE DEPARTMENT OF TRANSPORTATION, SO AS TO PROVIDE THAT ALL THE COMMISSIONERS MUST BE APPOINTED BY THE GOVERNOR AND SERVE AT THE PLEASURE OF THE GOVERNOR, TO PROVIDE THAT APPOINTEES MUST BE SCREENED BY THE JOINT TRANSPORTATION REVIEW COMMITTEE, AND TO PROVIDE THAT NO PERSON MAY SERVE AS A COMMISSIONER FOR MORE THAN TWELVE YEARS AND NO COUNTY MAY HAVE A RESIDENT COMMISSIONER FOR MORE THAN TWELVE CONSECUTIVE YEARS; TO AMEND SECTION 57-1-410, AS AMENDED, RELATING TO THE SECRETARY OF THE DEPARTMENT OF TRANSPORTATION, SO AS TO PROVIDE THAT THE COMMISSION OF THE DEPARTMENT OF TRANSPORTATION, INSTEAD OF THE GOVERNOR, SHALL APPOINT THE SECRETARY; TO AMEND SECTIONS 57-1-730 AND 57-1-740, AS AMENDED, RELATING RESPECTIVELY TO THE DUTIES OF THE JOINT TRANSPORTATION REVIEW COMMITTEE, BOTH SO AS TO REQUIRE THE COMMITTEE TO SCREEN APPOINTEES TO THE COMMISSION OF THE DEPARTMENT OF TRANSPORTATION IN A SIMILAR MANNER AS CURRENTLY ELECTED COMMISSIONERS ARE SCREENED;

***Summary of Bill:***

Attached.

***Introduced:*** 01/10/2014

***Received by Ways and Means:*** 01/10/2014

***Estimated Fiscal Impact:***

RFA estimates a total net increase of \$427,958,631 in FY 15-16; coupled with a \$61.4 M deduction from the state's General Fund, due to the transfer of Auto Sales Tax revenues. - Subcommittee amendment lowers the sales tax transfer from General Fund to SCDOT from \$61.4 M to \$50 M for FY 15-16 to conform with the House passed version of the Appropriations Bill.

***Subcommittee Recommendation:***

Amend - Summary Attached.

***Full Committee Recommendation:***

Pending.

***Other Notes/Comments:***

Attached.

THE BELOW CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SC 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 BENEFITS OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUCTED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT.

### 1. Restructuring Part 1: DOT

- Governor will appoint all HWY Commissioners with JTRC screening (7 districts and 1 statewide)
- Commission will appoint a Secretary with advice and consent of Senate.
- Commissioners serve at pleasure of Gov.
- No terms, may serve up to a maximum, combined 12 years - RETROACTIVE

### 2. Restructuring Part 2: SIB

- SIB expanded from 7 to 13 members: 7 district HWY Commissioners, 3 House Speaker appointments and 3 Senate President appointments - 1 of each is ex officio Rep/Senator.
- No terms, may serve up to a maximum, combined 12 years - RETROACTIVE
- \$25 M project minimum as opposed to current policy of \$100 M.
- Must follow prioritization criteria set by SCDOT with Act 114.
- A Joint Resolution can override prioritization criteria requirement - JR for single project only.

### 3. Transfer of Local Routes as identified by SCDOT:

- Voluntary participation for local governments - participants receive additional C-Funds.
- Phased in with 3 parts, increased funds and road transfers in each phase.
- SCDOT identifies roads for transfer. Locals must pick 1/3 of the roads identified within their county to take by Jan. 1, 2016, another 1/3 on 1/1/2018 and the final 1/3 on 1/1/2020.
- If locals don't choose by the Nov. 1<sup>st</sup> preceding that year, DOT makes that decision for them.
- C-Funds increased for participants in first year by \$1 M, with additional increases in 2018 & 2020.
- On 1/1/2018 the 4 cents increases to 5 cents, and then again to 6 cents/gallon of gasoline (*diesel is not included in existing C-Fund formula*) on 1/1/2020. By 2020, C-Fund allocations to counties should increase from ~\$72 M to ~\$165 M by 2020, with the first \$46 M providing a flat \$1 M to each county before remaining funds are distributed based on existing formula.

### 4. Funding:

- Adding an Excise Tax equivalent to the state sales tax (6%) - this is equal to the removal of the sales tax exemption. Using two 6 month base periods, the penny amount of the tax will be set using an average of the wholesale price from the base period, to set the tax amount for the following 6 months. This is very similar to the 2012 TRAC recommendations.
- The intent is to create a moving component to the revenue base, with a diversified gas tax that reacts to the market with controls (*capped at a change of 1 cent/6 months to limit volatility in tax when oil prices fluctuate dramatically*).
- Will likely require dropping the current user fee some to start with a similar revenue number as a straight 10 cent user fee increase. Currently looking at a total user fee of 10.75/gallon with 6% excise. Cap adjustment of excise tax to no more than 1 cent in 6 months. Set ceiling - max combined gas tax of 26.75 cents/gallon.
- All the Auto-sales tax revenues dedicated to the NFA HWY Fund go to the State HWY Fund.
- Auto Sales tax increase from \$300 to \$500. Hold EIA harmless, send all other revenue from sales tax to HWY Fund - total estimate of \$170 M.
- Fiscal impact of H.3579 (Ad Hoc Bill) is \$427 M in total new revenue for FY 15-16.
- The bill also provides for a moratorium on any new construction until 2020. This would not prevent expansion of existing roads/interstates.

## **Moratorium Section 5**

Allows for exceptions from the prohibition on new construction:

1. Projects with Preliminary Engineering and Design established by Jan. 1 2016.
2. Interstate projects with matching funds.
3. Projects in an MPO's Transportation Improvement Plan by Jan. 1 2016, and
4. Construction of Toll Roads

## **Local Roads Section 10**

Political subdivisions now retain ownership of the roads. If a municipality wants ownership, they get first pick, otherwise roads are transferred to county control.

Allows for Opt-In provisions in 2018 & 2020 with \$500k & \$250k incentives respectively.

The CTCs make the decision as to which roads are taken and the recipients of funds via C-Funds. This requires some coordination on the local level between the CTCs, County Councils, and Municipalities.

## **SIB Bonds Section 16**

Of the Auto Sales Tax revenues currently deposited into the General Fund, \$50 M will be transferred to DOT, to be used for bonds through the SIB in the same manner as Act 98, to conform with the House passed version of the Appropriations Bill. Any amount over that \$50 M that would otherwise be deposited into the General Fund, will be transferred to the State Highway Fund.

## **Road Restrictions New Section**

Provides that any new restrictions placed on "Public Roads" must be approved by SCDOT. All effected roads are currently in the state system. This section prevents unnecessary or unintended disruption to commerce traffic.



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
 (803)734-0640 • RFA.SC.GOV/IMPACTS

---

Bill Number: H. 3579  
 Author: Simrill  
 Requestor: House Ways and Means  
 Date: March 12, 2015  
 Subject: Transportation Infrastructure Bank  
 RFA Analyst(s): Rainwater, Dunbar, Martin, Shealy, Wren

---

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17	FY 2017-18 to FY 2019-20
<b>State Expenditure</b>			
General Fund	\$0	\$0	\$0
Other and Federal	See below	See below	See below
Full-Time Equivalent Position(s)	0.00	0.00	0.00
<b>State Revenue</b>			
General Fund	(\$61,400,000)	N/A	N/A
Other and Federal	\$427,958,631	N/A	N/A
<b>Local Expenditure</b>	See below	See below	See below
<b>Local Revenue</b>	N/A	N/A	N/A

**Fiscal Impact Summary**

**State General Fund Revenue.** This bill is expected to reduce General Fund sales and use tax revenue by an estimated \$61,400,000 in FY 2015-16 as the result of the transfer of sales tax revenue to Other Funds. (This transfer would have a corresponding decrease in general fund expenditures.)

**Other Funds.** This bill is expected to increase Other Funds for the Department of Transportation from several sources for a net increase of \$427,958,631. Motor fuel user fees are lowered from \$0.16 to \$0.10 per gallon which reduces revenue by \$190,221,506 in FY 2015-16. An excise tax based on the price of motor fuel is expected to generate \$497,880,137\*. The transfer of existing additional sales tax revenue on the purchase of vehicles is estimated to generate \$61,400,000. Finally, the maximum sales tax cap on motor vehicles is increased by \$200 which is estimated to generate \$58,900,000. These items net a total of \$427,958,631. This amount does not reflect the potential reallocation of any motor fuel user fee collections that may be distributed to the State Secondary "C" Fund Program from the transfer of state roads to the counties. Since county transportation committees may elect not to accept the transfer of any state roads, we are unable to determine the potential reallocation of these motor fuel user fee collections.

\*The average wholesale price of gasoline and diesel fuel is held constant at 2014 levels in this analysis. Future motor fuel revenue estimates are dependent on changes in the average wholesale prices of gasoline and diesel fuel.

**Local Revenue.** The local revenue impact does not reflect the potential reallocation of any motor fuel user fee collections that may be distributed to the State Secondary “C” Fund Program from the transfer of state roads to the counties. Since county transportation committees may elect not to accept the transfer of any state roads, we are unable to determine the potential reallocation of these motor fuel user fee collections.

**Local Expenditure.** We do not have sufficient data to determine the expenditure impact on county governments from accepting the responsibility of acquiring state roads.

## **Explanation of Fiscal Impact**

### **State Expenditure**

General Fund expenditures would be reduced by the transfer of sales tax on motor vehicles to the Department of Transportation.

**The Department of Transportation.** The department reports that any expenditure impact for implementing these changes would be minimal and can be absorbed by the agency. There would not be any impact on the General Funds or Federal Funds.

**The Transportation Infrastructure Fund Board.** The board reports that this bill would not result in additional expenditures or savings. Program expenditures for road projects would increase by the amount of additional revenue.

### **State Revenue**

The following sections would affect state revenue as follows:

**Section 10.** This section amends Article 1 of Title 57 by changing the amount of the motor fuel user fee collections that are allocated to the State Secondary “C” Fund Program. This section provides a framework for a portion of state roads to be transferred to the counties. County transportation boards would have the option of refusing the transfer. For counties participating in the transfer, the allocation of the motor fuel user fee would be increased. The additional county “C” fund revenue will first be apportioned equally until each participating county receives one million dollars, then the remaining funds will be distributed in the same manner pursuant to Section 12-28-2740(A). Any money apportioned to a county that is not participating must instead be credited to the State Highway Fund. Currently, the county “C” fund program receives \$0.0266 of the \$0.16 per gallon of gasoline revenue for local road improvements. Beginning July 1, 2016, an additional \$0.0134 will be distributed to county “C” funds for a total of \$0.04 per gallon of gasoline revenue. The additional distribution to county “C” funds is an estimated \$33,339,241 in FY 2016-17. Beginning July 1, 2018, the amount distributed to county “C” funds will be increased by an additional one-cent per gallon to a total of \$0.05 per gallon of

gasoline and the additional distribution is estimated to be \$24,296,006 in FY 2018-19. Finally, beginning July 1, 2020, a total of \$0.06 per gallon of gasoline would be distributed to county "C" funds. The additional distribution for FY 2020-21 is estimated to be \$23,425,240. As a result of this start date, the motor fuel user fee revenue for July is to be remitted in August; therefore, additional revenue estimates represent eleven months of a full fiscal year. The total estimated additional distribution to county "C" funds from increasing the allocation amount from \$0.0266 to \$0.06 per gallon of gasoline is \$87,625,647.

**Sections 12 and 13.** These sections amend Sections 12-28-310 and 56-11-410, which lowers the motor fuel user fee from the current rate of \$0.16 per gallon to \$0.010 per gallon. This analysis uses estimated motor fuel consumption trends based upon data from the U.S. Department of Energy. The estimated reduction in total motor fuel revenue from the user fee decrease is \$190,221,506 in FY 2015-16. This change would take effect July 1, 2015. As a result of this start date, the motor fuel fee for July is remitted in August; therefore, the revenue reduction in FY 2015-16 represents eleven months of a full fiscal year. A full year reduction is approximately \$207,514,370.

**Section 15.** This section would amend Section 12-36-2110 so as beginning after June 30, 2015, the maximum sales and use tax limitation would be increased from the current \$300 per motor vehicle to \$500 per motor vehicle. Based upon the latest data on motor vehicle sales, the Board of Economic Advisors' maximum sales and use tax cap model suggests motor vehicle sales and use tax revenue would be increased by an additional estimated \$58,900,000 in FY 2015-16. Section 16 of this bill requires this revenue to be credited to the State Highway Fund, otherwise, \$47,120,000 would be credited to state General Fund and \$11,780,000 would be deposited in the Education Improvement Act Fund.

**Section 16.** Currently, Act 98 of 2013 allows fifty percent of the revenues derived from the sale of motor vehicles pursuant to Sections 12-36-2620(1) and 12-36-2640(1) to be redirected from the state public school building fund and credited to the State Non-Federal Aid Highway Fund. This transfer only affects the four percent component of the sales and use tax credited to in the General Fund and does not affect EIA Fund revenue collections. According to the Department of Revenue, this transfer amounted to a reduction in General Fund sales and use tax revenue of \$59,543,949 and a concomitant increase in State Non-Federal Aid Highway Fund revenue in FY 2013-14.

This section would amend Section 12-36-2647 to credit the remaining fifty percent of the revenues derived from the sale of motor vehicles pursuant to Sections 12-36-2620(1) and 12-36-2640(1) to the State Highway Fund. Again, this transfer only affects the four percent component of the sales and use tax and does not affect the one percent for EIA. Based upon the latest data on motor vehicle sales, the Board of Economic Advisors' maximum sales and use tax cap model suggests motor vehicle sales and use tax revenue of an estimated \$153,500,000 in FY 2015-16. Under current law, \$61,400,000 is expected to be transferred to the Department of Transportation, \$61,400,000 is expected for deposit to the General Fund, and \$30,700,000 is to be credited to the Education Improvement Act Fund. Pursuant to this bill, the remaining General Fund allocation of \$61,400,000 would be transferred to the State Highway Fund. This transfer would affect the amount of general funds available for other projects and programs in FY 2015-

16. This section also changed the recipient of the revenue transfer from the State Non-Federal Aid Highway Fund to the State Highway Fund within the Department of Transportation.

This section would also further amend Section 12-36-2647 to redirect any increase in revenue as the result of increasing the maximum sales and use tax cap from \$300 per motor vehicle to \$500 per motor vehicle to the State Highway Fund. This transfer would include the four percent component of the sales and use tax in the General Fund as well as the one percent component of the sales and use tax in the EIA Fund. As mentioned in Section 15 above, based upon the latest data on motor vehicle sales, the Board of Economic Advisors' maximum sales and use tax cap model suggests motor vehicle sales and use tax revenue would be increased by an estimated \$58,900,000 in FY 2015-16. This includes the General Fund portion of the sales and use tax of \$47,120,000 as well as the EIA Fund portion of \$11,780,000 in FY 2015-16. These revenues must be used exclusively for highway, road, and bridge maintenance, construction, and repair.

**Section 17 and 18.** These sections add Sections 12-28-410 and 56-11-910 to impose an excise tax on motor fuel. The excise tax is determined by applying the cumulative state sales tax rate to a weighted average of the wholesale price of motor fuel and is recalculated at six month intervals. The current cumulative state sales tax rate is six percent. A wholesale price for gasoline and diesel is determined by averaging the wholesale price of each over a six month period ending March 31st and September 30th. The average wholesale prices of gasoline and diesel are then weighted by the relative proportion of their respective \$0.10 excise tax collections to determine a weighted average price of the two. The excise tax is then determined by multiplying the cumulative state sales tax rate by the weighted average wholesale price and the excise tax is set for the six month period beginning January 1st and July 1st. Based upon data from the U.S. Department of Energy, we obtained the average wholesale prices of gasoline and diesel fuel in South Carolina for 2014. As a result, an average wholesale price of \$2.56 per gallon of gasoline and \$2.81 per gallon of diesel fuel was used for this estimate and based upon the current excise tax collections a relative weight of 78.67% was given to gasoline and 21.33% to diesel to create a weighted average of the wholesale price of \$2.62. Applying the cumulative sales tax rate to this weighted average wholesale price results in an excise tax of \$0.157 per gallon of motor fuel. Based upon these figures, the total motor fuel excise tax revenue is expected to raise \$497,880,137 in FY 2015-16. Actual collections for FY 2015-16 and each year thereafter, will depend on the actual wholesale prices of motor fuel in the applicable periods. This change would take effect July 1, 2015. As a result of this start date, the motor fuel excise taxes charged in July will be remitted in August; therefore, the estimate for FY 2015-16 represents eleven months for the first fiscal year. A full fiscal year estimate is \$543,141,968.

In sum, the net estimated impact from this bill on motor fuel revenue from the imposed excise tax and the reduced user fee is \$307,658,631 for FY 2015-16. The full fiscal year estimate is \$335,627,597.


**Section 21.** Except as otherwise provided, this act takes effect July 1, 2015.

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted twenty-five county governments regarding the expenditure impact of this bill. One county responded but could not place a dollar amount on the impact of this bill. Therefore, our office does not have sufficient data to determine the expenditure impact on county governments from accepting the responsibility of acquiring state roads.

**Local Revenue**

N/A

  
\_\_\_\_\_  
Frank A. Rainwater, Executive Director



HOUSE  
AMENDMENT

THIS AMENDMENT  
ADOPTED

GOOD/MELTON  
MARCH 24, 2015

---

CLERK OF THE HOUSE

---

---

THE REVENUE POLICY SUBCOMMITTEE PROPOSES THE  
FOLLOWING AMENDMENT NO. TO H. 3579  
(USERS\RYANBURNAUGH\APPDATA\LOCAL\MICRO  
SOFT\WINDOWS\TEMPORARY INTERNET  
FILES\CONTENT.OUTLOOK\LHUDG6S9\3579C002  
BBM DG15 (2)):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY  
STRIKING SECTION 5 AND INSERTING:**

**/ SECTION 5. ARTICLE 1, CHAPTER 1,  
TITLE 57 OF THE 1976 CODE IS AMENDED BY  
ADDING:**

**“SECTION 57-1-95. (A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, NO NEW ROAD CONSTRUCTION PROJECTS MAY COMMENCE IN THIS STATE UNTIL JULY 1, 2020. THIS SECTION MUST NOT BE CONSTRUED TO PROHIBIT THE EXPANSION OF ROADS THAT EXISTED ON JUNE 30, 2015. THIS SECTION APPLIES TO THE DEPARTMENT AND ANY OTHER ENTITY AUTHORIZED TO CONSTRUCT ROADS IN THIS STATE.**

**(B) THIS SECTION DOES NOT APPLY TO:**

**(1) ANY PROJECT FOR WHICH PRELIMINARY ENGINEERING AND DESIGN WORK HAS BEEN INITIATED BEFORE JANUARY 1, 2016;**

**(2) LARGE INTERSTATE PROJECTS FOR WHICH MATCHING FUNDS ARE AVAILABLE;**

**(3) ANY PROJECT CONTAINED IN A METROPOLITAN PLANNING ORGANIZATION’S TRANSPORTATION IMPROVEMENT PLAN BEFORE JANUARY 1, 2016; AND**

**(4) A NEW FACILITY DESIGNED TO BE A TOLL ROAD.” /**

**AMEND THE BILL FURTHER, BY STRIKING SECTION 10 AND INSERTING:**

**/ SECTION 10. A. ARTICLE 1, CHAPTER 1, TITLE 57 OF THE 1976 CODE IS AMENDED BY ADDING:**

**“SECTION 57-1-100. (A) THIS SECTION IS INTENDED TO SET FORTH THE PROCESS BY WHICH THE DEPARTMENT OF TRANSPORTATION TRANSFERS CERTAIN STATE ROADS, OR PORTIONS THEREOF, TO THE POLITICAL SUBDIVISIONS OF THIS STATE.**

**(B) THE DEPARTMENT MUST DETERMINE WHICH STATE ROADS TO TRANSFER TO POLITICAL SUBDIVISION CONTROL BY SELECTING ROADS THAT ARE MOST APPROPRIATELY CONSIDERED LOCAL OR RURAL ROUTES. THE DEPARTMENT MAY NOT SELECT MORE THAN A TOTAL OF NINETEEN THOUSAND CENTERLINE MILES OF ROAD TO TRANSFER. BY JULY 1, 2015, THE DEPARTMENT MUST NOTIFY EACH COUNTY TRANSPORTATION COMMITTEE OF THE ROADS SELECTED FOR TRANSFER WITHIN THE COUNTY. ALSO, THE DEPARTMENT MUST NOTIFY EACH MUNICIPALITY OF THE ROADS SELECTED FOR TRANSFER WITHIN ITS MUNICIPAL LIMITS. THE DEPARTMENT SHALL TRANSFER THE ROADS SELECTED PURSUANT TO THE PROCESS SET FORTH IN SUBSECTION (C).**

**(C) SUBJECT TO SUBSECTIONS (E) AND (F), ON JANUARY 1, 2016, OF THE ROADS SELECTED PURSUANT TO SUBSECTION (B), THE DEPARTMENT MUST TRANSFER AT LEAST ONE-THIRD OF THE SELECTED CENTERLINES MILES WITHIN EACH COUNTY TO THE POLITICAL SUBDIVISIONS OF THAT RESPECTIVE COUNTY. HOWEVER, IF THE COUNTY TRANSPORTATION COMMITTEE NOTIFIES THE DEPARTMENT BY NOVEMBER 1, 2015, THE COUNTY TRANSPORTATION COMMITTEE MAY DESIGNATE THE SPECIFIC LOCAL ROUTES TO BE TRANSFERRED. ALSO, THE GOVERNING BODY OF A MUNICIPALITY MAY DESIGNATE THE SPECIFIC LOCAL ROUTES WITHIN ITS MUNICIPAL LIMIT TO BE TRANSFERRED BY NOTIFYING THE DEPARTMENT BY NOVEMBER 1, 2015. IF THE COUNTY TRANSPORTATION COMMITTEE OR A MUNICIPALITY DOES NOT NOTIFY THE DEPARTMENT OR DOES NOT DESIGNATE AT LEAST ONE-THIRD OF THE CENTERLINE MILES, OR IF THE DEPARTMENT ADMINISTERS THE COUNTY'S 'C' FUNDS, THEN THE DEPARTMENT SHALL DETERMINE WHICH LOCAL ROUTES TO TRANSFER. HOWEVER, THE DEPARTMENT MAY NOT TRANSFER TO A POLITICAL SUBDIVISION MORE THAN ONE-THIRD OF THE SELECTED CENTERLINE MILES WITHIN THE POLITICAL SUBDIVISION, UNLESS THE RESPECTIVE COUNTY TRANSPORTATION COMMITTEE OR MUNICIPALITY AGREES TO THE TRANSFER OF THE EXCESS.**

**(D) ON JANUARY 1, 2018, AND ON JANUARY 1, 2020, THE DEPARTMENT SHALL TRANSFER THE REMAINING LOCAL ROUTES IN THE SAME MANNER AS SET FORTH IN SUBSECTION (C), MUTATIS MUTANDIS.**

**(E)(1) A COUNTY TRANSPORTATION COMMITTEE MAY ELECT NOT TO ACCEPT THE TRANSFER OF ANY STATE ROADS ON JANUARY 1, 2016, BY NOTIFYING THE DEPARTMENT OF ITS REFUSAL BY NOVEMBER 1, 2015. THE PROVISIONS OF THIS SECTION DO NOT APPLY TO ANY COUNTY THAT REFUSES TO PARTICIPATE PURSUANT TO THIS SUBSECTION.**

**(2) A COUNTY'S REFUSAL PURSUANT TO ITEM (1) IS CONSIDERED PERMANENT; HOWEVER, IF A COUNTY TRANSPORTATION COMMITTEE WISHES TO PARTICIPATE THE SUBSEQUENT TRANSFERS SET FORTH IN SUBSECTION (D), THEN THE COUNTY TRANSPORTATION**

**COMMITTEE MUST NOTIFY THE DEPARTMENT BY THE SEPTEMBER FIRST IMMEDIATELY PRECEDING THE TRANSFER. UPON NOTIFYING THE DEPARTMENT, THE COUNTY TRANSPORTATION COMMITTEE MAY DESIGNATE THE SPECIFIC LOCAL ROUTES TO BE TRANSFERRED IN THE SAME MANNER AS SET FORTH IN SUBSECTION (C).**

**(F)(1) THE GOVERNING BODY OF A MUNICIPALITY MAY ELECT NOT TO ACCEPT THE TRANSFER OF ANY STATE ROADS BY NOTIFYING THE DEPARTMENT OF ITS REFUSAL BY NOVEMBER 1, 2015. THE PROVISIONS OF THIS SECTION DO NOT APPLY TO ANY MUNICIPALITY THAT REFUSES TO PARTICIPATE PURSUANT TO THIS SUBSECTION. IF A MUNICIPALITY ELECTS NOT TO PARTICIPATE, BUT THE COUNTY IN WHICH THE MUNICIPALITY IS LOCATED DOES PARTICIPATE, THEN THE COUNTY MUST ACCEPT THE ROADS INSIDE MUNICIPAL LIMITS. IF A MUNICIPALITY ELECTS TO PARTICIPATE, AND THE COUNTY IN WHICH THE MUNICIPALITY IS LOCATED ALSO PARTICIPATES, THEN THE MUNICIPALITY SHALL TAKE CONTROL OF THE SELECTED ROADS WITHIN ITS MUNICIPAL LIMITS.**

**(2) A MUNICIPALITY'S REFUSAL PURSUANT TO ITEM (1) IS CONSIDERED PERMANENT; HOWEVER, IF A THE GOVERNING BODY OF A MUNICIPALITY WISHES TO PARTICIPATE THE SUBSEQUENT TRANSFERS SET FORTH IN SUBSECTION (D), THEN THE MUNICIPALITY MUST NOTIFY THE DEPARTMENT BY THE SEPTEMBER FIRST IMMEDIATELY PRECEDING THE TRANSFER. UPON NOTIFYING THE DEPARTMENT, THE GOVERNING BODY OF THE MUNICIPALITY MAY DESIGNATE THE SPECIFIC LOCAL ROUTES TO BE TRANSFERRED IN THE SAME MANNER AS SET FORTH IN SUBSECTION (C).**

**(G)(1) NOTWITHSTANDING SECTION 12-28-2740, BEGINNING JULY 1, 2016, FOR COUNTIES PARTICIPATING IN THE ROAD TRANSFER PURSUANT TO THIS SECTION, THE PROCEEDS FROM AN ADDITIONAL ONE AND THIRTY-FOUR 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 IN A SEPARATE 'C' FUNDS**

**ACCOUNT AND EXPENDED FOR PURPOSES SET IN SECTION 12-28-2740. BEGINNING JULY 1, 2018, THE PROCEEDS CREDITED TO THE STATE TREASURER FOR THE PURPOSES OF THIS SUBSECTION MUST BE INCREASED TO TWO AND THIRTY-FOUR HUNDREDTHS CENTS A GALLON. ALSO, THE AMOUNT MUST BE INCREASED AGAIN BEGINNING JULY 1, 2020, TO THREE AND THIRTY-FOUR HUNDREDTHS CENTS A GALLON.**

**(2)(A) FIRST, THE MONIES IN THE SEPARATE FUND MUST BE DISTRIBUTED TO EACH PARTICIPATING COUNTY BASED ON THE TIME THE COUNTY BEGAN PARTICIPATING. FOR COUNTIES THAT PARTICIPATED IN THE 2016 TRANSFER, EACH COUNTY SHALL RECEIVE ONE MILLION DOLLARS OF DISTRIBUTIONS. FOR COUNTIES THAT BEGAN PARTICIPATING IN THE 2018 TRANSFER, EACH COUNTY SHALL RECEIVE FIVE HUNDRED THOUSAND DOLLARS OF DISTRIBUTIONS. FOR COUNTIES THAT BEGAN PARTICIPATING IN THE 2020 TRANSFER, EACH COUNTY SHALL RECEIVE TWO HUNDRED FIFTY THOUSAND DOLLARS OF DISTRIBUTIONS. THE MONIES DISTRIBUTED PURSUANT TO THIS SUBITEM SHALL BE DISTRIBUTED PRO RATA BASED ON THE AMOUNT OF DISTRIBUTIONS THE COUNTY RECEIVES PURSUANT TO THIS SUBITEM.**

**(B) THE REMAINING MONIES IN THE SEPARATE ACCOUNT MUST BE APPORTIONED AMONG ALL THE COUNTIES OF THE STATE IN THE SAME MANNER AS PROVIDED IN SECTION 12-28-2740(A), EXCEPT THAT ANY MONEY APPORTIONED TO A COUNTY THAT IS NOT PARTICIPATING INSTEAD MUST BE CREDITED TO THE STATE HIGHWAY FUND.**

**(H) NOTWITHSTANDING SECTION 12-28-2740, FOR COUNTIES PARTICIPATING IN THE 2016 ROAD TRANSFER PURSUANT TO THIS SECTION, TO ACCOUNT FOR THE ADDITIONAL MONIES PURSUANT TO SUBSECTION (G), BEGINNING JULY 1, 2016, 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. ALSO, TO ACCOUNT FOR THE GRADUATED INCREASED MONIES PURSUANT TO**

**SUBSECTION (G) THAT BEGIN ON JULY 1, 2018, AND JULY 1, 2020, THE JULY 1, 2016, DATE IN THIS SUBSECTION IS DEEMED TO BE JULY 1, 2018 BEGINNING ON JULY 1, 2018, AND JULY 1, 2020, BEGINNING ON JULY 1, 2020.**

**(I) THE DEPARTMENT MAY PROMULGATE REGULATIONS NECESSARY TO IMPLEMENT THE PROVISIONS OF THIS SECTION, INCLUDING EMERGENCY REGULATIONS FOR THE TRANSFER OCCURRING ON JANUARY 1, 2016.**

**(J) AS USED IN THIS SECTION:**

**(1) 'CENTERLINE MILES' MEANS THE LENGTH OF THE ROAD, AS MEASURED BY MILES, SO THAT THE TOTAL LENGTH OF THE ROAD IS THE SAME REGARDLESS OF THE NUMBERS OF LANES.**

**(2) 'COUNTY TRANSPORTATION COMMITTEE' MEANS THE COMMITTEE APPOINTED BY EACH COUNTY'S LEGISLATIVE DELEGATION TO ADOPT A COUNTYWIDE TRANSPORTATION PLAN AND ADMINISTER 'C' FUNDS PURSUANT TO SECTION 12-28-2740.**

**(3) 'POLITICAL SUBDIVISION' MEANS COUNTIES AND MUNICIPALITIES.**

**(4) 'ROAD' HAS THE SAME MEANING AS PROVIDED IN SECTION 57-3-120." /**

**AMEND THE BILL FURTHER, PART 3, PAGE 17, AFTER LINE 17, BY ADDING AN APPROPRIATELY NUMBERED SECTION TO READ:**

**/ SECTION \_\_\_\_ . SECTIONS 56-5-4210 AND 56-5-4220 OF THE 1976 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 BE FIRST APPROVED BY THE DEPARTMENT OF TRANSPORTATION ON ANY HIGHWAYS TRANSFERRED TO LOCAL AUTHORITIES AFTER 2015.**

**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 STATE**



**PUBLIC 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 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.** /

**AMEND THE BILL FURTHER, BY STRIKING SECTION 16 AND INSERTING:**

**/ SECTION 16. A. SECTION 12-36-2647 OF THE 1976 CODE, AS ADDED BY ACT 98 OF 2013, IS AMENDED TO READ:**

**“SECTION 12-36-2647. (A) NOTWITHSTANDING THE PROVISIONS OF SECTION 59-21-1010, FIFTY PERCENT OF THE REVENUES OF SALES, USE, AND CASUAL EXCISE TAXES DERIVED PURSUANT TO SECTIONS 12-36-2620(1) AND 12-36-2640(1) ON THE SALE, USE, OR TITLING OF A MOTOR VEHICLE REQUIRED TO BE LICENSED AND REGISTERED BY THE SOUTH CAROLINA DEPARTMENT OF MOTOR VEHICLES, OTHERWISE REQUIRED TO BE CREDITED AS PROVIDED PURSUANT TO SECTION 59-21-1010, INSTEAD MUST BE CREDITED TO THE STATE NON-FEDERAL AID HIGHWAY FUND ESTABLISHED PURSUANT TO SECTION 57-11-20 STATE HIGHWAY FUND AND THE GENERAL FUND EQUALLY; HOWEVER, EACH FISCAL YEAR, ONCE THE GENERAL FUND RECEIVES FIFTY MILLION**

**DOLLARS IN THESE REVENUES, THE STATE HIGHWAY FUND SHALL RECEIVE THE ENTIRETY OF THE REMAINDER. REVENUES CREDITED TO THE STATE NON-FEDERAL AID HIGHWAY FUND STATE HIGHWAY FUND PURSUANT TO THIS SECTION MUST BE USED EXCLUSIVELY FOR HIGHWAY, ROAD, AND BRIDGE MAINTENANCE, CONSTRUCTION, AND REPAIR.**

**(B) NOTWITHSTANDING THE PROVISIONS OF SECTION 59-21-1010, ANY INCREASE IN REVENUE ATTRIBUTABLE TO SECTION 12-36-2110(F) FROM THE SALES, USE, AND CASUAL EXCISE TAXES DERIVED PURSUANT TO SECTIONS 12-36-2620(2) AND 12-36-2640(2) ON THE SALE, USE, OR TITLING OF A MOTOR VEHICLE REQUIRED TO BE LICENSED AND REGISTERED BY THE SOUTH CAROLINA DEPARTMENT OF MOTOR VEHICLES, OTHERWISE REQUIRED TO BE CREDITED AS PROVIDED PURSUANT TO SECTION 59-21-1010, INSTEAD MUST BE CREDITED THE STATE HIGHWAY FUND. REVENUES CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO THIS SECTION MUST BE USED EXCLUSIVELY FOR HIGHWAY, ROAD, AND BRIDGE MAINTENANCE, CONSTRUCTION, AND REPAIR.**

**(C) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, IN FISCAL YEAR 2015-2016, THE AMOUNT TRANSFERRED TO THE STATE HIGHWAY FUND PURSUANT TO THIS SECTION MAY NOT EXCEED THE AMOUNT TRANSFERRED TO THE STATE NON FEDERAL AID HIGHWAY FUND PURSUANT TO THIS SECTION IN FISCAL YEAR 2014-2015 BY MORE THAN FIFTY MILLION DOLLARS.**”

**B. ARTICLE 1, CHAPTER 43, TITLE 11 OF THE 1976 CODE IS AMENDED BY ADDING:**

**“SECTION 11-43-167. (A) IN ADDITION TO ALL OTHER ENTITLEMENTS, EACH FISCAL YEAR, THE STATE TREASURER SHALL TRANSFER FIFTY MILLION DOLLARS FROM NONTAX SOURCES IN THE STATE GENERAL FUND TO THE SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK. THE TREASURER MAY TRANSFER THE TOTAL**

**AMOUNT IN ONE LUMP SUM OR THE TREASURER MAY TRANSFER THE AMOUNT QUARTERLY IN FOUR EQUAL INSTALLMENTS. THE TRANSFER IS EXEMPT FROM ANY ACROSS-THE-BOARD REDUCTIONS. THE TRANSFERRED FUNDS MUST BE USED SOLELY BY THE BANK TO FINANCE BRIDGE REPLACEMENT, RESURFACING AND REHABILITATION PROJECTS, AND EXPANSION AND IMPROVEMENTS TO EXISTING MAINLINE INTERSTATES.**

**(B) THE DEPARTMENT OF TRANSPORTATION SHALL SUBMIT A LIST OF BRIDGE AND ROAD PROJECTS TO THE BANK FOR ITS CONSIDERATION. TRANSFERRED FUNDS MAY NOT BE USED FOR PROJECTS APPROVED BY THE BANK BEFORE JULY 1, 2015.**

**(C) THE GENERAL ASSEMBLY MAY DESIGNATE THE SOURCE OF NONTAX REVENUE FROM WHICH THE TRANSFER MUST BE MADE.” /**

**RENUMBER SECTIONS TO CONFORM.  
AMEND TITLE TO CONFORM.**

**South Carolina General Assembly**  
121st Session, 2015-2016

**H. 3579**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Simrill, White, Lucas, Allison, Henderson, Limehouse, Newton, Ott, Clary, Collins, Delleney, Forrester, Gambrell, Hardwick, Hiott, Horne, Merrill, D.C. Moss, V.S. Moss, Murphy, Pitts, Sandifer, G.M. Smith, Sottile, Spires, Wells, Whitmire, Yow, Jefferson, Erickson, Funderburk, Hosey, Hixon, Clyburn, Knight, Herbkersman, H.A. Crawford, Felder, Willis, McCoy, Bradley, Douglas, Norrell, Long, Bales, Daning, Loftis, Tallon, Anthony, Howard, Gagnon, Riley, Williams, Hayes, G.A. Brown, R.L. Brown, Hart, Weeks, Whipper, Pope, Tinkler, Hicks, Brannon and Corley  
Document Path: I:\council\bills\bbm\9184dg15.docx  
Companion/Similar bill(s): 3661

Introduced in the House on February 11, 2015  
Currently residing in the House Committee on **Ways and Means**

Summary: Transportation Infrastructure Bank

**HISTORY OF LEGISLATIVE ACTIONS**

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
2/11/2015	House	Introduced and read first time ( <a href="#">House Journal-page 64</a> )
2/11/2015	House	Referred to Committee on <b>Ways and Means</b> ( <a href="#">House Journal-page 64</a> )
2/17/2015	House	Member(s) request name removed as sponsor: Duckworth, Hardee
2/18/2015	House	Member(s) request name added as sponsor: Tinkler, Hicks
2/19/2015	House	Member(s) request name added as sponsor: Brannon
3/2/2015		Scrivener's error corrected
3/3/2015	House	Member(s) request name added as sponsor: Corley
3/4/2015	House	Member(s) request name removed as sponsor: Kirby, Stavrinakis

View the latest [legislative information](#) at the website

**VERSIONS OF THIS BILL**

[2/11/2015](#)  
[3/2/2015](#)

1  
2  
3  
4  
5  
6  
7  
8  
9

**A BILL**

10

11 TO AMEND SECTIONS 57-1-310, 57-1-320, 57-1-325, AND  
12 57-1-330, ALL AS AMENDED, CODE OF LAWS OF SOUTH  
13 CAROLINA, 1976, RELATING TO THE COMMISSION OF THE  
14 DEPARTMENT OF TRANSPORTATION, SO AS TO PROVIDE  
15 THAT ALL THE COMMISSIONERS MUST BE APPOINTED  
16 BY THE GOVERNOR AND SERVE AT THE PLEASURE OF  
17 THE GOVERNOR, TO PROVIDE THAT APPOINTEES MUST  
18 BE SCREENED BY THE JOINT TRANSPORTATION REVIEW  
19 COMMITTEE, AND TO PROVIDE THAT NO PERSON MAY  
20 SERVE AS A COMMISSIONER FOR MORE THAN TWELVE  
21 YEARS AND NO COUNTY MAY HAVE A RESIDENT  
22 COMMISSIONER FOR MORE THAN TWELVE  
23 CONSECUTIVE YEARS; TO AMEND SECTION 57-1-410, AS  
24 AMENDED, RELATING TO THE SECRETARY OF THE  
25 DEPARTMENT OF TRANSPORTATION, SO AS TO PROVIDE  
26 THAT THE COMMISSION OF THE DEPARTMENT OF  
27 TRANSPORTATION, INSTEAD OF THE GOVERNOR, SHALL  
28 APPOINT THE SECRETARY; TO AMEND SECTIONS 57-1-730  
29 AND 57-1-740, AS AMENDED, RELATING RESPECTIVELY  
30 TO THE DUTIES OF THE JOINT TRANSPORTATION  
31 REVIEW COMMITTEE, BOTH SO AS TO REQUIRE THE  
32 COMMITTEE TO SCREEN APPOINTEES TO THE  
33 COMMISSION OF THE DEPARTMENT OF  
34 TRANSPORTATION IN A SIMILAR MANNER AS  
35 CURRENTLY ELECTED COMMISSIONERS ARE SCREENED;  
36 BY ADDING SECTION 57-1-95 SO AS TO PROHIBIT THE  
37 COMMENCEMENT OF ANY NEW ROAD CONSTRUCTION  
38 PROJECTS IN THIS STATE UNTIL JULY 1, 2020; TO AMEND  
39 SECTION 11-43-140, RELATING TO THE BOARD OF  
40 DIRECTORS OF THE SOUTH CAROLINA  
41 TRANSPORTATION INFRASTRUCTURE BANK, SO AS TO  
42 INCREASE THE BOARD TO THIRTEEN MEMBERS AND TO

1 SET FORTH THE MEMBERSHIP, AND TO PROVIDE THAT  
2 NO MEMBER MAY SERVE MORE THAN TWELVE YEARS;  
3 TO AMEND SECTION 11-43-180, RELATING TO FINANCIAL  
4 ASSISTANCE GIVEN BY THE INFRASTRUCTURE BANK, SO  
5 AS TO PROHIBIT THE BANK FROM PROVIDING ANY  
6 LOANS OR OTHER FINANCIAL ASSISTANCE TO ANY  
7 PROJECT UNLESS THE ELIGIBLE COSTS OF THE PROJECT  
8 ARE AT LEAST TWENTY-FIVE MILLION DOLLARS; BY  
9 ADDING SECTION 11-43-265 SO AS TO REQUIRE THE  
10 INFRASTRUCTURE BANK TO PRIORITIZE ALL PROJECTS  
11 IN ACCORDANCE WITH THE PRIORITIZATION CRITERIA  
12 ESTABLISHED IN ACT 114 OF 2007, AND TO PROVIDE AN  
13 EXCEPTION; BY ADDING SECTION 57-1-100 SO AS TO SET  
14 FORTH THE OPTIONAL PROCESS BY WHICH THE  
15 DEPARTMENT OF TRANSPORTATION TRANSFERS  
16 CERTAIN STATE ROADS TO THE COUNTIES OF THIS  
17 STATE, TO INCREASE THE AMOUNT DISTRIBUTED TO  
18 THE PARTICIPATING COUNTIES OVER TIME, TO PROVIDE  
19 THAT EACH PARTICIPATING COUNTY MUST RECEIVE  
20 ONE MILLION DOLLARS BEFORE THE FUNDS ARE  
21 DISTRIBUTED BASED ON A FORMULA, TO AMEND  
22 SECTION 12-28-2740, RELATING TO THE DISTRIBUTION OF  
23 THE GASOLINE USER FEE TO THE COUNTIES OF THIS  
24 STATE, TO ABOLISH THE CURRENT COUNTY  
25 TRANSPORTATION COMMITTEES AND THEN  
26 RECONSTITUTE THEM WITH THE ADDITION OF  
27 MUNICIPAL REPRESENTATION, AND TO SPECIFY THE  
28 MANNER IN WHICH "C" FUNDS MUST BE EXPENDED; TO  
29 AMEND SECTION 12-28-310, RELATING TO THE USER FEE  
30 ON GASOLINE, SO AS TO REDUCE THE FEE TO TEN CENTS  
31 A GALLON; TO AMEND SECTION 56-11-410, RELATING TO  
32 THE ROAD TAX, SO AS TO REDUCE THE TAX TO TEN  
33 CENTS A GALLON; TO AMEND SECTION 56-11-450,  
34 RELATING TO THE CREDIT AGAINST ROAD TAX, SO AS  
35 TO REDUCE THE CREDIT TO TEN CENTS A GALLON; TO  
36 AMEND SECTION 12-36-2110, RELATING TO THE  
37 MAXIMUM TAX, SO AS TO INCREASE THE MAXIMUM TAX  
38 FROM THREE HUNDRED TO FIVE HUNDRED DOLLARS ON  
39 THE SALE OR LEASE OF A MOTOR VEHICLE; TO AMEND  
40 SECTION 12-36-2647, RELATING TO THE TAX REVENUES  
41 COLLECTED FROM THE SALE OR LEASE OF A MOTOR  
42 VEHICLE, SO AS TO CREDIT ALL THE REVENUES TO THE  
43 STATE HIGHWAY FUND EXCEPT FOR CERTAIN AMOUNTS

1 THAT ARE USED FOR THE EDUCATION IMPROVEMENT  
2 ACT; BY ADDING ARTICLE 4 TO CHAPTER 28, TITLE 12 SO  
3 AS TO IMPOSE AN EXCISE TAX ON THE WHOLESALE  
4 PRICE OF MOTOR FUEL EQUAL TO THE CUMULATIVE  
5 STATE SALES TAX RATE, TO PROVIDE THAT THE  
6 REVENUE MUST BE CREDITED TO THE STATE HIGHWAY  
7 FUND, TO PROVIDE THAT THE EXCISE TAX MAY NOT  
8 EXCEED THE EQUIVALENT OF SIXTEEN CENTS A  
9 GALLON, AND TO PROVIDE THE MANNER IN WHICH THE  
10 EXCISE TAX IS CALCULATED AND ADMINISTERED; AND  
11 BY ADDING ARTICLE 9 TO CHAPTER 11, TITLE 57 SO AS  
12 TO IMPOSE AN EXCISE TAX ON MOTOR CARRIERS IN THE  
13 SAME MANNER AS THE EXCISE TAX ON MOTOR FUEL.

14  
15 Be it enacted by the General Assembly of the State of South  
16 Carolina:

17 Part 1

18  
19 Commission of the Department of Transportation

20  
21 SECTION 1. Sections 57-1-310 through Section 57-1-330 of the  
22 1976 Code, all as last amended by Act 114 of 2007, are further  
23 amended to read:

24  
25 “Section 57-1-310. (A) The congressional districts of this State  
26 are constituted and created Department of Transportation Districts  
27 of the State, designated by numbers corresponding to the numbers  
28 of the respective congressional districts. The Commission of the  
29 Department of Transportation shall be composed of one member  
30 from each transportation district ~~elected by the delegations of the~~  
31 ~~congressional district~~ and one member ~~appointed by the Governor~~  
32 from the State at large, all appointed by the Governor. ~~Such~~  
33 ~~elections or appointment, as the case may be, Appointments~~ shall  
34 take into account race and gender so as to represent, to the greatest  
35 extent possible, all segments of the population of the State; however,  
36 consideration of these factors in making an appointment ~~or in an~~  
37 ~~election~~ in no way creates a cause of action or basis for an employee  
38 grievance for a person appointed or elected or for a person who fails  
39 to be appointed or elected.

40 (B)(1) ~~Candidates for election to the commission must be~~  
41 ~~screened by the Joint Transportation Review Committee, as~~  
42 ~~provided in Article 7 of this chapter, and determined to meet the~~

1 qualifications contained in subsection (C) in order to be eligible for  
2 election.

3 (2) ~~The at-large appointment~~ All appointments made by the  
4 Governor must be transmitted to the Joint Transportation Review  
5 Committee. The Joint Transportation Review Committee must  
6 ~~determine whether the at-large appointee meets the qualifications in~~  
7 subsection (C) screen each appointee, as provided in Article 7, and  
8 report its findings to the General Assembly and the Governor. Until  
9 the Joint Transportation Review Committee finds a gubernatorial  
10 appointee qualified, the appointee must not take the oath of office  
11 and the full rights and privileges and powers of the office shall not  
12 vest. An appointee may not take the oath of office until the Joint  
13 Transportation Review Committee notifies the Clerk of the Senate  
14 and the Clerk of the House of Representatives that the appointee is  
15 qualified pursuant to Section 57-1-740(B)(2)(b).

16 (C) The qualifications that each commission member must  
17 possess, include, but are not limited to:

18 (1) a baccalaureate or more advanced degree from:

19 (a) a recognized institution of higher learning requiring  
20 face-to-face contact between its students and instructors prior to  
21 completion of the academic program;

22 (b) an institution of higher learning that has been accredited  
23 by a regional or national accrediting body; or

24 (c) an institution of higher learning chartered before 1962;  
25 or

26 (2) a background of at least five years in any combination of  
27 the following fields of expertise:

28 (a) transportation;

29 (b) construction;

30 (c) finance;

31 (d) law;

32 (e) environmental issues;

33 (f) management; or

34 (g) engineering.

35 (D) ~~No~~ A member of the General Assembly or member of his  
36 immediate family ~~shall~~ may not be ~~elected or~~ appointed to the  
37 commission while the member is serving in the General Assembly;  
38 nor shall a member of the General Assembly or a member of his  
39 immediate family be ~~elected or~~ appointed to the commission for a  
40 period of four years after the member either:

41 (1) ceases to be a member of the General Assembly; or

42 (2) fails to file for election to the General Assembly in  
43 accordance with Section 7-11-15.



1  
2 Section 57-1-320. ~~(A) A county that is divided among two or~~  
3 ~~more Department of Transportation districts, for purposes of~~  
4 ~~electing a commission member, is deemed to be considered in the~~  
5 ~~district which contains the largest number of residents from that~~  
6 ~~county.~~

7 (B) ~~No~~ A county within a Department of Transportation district  
8 ~~shall~~ may not have a resident commission member for more than  
9 ~~one consecutive term~~ twelve consecutive years and in no event shall  
10 any two persons from the same county serve as a commission  
11 member simultaneously except as provided hereinafter.

12  
13 Section 57-1-325. ~~Legislators residing in the congressional~~  
14 ~~district shall meet upon written call of a majority of the members of~~  
15 ~~the delegation of each district at a time and place to be designated~~  
16 ~~in the call for the purpose of electing a commissioner to represent~~  
17 ~~the district. A majority present, either in person or by written proxy,~~  
18 ~~of the delegation from a given congressional district constitutes a~~  
19 ~~quorum for the purpose of electing a district commissioner. No~~  
20 ~~person may be elected commissioner who fails to receive a majority~~  
21 ~~vote of the members of the delegation.~~

22 The delegation must be organized by the election of a chairman  
23 and a secretary, and the delegations of each congressional district  
24 shall adopt such rules as they consider proper to govern the election.  
25 Any absentee may vote by written proxy. When the election is  
26 completed, the chairman and the secretary of the delegation shall  
27 immediately transmit the name of the person elected to the Secretary  
28 of State who shall issue to the person, after he has taken the usual  
29 oath of office, a certificate of election as commissioner. The  
30 Governor shall then issue a commission to the person, and pending  
31 the issuance of the commission, the certificate of election is  
32 sufficient warrant to the person to perform all of the duties and  
33 functions of his office as commissioner. Each commissioner shall  
34 serve until his successor is elected and qualified.

35  
36 Section 57-1-330. (A) ~~For the purposes of electing a~~  
37 ~~commission member, a legislator shall vote only in the~~  
38 ~~congressional district in which he resides. All commission members~~  
39 ~~are elected to a term of office of four years which expires on~~  
40 ~~February fifteenth of the appropriate year. All commission~~  
41 ~~members serve at the pleasure of the Governor, but a commission~~  
42 ~~member may not serve more than twelve years, regardless of when~~  
43 ~~the term was served. Commissioners shall continue to serve until~~

1 their successors are ~~elected~~ appointed and qualify, provided that a  
2 commissioner ~~may~~ only may serve in a hold-over capacity for a  
3 period not to exceed six months. Any vacancy occurring in the  
4 office of commissioner shall be filled by ~~election or~~ appointment in  
5 the manner provided in this article for the unexpired term only.  
6 Except for the at-large member, ~~no~~ a person is not eligible to serve  
7 as a commission member who is not a resident of that district at the  
8 time of his appointment. Failure by ~~an elected~~ such commission  
9 member to maintain residency in the district for which he is ~~elected~~  
10 appointed shall result in the forfeiture of his office.

11 (B) ~~The at-large commission member shall serve at the pleasure~~  
12 ~~of the Governor.~~ The at-large commission member may be  
13 appointed from any county in the State unless another commission  
14 member is serving from that county. Failure by the at-large  
15 commission member to maintain residence in the State shall result  
16 in a forfeiture of his office.

17 (C) ~~All elected commission members may be removed from~~  
18 ~~office as provided in Section 1-3-240(C)(1)."~~

19  
20 SECTION 2. Section 57-1-410 of the 1976 Code, as last amended  
21 by Act 114 of 2007, is further amended to read:

22  
23 "Section 57-1-410. The ~~Governor~~ commission shall appoint, with  
24 the advice and consent of the Senate, a Secretary of Transportation  
25 who shall serve at the pleasure of the ~~Governor~~ commission. A  
26 person appointed to this position shall possess practical and  
27 successful business and executive ability and be knowledgeable in  
28 the field of transportation. The Secretary of Transportation shall  
29 receive such compensation as may be established under the  
30 provisions of Section 8-11-160 and for which funds have been  
31 authorized in the general appropriations act."

32  
33 SECTION 3. Section 57-1-730 of the 1976 Code, as added by Act  
34 114 of 2007, is amended to read:

35  
36 "Section 57-1-730. The review committee has the following  
37 powers and duties:

38 (1) to screen ~~each candidate applying for election~~ each person  
39 appointed to the commission;

40 (2) in screening ~~candidates~~ appointees and making its findings,  
41 the review committee must give due consideration to:

42 (a) ability, area of expertise, dedication, compassion,  
43 common sense, and integrity of each ~~candidate~~ appointee; and

1 (b) the impact that each ~~candidate~~ appointee would have on  
2 the racial and gender composition of the commission, and each  
3 ~~candidate's~~ appointee's impact on other demographic factors  
4 represented on the commission, such as residence in rural or urban  
5 areas, to assure nondiscrimination to the greatest extent possible of  
6 all segments of the population of the State; and

7 (3) to determine if each ~~candidate~~ appointee is qualified and  
8 meets the requirements provided by law to serve as a member of the  
9 Department of Transportation Commission, make findings  
10 concerning whether each ~~candidate~~ appointee is qualified, and  
11 deliver its findings to the Clerk of the Senate, ~~and the Clerk of the~~  
12 House of Representatives, ~~and the Governor;~~ and

13 ~~(4) to submit the names of all qualified candidates to the~~  
14 ~~congressional district delegation for election."~~

15  
16 SECTION 4. Section 57-1-740 of the 1976 Code, as last amended  
17 by Act 253 of 2010, is further amended to read:

18  
19 "Section 57-1-740. (A) ~~For purposes of this section, a vacancy is~~  
20 ~~created on the commission when a term expires, a new~~  
21 ~~congressional district is created, or a commission member resigns,~~  
22 ~~dies, or is removed from office as provided in Section 57-1-330(C).~~  
23 ~~If known in advance, the review committee may provide notice of a~~  
24 ~~vacancy and begin screening prior to the actual date of the vacancy.~~

25 (B) Whenever a commission member ~~must be elected to fill a~~  
26 ~~vacancy is appointed:~~

27 (1) The review committee must forward a notice of the  
28 ~~transportation commission district member vacancy~~ appointment to:

29 (a) a newspaper of general circulation within the  
30 congressional district from which a commission member ~~must be~~  
31 ~~elected is appointed~~ with a request that it be published at least once  
32 a week for four consecutive weeks;

33 (b) any person who has informed the committee that he  
34 desires to be notified of the ~~vacancy~~ appointment; and

35 (c) to each member of the congressional district delegation.  
36 The committee may provide such additional notice that it deems  
37 appropriate.

38 (2) The review committee may not ~~accept a notice of intention~~  
39 ~~to seek the office from any candidate~~ conduct an investigation of an  
40 appointee until the review committee certifies to the Clerk of the  
41 Senate, ~~and the Clerk of the House of Representatives, and the~~  
42 Governor that the proper notices, required by this section, have been  
43 requested to be published or provided as required in this subsection.

1 (3) The cost of the notification process required by this  
2 section must be absorbed and paid from the approved accounts of  
3 the Senate and the House of Representatives as contained in the  
4 annual appropriations act.

5 ~~(C) Any person desiring to be a candidate for election to fill a~~  
6 ~~vacancy on the commission must file a notice of intention with the~~  
7 ~~review committee no later than five business days after the last date~~  
8 ~~the published notice appeared in a newspaper of general circulation.~~  
9 ~~Upon the expiration of the notice of intention filing period, the~~  
10 ~~review committee must provide every member of the affected~~  
11 ~~congressional district delegation with a complete list of the people~~  
12 ~~who filed a notice.~~

13 ~~(D)(B)(1)When the notice of intention filing period closes~~  
14 ~~certifications are made pursuant to subsection (A)(2), the review~~  
15 ~~committee shall begin to conduct an investigation of candidates an~~  
16 ~~appointee, as it considers appropriate, and may utilize the services~~  
17 ~~of any agency of state government to assist in the investigation.~~  
18 ~~Upon request of the review committee for assistance, an agency~~  
19 ~~shall cooperate fully.~~

20 (2)(a)(i) Upon completion of ~~the candidate an appointee's~~  
21 ~~investigations investigation~~, the chairman of the review committee  
22 shall schedule a public hearing concerning the qualifications of the  
23 ~~candidates appointee~~. Any person who desires to testify at the  
24 hearing, including the ~~candidates appointee~~, must furnish a written  
25 statement of his proposed testimony to the chairman of the review  
26 committee. This statement shall be furnished no later than  
27 forty-eight hours prior to the date and time set for the hearing. The  
28 review committee shall determine the persons who shall testify at  
29 the hearing. All testimony, including documents furnished to the  
30 review committee, shall be submitted under oath and persons  
31 knowingly furnishing false information either orally or in writing  
32 shall be subject to the penalties provided by law for perjury and false  
33 swearing.

34 (ii) During the course of the investigation, the review  
35 committee may schedule an executive session at which the  
36 ~~candidates appointee~~, and other persons who the review committee  
37 wishes to interview, may be interviewed on matters pertinent to the  
38 ~~candidate's appointee's~~ qualification for the office to be filled.

39 (iii) The review committee shall render its tentative  
40 findings as to whether the ~~candidates are appointee is~~ qualified to  
41 serve on the commission as a district member and its reasons for  
42 making the findings within a reasonable time after the hearing. If  
43 ~~only one person applies to fill a vacancy or if the review committee~~

1 concludes there are fewer candidates qualified for a vacancy than  
2 those who initially filed, it shall submit to the congressional district  
3 delegation for election only the names and qualifications of those  
4 who are considered to be qualified. The nominations of the review  
5 committee for any candidate for the election to the commission are  
6 binding on the congressional district delegation, and it shall not elect  
7 a person not nominated by the review committee. Nothing shall  
8 prevent the congressional district delegation from rejecting all  
9 persons nominated. In this event, the review committee shall submit  
10 another group of names and qualifications for that position. Further  
11 nominations in the manner required by this chapter must be made  
12 until the office is filled.

13 (b) As soon as possible after the completion of the hearing,  
14 a verbatim copy of the testimony, documents submitted at the  
15 hearing, and findings of fact, including whether the appointee is  
16 qualified, shall be delivered to the Clerk of the Senate and the Clerk  
17 of the House of Representatives to be transcribed and published in  
18 the journals of both houses or otherwise made available in a  
19 reasonable number of copies to the members of both houses and a  
20 copy must be furnished to ~~each candidate~~ the Governor and the  
21 appointee.

22 (c)(i) ~~The review committee must transmit to the~~  
23 ~~congressional district delegation the names of all qualified~~  
24 ~~candidates.~~

25 (ii) ~~No member of the congressional district delegation~~  
26 ~~may pledge his vote to elect a candidate until the review committee~~  
27 ~~has released its written report concerning the qualifications of the~~  
28 ~~candidate to the members of the appropriate congressional district~~  
29 ~~delegation. The release of the written report of qualifications shall~~  
30 ~~occur no earlier than forty eight hours after the names of the~~  
31 ~~qualified candidates have been initially released to members of the~~  
32 ~~appropriate congressional district delegation.~~

33 (iii) ~~No candidate may directly or indirectly seek the~~  
34 ~~pledge of a vote from a member of the candidate's congressional~~  
35 ~~delegation or, directly or indirectly, contact a statewide~~  
36 ~~constitutional officer, a member of the General Assembly, or the~~  
37 ~~Joint Transportation Review Committee regarding screening for the~~  
38 ~~commission until the review committee has released its written~~  
39 ~~report as to the qualifications of all candidates in a particular~~  
40 ~~congressional district. For purposes of this section, "indirectly seek~~  
41 ~~the pledge" means the candidate, or someone acting on behalf of and~~  
42 ~~at the request of the candidate, requests another person to contact a~~  
43 ~~member of the General Assembly, a statewide constitutional officer,~~

1 ~~or a member of the review committee on behalf of the candidate~~  
2 ~~before the review committee's release of the written report of~~  
3 ~~qualifications.~~

4 ~~(iv) The prohibitions of this section do not extend to an~~  
5 ~~announcement of candidacy by the candidate and statements by the~~  
6 ~~candidate detailing the candidate's qualifications.~~

7 ~~(d) A candidate~~ An appointee may withdraw at any stage  
8 of the proceedings, and in this event no further inquiry, report on, or  
9 consideration of his ~~candidacy~~ appointment shall be made.

10 (3) All records, information, and other material that the  
11 review committee has obtained or used to make its findings of fact,  
12 except materials, records, and information presented under oath at  
13 the public hearing, shall be kept strictly confidential. After the  
14 review committee has reported its findings of fact, or after a  
15 ~~candidate~~ an appointee withdraws his name from consideration, all  
16 records, information, and material required to be kept confidential  
17 must be destroyed.

18 (4)(a) The review committee may, in the discharge of its  
19 duties, administer oaths and affirmations, take depositions, and issue  
20 subpoenas to compel the attendance of witnesses and the production  
21 of books, papers, correspondence, memoranda, and other records  
22 considered necessary in connection with the investigation of the  
23 review committee.

24 (b) ~~No~~ A person ~~shall~~ may not be excused from attending  
25 and testifying or from producing books, papers, correspondence,  
26 memoranda, or other records before the review committee on the  
27 ground that the testimony or evidence, documentary or otherwise,  
28 required of him may tend to incriminate him or subject him to a  
29 penalty or forfeiture. However, ~~no~~ an individual ~~shall~~ may not be  
30 prosecuted or subjected to any criminal penalty based upon  
31 testimony or evidence submitted or forfeiture for or on account of  
32 any transaction, matter, or thing concerning which he is compelled,  
33 after having claimed his privilege against self-incrimination, to  
34 testify or produce evidence, documentary or otherwise, except that  
35 the individual so testifying shall not be exempt from prosecution and  
36 punishment for perjury and false swearing committed during  
37 testimony.

38 (c) In case of contumacy by any person or refusal to obey  
39 a subpoena issued to any person, any circuit court of this State or  
40 circuit judge thereof within the jurisdiction of which the person  
41 guilty of contumacy or refusal to obey is found, resides, or transacts  
42 business, upon application by the review committee, may issue to  
43 the person an order requiring him to appear before the review

1 committee to produce evidence, if so ordered, or to give testimony  
2 concerning the matter under investigation. Any failure to obey an  
3 order of the court may be punished as contempt. Subpoenas shall be  
4 issued in the name of the review committee and shall be signed by  
5 the review committee chairman. Subpoenas shall be issued to those  
6 persons as the review committee may designate.

7 (5) The privilege of the floor in either house of the General  
8 Assembly may not be granted to ~~a candidate~~ an appointee, or any  
9 immediate family member of ~~a candidate~~ an appointee unless the  
10 family member is serving in the General Assembly, during the time  
11 the ~~candidate's~~ appointee's application is pending before the review  
12 committee and during the time the ~~candidate's~~ appointee's election  
13 is pending.”

14  
15 SECTION 5. Article 1, Chapter 1, Title 57 of the 1976 Code is  
16 amended by adding:

17  
18 “Section 57-1-95. Notwithstanding any other provision of law,  
19 no new road construction projects may commence in this State until  
20 July 1, 2020. This section must not be construed to prohibit the  
21 expansion of roads that existed on June 30, 2015. This section  
22 applies to the department and any other entity authorized to  
23 construct roads in this State.”

24  
25 SECTION 6. (A) Sections 1 and 2, as contained in this Part, take  
26 effect January 1, 2016, at which time the Commission of the  
27 Department of Transportation must be made up of members  
28 appointed pursuant to Section 57-1-310, as amended by this act.  
29 The members of the Commission of the Department of  
30 Transportation as of December 31, 2015, must no longer serve on  
31 the commission unless the member is reappointed pursuant to  
32 Section 57-1-310, as amended by this act, and found qualified by  
33 the Joint Transportation Review Committee, as set forth in Sections  
34 57-1-325 and 57-1-330, as amended by this act.

35 (B) Sections 3 and 4, as contained in this Part, take effect upon  
36 approval by the Governor, and first apply to the screening of persons  
37 appointed to the Commission of the Department of Transportation  
38 thereafter. To ensure an efficient transition to the reconstituted  
39 Commission of the Department of Transportation on January 1,  
40 2016, upon the effective date of this act, the Governor may begin  
41 making appointments to the Commission of the Department of  
42 Transportation for membership that takes effect January 1, 2016.

1 These appointees must be screened pursuant to Sections 57-1-325  
2 and 57-1-330, as amended by this act.

3  
4 Part 2

5  
6 South Carolina Transportation Infrastructure Bank

7  
8 SECTION 7. A. Section 11-43-140 of the 1976 Code is amended  
9 to read:

10  
11 “Section 11-43-140. The board of directors is the governing  
12 board of the bank. The board consists of ~~seven~~ thirteen voting  
13 directors as follows: ~~the Chairman of the Department of~~  
14 ~~Transportation Commission, ex officio; one director appointed by~~  
15 ~~the Governor who shall serve as chairman; one director appointed~~  
16 ~~by the Governor~~ the seven members of the Commission of the  
17 Department of Transportation that represent a transportation district,  
18 ex officio; one director two directors appointed by the Speaker of  
19 the House of Representatives; one member of the House of  
20 Representatives appointed by the Speaker, ex officio; ~~one director~~  
21 two directors appointed by the President Pro Tempore of the Senate;  
22 and one member of the Senate appointed by the President Pro  
23 Tempore of the Senate, ex officio. All directors serve at the pleasure  
24 of the appointing authority. Directors appointed by ~~the Governor,~~  
25 the Speaker, and the President Pro Tempore shall serve terms  
26 coterminous with those of their appointing authority. The terms for  
27 the legislative members are coterminous with their terms of office.  
28 The Governor shall designate which member of the Commission of  
29 the Department of Transportation shall serve as chairman. The vice  
30 chairman must be elected by the board. A director may not serve  
31 more than twelve years, regardless of when the term was served.  
32 Any person appointed to fill a vacancy must be appointed in the  
33 same manner as the original appointee for the remainder of the  
34 unexpired term.”

35  
36 B. This section takes effect January 1, 2016, at which time the board  
37 of directors of the South Carolina Transportation Infrastructure  
38 Bank must be made up of members appointed pursuant to Section  
39 11-43-140, as amended by this act. The members of the board of  
40 directors of the South Carolina Transportation Infrastructure Bank  
41 as of December 31, 2015, only may continue to serve on the board  
42 if they were legislatively appointed, and the legislative appointing  
43 authority, in writing, expresses the desire for the member to



1 continue serving, and otherwise qualify. To ensure an efficient  
2 transition to the reconstituted board of trustees of the South Carolina  
3 Transportation Infrastructure Bank on January 1, 2016, upon the  
4 effective date of this act, the appointing authorities may begin  
5 making appointments to the board of trustees of the South Carolina  
6 Transportation Infrastructure Bank for membership that takes effect  
7 January 1, 2016.

8  
9 SECTION 8. A. Section 11-43-180 of the 1976 Code is amended  
10 by adding an appropriately lettered subsection to read:

11  
12 “( ) The bank may not provide any loans or other financial  
13 assistance, including bond proceeds, to any project unless the  
14 eligible costs of the project are at least twenty-five million dollars.”

15  
16 B. This SECTION takes effect upon approval by the Governor and  
17 only applies to projects selected by the bank thereafter.

18  
19 SECTION 9. A. Article 1, Chapter 43, Title 11 of the 1976 Code is  
20 amended by adding:

21  
22 “Section 11-43-265. (A) Notwithstanding any other provision  
23 of law and subject to the provisions of subsection (B), the bank must  
24 prioritize all projects in accordance with the prioritization criteria  
25 provided in Section 57-1-370(B)(8).

26 (B) The General Assembly may enact a joint resolution allowing  
27 the bank to fund a project without using the prioritization criteria  
28 provided in subsection (A). The joint resolution must be specific as  
29 to the project and the amount authorized to be funded.”

30  
31 B. This SECTION takes effect upon approval by the Governor and  
32 only applies to projects selected by the bank thereafter.

33  
34 Part 3

35  
36 Transfer of Roads to Counties

37  
38 SECTION 10. A. Article 1, Chapter 1, Title 57 of the 1976 Code  
39 is amended by adding:

40  
41 “Section 57-1-100. (A) This section is intended to set forth the  
42 process by which the Department of Transportation transfers certain  
43 state roads, or portions thereof, to the counties of this State.

1 (B) The department must determine which state roads to transfer  
2 to county control by selecting roads that are most appropriately  
3 considered local or rural routes. The department may not select  
4 more than a total of nineteen thousand centerline miles of road to  
5 transfer. By July 1, 2015, the department must notify each county  
6 transportation committee of the roads selected for transfer within the  
7 county. The department shall transfer the roads selected pursuant to  
8 the process set forth in subsection (C).

9 (C) Subject to subsection (E), on January 1, 2016, of the roads  
10 selected pursuant to subsection (B), the department must transfer at  
11 least one-third of the selected centerlines miles within each county  
12 to that respective county. However, if the county transportation  
13 committee notifies the department by November 1, 2015, the county  
14 transportation committee may designate the specific local routes to  
15 be transferred. If the county transportation committee does not  
16 notify the department or does not designate at least one-third of the  
17 centerline miles, or if the department administers the county's 'C'  
18 funds, then the department shall determine which local routes to  
19 transfer. However, the department may not transfer to a county  
20 more than one-third of the selected centerline miles within the  
21 county, unless the respective county transportation committee  
22 agrees to the transfer of the excess.

23 (D) On January 1, 2018, and on January 1, 2020, the department  
24 shall transfer the remaining local routes in the same manner as set  
25 forth in subsection (C), mutatis mutandis.

26 (E) A county transportation committee may elect not to accept  
27 the transfer of any state roads by notifying the department of its  
28 refusal by November 1, 2015. The provisions of this section do not  
29 apply to any county that refuses to participate pursuant to this  
30 subsection.

31 (F)(1) Notwithstanding Section 12-28-2740, beginning July 1,  
32 2016, for counties participating in the road transfer pursuant to this  
33 section, the proceeds from an additional one and thirty-four  
34 hundredths cents a gallon of the user fee on gasoline only as levied  
35 and provided for in this chapter must be deposited with the State  
36 Treasurer in a separate 'C' funds account and expended for purposes  
37 set in Section 12-28-2740. Beginning July 1, 2018, the proceeds  
38 credited to the State Treasurer for the purposes of this subsection  
39 must be increased to two and thirty-four hundredths cents a gallon.  
40 Also, the amount must be increased again beginning July 1, 2020,  
41 to three and thirty-four hundredths cents a gallon.

42 (2) First, the monies in the separate fund must be distributed  
43 to each participating county equally until each county receives one

1 million dollars of distributions. The remaining monies in the  
2 separate account must be apportioned among all the counties of the  
3 State in the same manner as provided in Section 12-28-2740(A),  
4 except that any money apportioned to a county that is not  
5 participating instead must be credited to the State Highway Fund.

6 (G) Notwithstanding Section 12-28-2740, for counties  
7 participating in the road transfer pursuant to this section, to account  
8 for the additional monies pursuant to subsection (F), beginning July  
9 1, 2016, for any new 'C' fund allocations received on or after this  
10 date, the balance of uncommitted funds carried forward from one  
11 year into the next may not exceed three hundred percent of the  
12 county's total apportionment for the most recent year. Also, to  
13 account for the graduated increased monies pursuant to subsection  
14 (F) that begin on July 1, 2018, and July 1, 2020, the July 1, 2016,  
15 date in this subsection is deemed to be July 1, 2018 beginning on  
16 July 1, 2018, and July 1, 2020, beginning on July 1, 2020.

17 (H) As used in this section:

18 (1) 'Centerline miles' means the length of the road, as  
19 measured by miles, so that the total length of the road is the same  
20 regardless of the numbers of lanes.

21 (2) 'County transportation committee' means the committee  
22 appointed by each county's legislative delegation to adopt a  
23 countywide transportation plan and administer 'C' funds pursuant  
24 to Section 12-28-2740.

25 (3) 'Road' has the same meaning as provided in Section  
26 57-3-120."

27  
28 B. This section takes effect July 1, 2015, except that the amendment  
29 to Section 57-1-100(G), as contained in this section, does not take  
30 effect until July 1, 2016.

31  
32 SECTION 11. A. Section 12-28-2740(B), (C), and (O) of the 1976  
33 Code is amended to read:

34  
35 "(B) The funds expended must be approved by and used in  
36 furtherance of a countywide transportation plan adopted by a county  
37 transportation committee. The county transportation committee  
38 must be appointed by the county legislative delegation and must be  
39 made up of fair representation from municipalities within the county  
40 and unincorporated areas of the county. The municipal  
41 representation must include at least a mayor, a municipal council  
42 member, and a municipal employee, all representing different  
43 municipalities. Any mayor or municipal council member shall serve

1 ex officio. County transportation committees may join in approving  
2 a regional transportation plan, and the funds must be used in  
3 furtherance of the regional transportation plan. This subsection does  
4 not prohibit the county legislative delegation from making project  
5 recommendations to the county transportation committee. A county  
6 transportation committee may expend from the funds allocated  
7 under this section an amount not to exceed two thousand dollars for  
8 reasonable administrative expenses directly related to the activities  
9 of the committee. Administrative expenses may include costs  
10 associated with copying, mailings, public notices, correspondence,  
11 and recordkeeping but do not include the payment of per diem or  
12 salaries for members of the committee.

13 (C) At least 'C' funds only may be used within the public right  
14 of way for paving, resurfacing, bridge construction or replacement,  
15 street and traffic signs, traffic signals, street lighting, and other road  
16 and bridge infrastructure projects. 'C' funds also may be used for  
17 labor, mowing, ditching, and other general maintenance. A  
18 maximum of twenty-five percent of a county's apportionment of 'C'  
19 funds, based on a biennial averaging of expenditures, must may be  
20 expended on the state highway system for construction,  
21 improvements, and maintenance. The Department of Transportation  
22 shall administer all funds expended on the state highway system  
23 unless the department has given explicit authority to a county or  
24 municipal government or other agent acting on behalf of the county  
25 transportation committee to design, engineer, construct, and inspect  
26 projects using their own personnel. The county transportation  
27 committee, at its discretion, may expend up to seventy five percent  
28 of 'C' construction funds for activities including other local paving  
29 or improving county roads, for street and traffic signs, and for other  
30 road and bridge projects.

31  
32 (O) Notwithstanding other provisions of this section, the  
33 legislative delegation of a county may by delegation resolution  
34 abolish the county transportation committee and devolve its powers  
35 and duties on the governing body of the county. Upon the abolition,  
36 the governing body of the county must appoint a 'C' funds advisory  
37 committee that must include representation from municipalities  
38 within the county and unincorporated areas of the county. The  
39 municipal representation must include at least a mayor, a municipal  
40 council member, and a municipal employee, all representing  
41 different municipalities. The advisory committee shall make  
42 recommendations to the governing body of the county regarding the  
43 expenditure of the county's 'C' funds. This devolution may be

1 reversed and the county transportation committee reestablished by a  
2 subsequent delegation resolution. The exercise of county  
3 transportation committee powers and duties by a county governing  
4 body is not deemed to constitute dual office holding.”

5  
6 B. Effective July 1, 2015, all existing county transportation  
7 committees are abolished and the authority of each county  
8 transportation committee is devolved upon the legislative delegation  
9 of each county. Upon the authority being devolved, the legislative  
10 delegation of each county shall appoint a new county transportation  
11 committee pursuant to Section 12-28-2740(B), devolve the duties of  
12 the county transportation committee upon the local governing body  
13 of the county pursuant to Section 12-28-2740(O), or request the  
14 Department of Transportation to administer the county’s ‘C’ funds.  
15 Nothing in this subsection prohibits a county legislative delegation  
16 from appointing a member to the county transportation committee  
17 that previously served on the committee.

18  
19 Part 4

20  
21 Funding for Roads

22  
23 SECTION 12. Section 12-28-310(A) of the 1976 Code is  
24 amended to read:

25  
26 “(A) Subject to the exemptions provided in this chapter, a user fee  
27 of ~~sixteen~~ ten cents a gallon is imposed on:

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

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

34  
35 SECTION 13. Section 56-11-410 of the 1976 Code is amended to  
36 read:

37  
38 “Section 56-11-410. A road tax for the privilege of using the  
39 streets and highways in this State is imposed upon every motor  
40 carrier. The tax is equivalent to ~~sixteen~~ ten cents a gallon, calculated  
41 on the amount of gasoline or other motor fuel used by the motor  
42 carrier in its operations within this State. Except as credit for certain  
43 taxes as provided for in this chapter, taxes imposed on motor carriers

1 by this chapter are in addition to taxes imposed upon the carriers by  
2 any other provision of law.”

3

4 SECTION 14. Section 56-11-450(A) of the 1976 Code is  
5 amended to read:

6

7 “(A) Every motor carrier subject to the tax imposed under this  
8 chapter is entitled to a credit on the tax equivalent to ~~sixteen~~ ten  
9 cents per gallon on all gasoline or other motor fuel purchased by the  
10 carrier within this State for use in operations either within or without  
11 this State and upon which gasoline or other motor fuel the tax  
12 imposed by the laws of this State has been paid by the carrier.  
13 Evidence of the payment of the tax in such form as may be required  
14 by or is satisfactory to the Department of Motor Vehicles must be  
15 furnished by each carrier claiming the credit.”

16

17 SECTION 15. Section 12-36-2110 of the 1976 Code is amended  
18 by adding a new subsection at the end to read:

19

20 “(F) Notwithstanding the provisions of subsection (A), after June  
21 30, 2015, the maximum tax imposed pursuant to this chapter on the  
22 sale, lease, or registration of a motor vehicle is increased from three  
23 hundred dollars to five hundred dollars, mutatis mutandis.”

24

25 SECTION 16. Section 12-36-2647 of the 1976 Code, as added by  
26 Act 98 of 2013, is amended to read:

27

28 “Section 12-36-2647. (A) Notwithstanding the provisions of  
29 Section 59-21-1010, ~~fifty one hundred~~ percent of the revenues of  
30 sales, use, and casual excise taxes derived pursuant to Sections  
31 12-36-2620(1) and 12-36-2640(1) on the sale, use, or titling of a  
32 motor vehicle required to be licensed and registered by the South  
33 Carolina Department of Motor Vehicles, otherwise required to be  
34 credited as provided pursuant to Section 59-21-1010, instead must  
35 be credited to the ~~State Non-Federal Aid Highway Fund established~~  
36 ~~pursuant to Section 57-11-20~~ State Highway Fund. Revenues  
37 credited to the ~~State Non-Federal Aid Highway Fund~~ State Highway  
38 Fund pursuant to this section must be used exclusively for highway,  
39 road, and bridge maintenance, construction, and repair.

40 (B) Notwithstanding the provisions of Section 59-21-1010, any  
41 increase in revenue attributable to Section 12-36-2110(F) from the  
42 sales, use, and casual excise taxes derived pursuant to Sections  
43 12-36-2620(2) and 12-36-2640(2) on the sale, use, or titling of a

1 motor vehicle required to be licensed and registered by the South  
2 Carolina Department of Motor Vehicles, otherwise required to be  
3 credited as provided pursuant to Section 59-21-1010, instead must  
4 be credited the State Highway Fund. Revenues credited to the State  
5 Highway Fund pursuant to this section must be used exclusively for  
6 highway, road, and bridge maintenance, construction, and repair.”  
7

8 SECTION 17. Chapter 28, Title 12 of the 1976 Code is amended  
9 by adding:

10  
11 “Article 4

12  
13 Excise Tax  
14

15 Section 12-28-410. (A) There is imposed an excise tax on motor  
16 fuels subject to the user fee imposed pursuant to this chapter. The  
17 excise tax must be levied against the wholesale price of the motor  
18 fuels, as determined pursuant to subsection (B).The excise tax rate  
19 is equal to the cumulative sales tax rate imposed by the State.

20 (B)(1) Each calendar year is divided into two base periods. The  
21 department must determine the wholesale price for each base period  
22 based on the wholesale price of the motor fuels. The two base  
23 periods are six-month periods, with one ending on September  
24 thirtieth and one ending on March thirty-first. The wholesale price  
25 set by the department using information for the base period that ends  
26 on September thirtieth applies to the six-month period that begins  
27 the following January first. The wholesale price set by the  
28 department using information for the base period that ends on March  
29 thirty-first applies to the six-month period that begins the following  
30 July first.

31 (2) To determine the wholesale price of the motor fuels for  
32 each base period, the department must use information on refiner  
33 and gas plant operator sales prices of finished motor gasoline and  
34 diesel fuel for resale, published by the United States Department of  
35 Energy in the ‘Monthly Energy Review’, or equivalent data. The  
36 department must use a weighted average of the results for each  
37 motor fuel based on the proportion of excise tax collected on each  
38 pursuant to subsection (A) to the base period. The department must  
39 then convert the weighted average price to a cents-per-gallon price  
40 for all motor fuel and round the price to the nearest one-tenth of a  
41 cent. If the converted cents-per-gallon price is exactly between  
42 two-tenths of a cent, the department must round the price up to the

1 higher of the two. Then, the department must round the  
2 cents-per-gallon price to the nearest whole cent.

3 (3) Notwithstanding item (2), for purposes of this article, the  
4 wholesale price of the motor fuels may not change by more than  
5 twenty-five percent from one base period to the next.

6 (4) Notwithstanding any other provision of this section, the  
7 excise tax, when applied to the wholesale price of motor fuels for  
8 the applicable base period, must never exceed the equivalent of  
9 sixteen cents a gallon.

10

11 Section 12-28-420. All revenue collected pursuant to this article  
12 must be credited to the State Highway Fund.

13

14 Section 12-28-430. Except where specified otherwise, the excise  
15 tax imposed pursuant to this article shall be imposed, collected, and  
16 administered in the same manner as the user fee imposed pursuant  
17 to Section 12-28-310.

18

19 Section 12-28-440. The department may promulgate regulations  
20 necessary to implement the provisions of this article.”

21

22 SECTION 18. Chapter 11, Title 57 of the 1976 Code is amended  
23 by adding:

24

25 “Article 9

26

27 Excise Tax

28

29 Section 57-11-910. There is an excise tax for the privilege of  
30 using the streets and highways in this State imposed upon every  
31 motor carrier. The excise tax must be levied against the wholesale  
32 price of the motor fuels, as determined in the same manner as the  
33 excise tax imposed pursuant to Article 4, Chapter 28, Title 12. The  
34 excise tax rate is equal to the cumulative sales tax rate imposed by  
35 the State. The excise tax must be calculated on the amount of  
36 gasoline or other motor fuel used by the motor carrier in its  
37 operations within this State.

38

39 Section 57-11-920. All revenue collected pursuant to this article  
40 must be credited to the State Highway Fund.

41

42 Section 57-11-930. Except where specified otherwise, the excise  
43 imposed pursuant to this article shall be imposed, collected, and



1 administered in the same manner as the road tax imposed pursuant  
2 to Section 56-11-410, including the credit provisions of Section  
3 56-11-450, mutatis mutandis.

4  
5 Section 57-11-940. The department may promulgate regulations  
6 necessary to implement the provisions of this article.”

7  
8 Part 5

9  
10 Effective Date

11  
12 SECTION 19. Except where otherwise provided, this act takes  
13 effect July 1, 2015.

14 ----XX----  
15