
H.3516 – Roads Bill Round Three

*Sustainable Road Funding to
Address Three Main Issues:*

- ❖ Highway Safety
- ❖ Economic Development
- ❖ Out-of-State Revenue



Endorsements

- ❖ **SC BIPEC** Internal Poll – Every member but one believes “numerous sources of recurring revenues including a fuel tax increase” should exist for road & bridge repair. BIPEC anticipates H.3516 will likely be its most heavily weighted business positive legislation this session.
- ❖ **SC Chamber of Commerce** CEO Ted Pitts said, “This funding proposal diversifies the sources of revenue, provides a long-term sustainable solution, and adequately captures out of state trucks and motorists who use our roads. It does all this in a responsible, phased in approach.”
- ❖ **South Carolina Association of Taxpayers** President Don Weaver said, “Well naturally, our membership doesn’t like any tax increase if that were perfect, but we also realize that the roads do need an increase in funding, and so unfortunately the gas tax really is the best way to get that.”



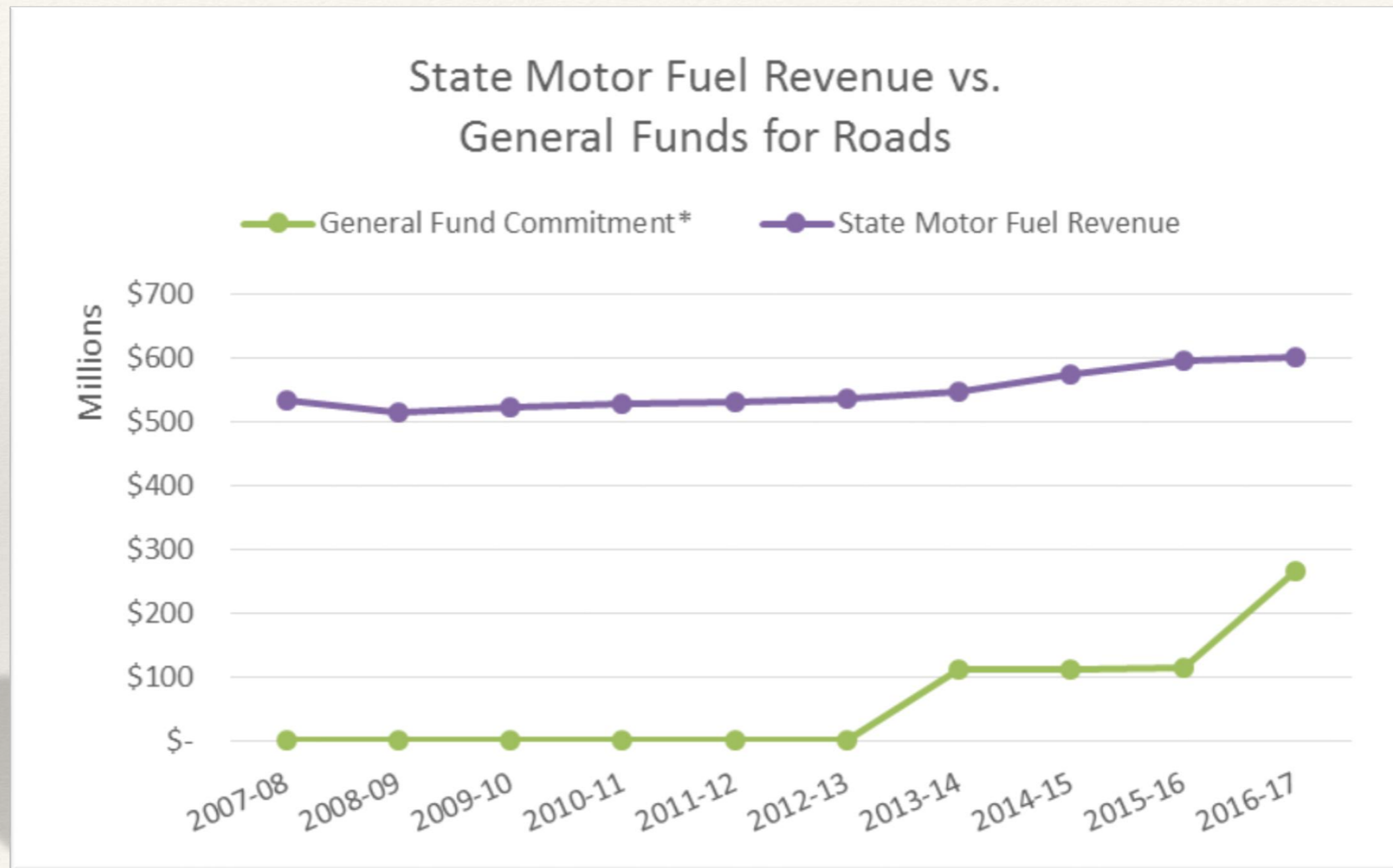
How do We Fix Our Roads?

Where We Were,
Where We Are &
Where We Want to Go

House Transportation Ad Hoc

- ❖ Speaker Lucas and Chairman White appointed a thirteen member bi-partisan Ad Hoc Committee to make recommendations to the full House
- ❖ Chaired by Representative Gary Simrill, the Committee began meeting September 16, 2014
- ❖ A comprehensive bill was introduced in February 11, 2015, and passed the House on April 15, 2015 with a vote of 87-20
- ❖ In May of 2016, over a year later, S.1258 became the vehicle for Act 275, restructuring the SCDOT and the STIB, and using existing General Fund dollars to support a second round of revenue bonds through STIB (Act 98 model)
- ❖ Act 98 and Act 275 are bringing over \$2.7 Billion in combined new funding for specific interstate widenings and bridge improvements throughout the state, and allowing SCDOT to maximize existing dollars for a statewide resurfacing program

Where We Were - the Dollars



Motor Fuel User Fee Revenue & General Funds to SCDOT since 2007

Where We Are

Highway Safety

- ❖ With nearly 1,000 deaths on SC highways in 2016, our roads are now the deadliest in the nation

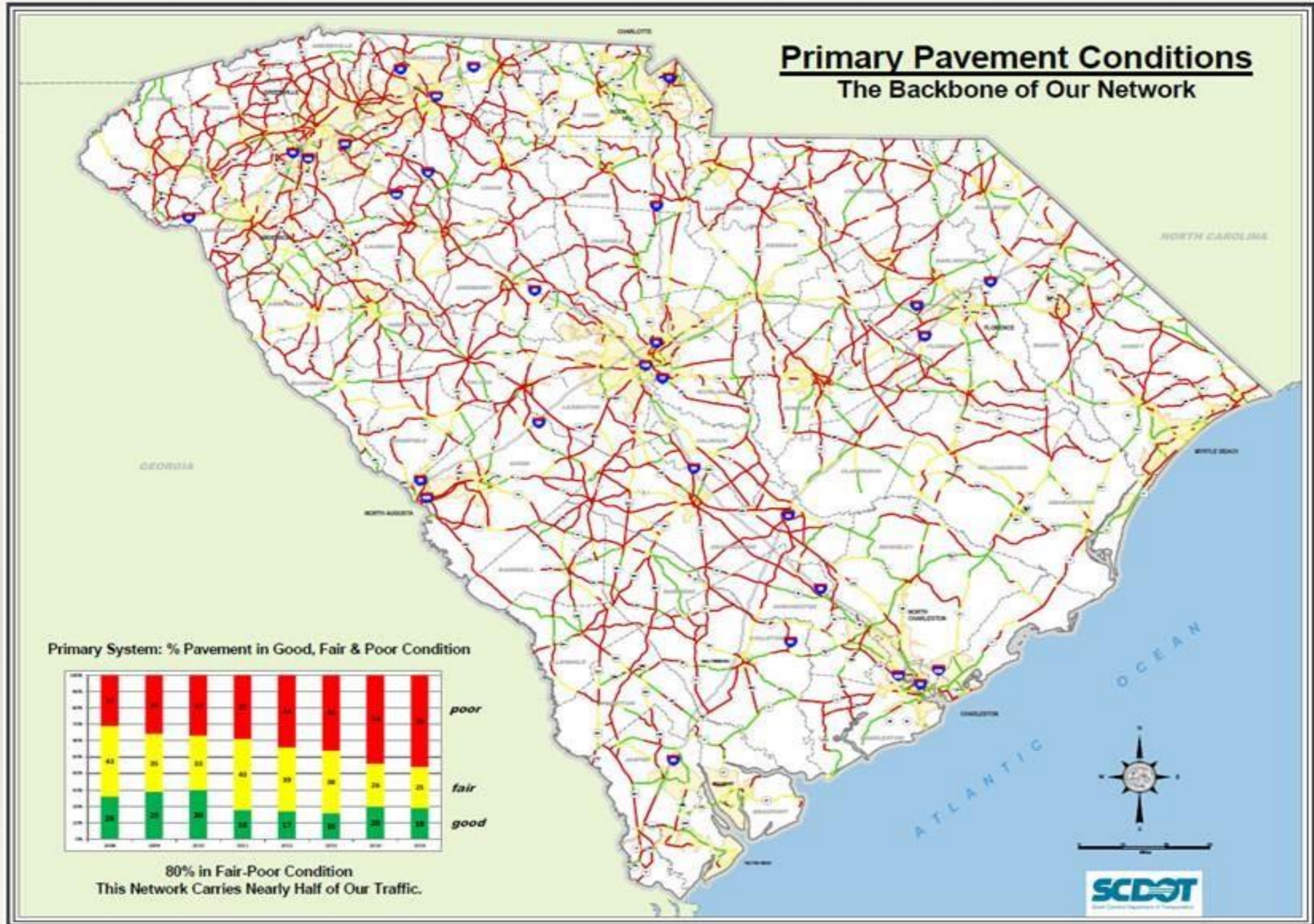
Economic Development

- ❖ We must support, maintain, and grow investments made statewide

Out-of-State Revenue \$\$\$

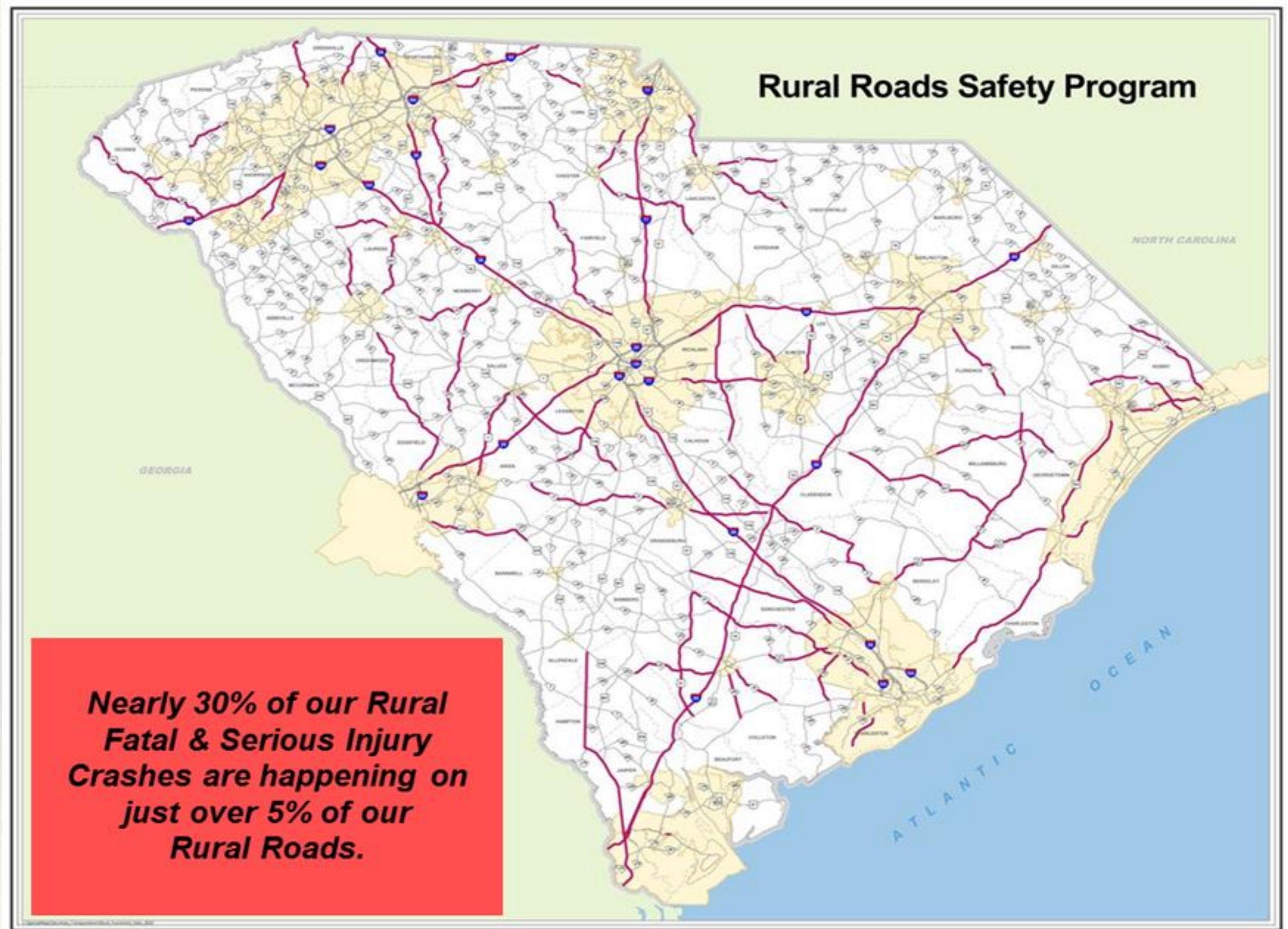
- ❖ Both Act 98 and Act 275 relied solely on the SC taxpayer – we're leaving revenue from out-of-state users on the table

Primary System Pavement Conditions



80% of Primary System is in Poor or Fair Condition - 2016 LAC Report

SCDOT Rural Road Safety Program



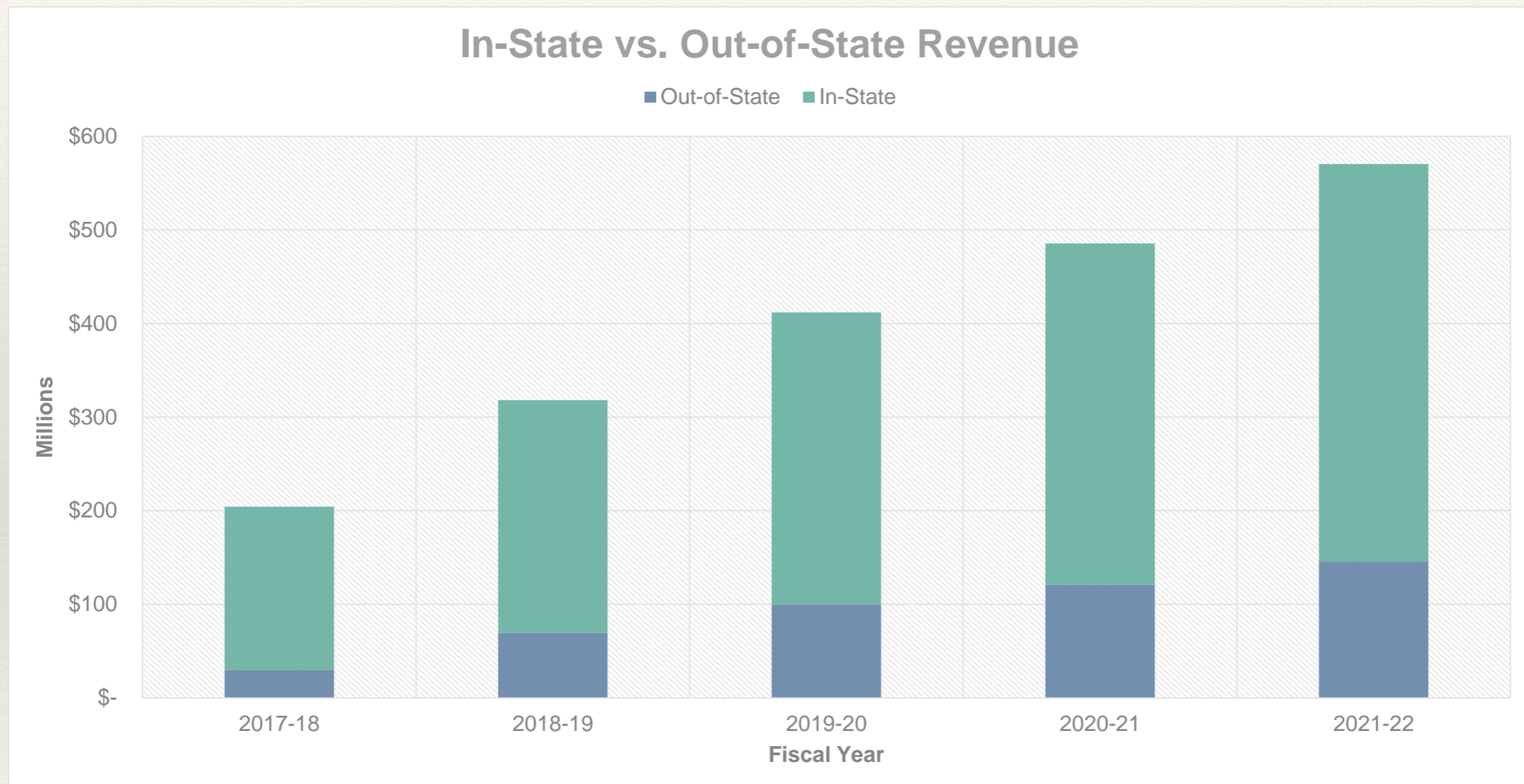
Program is ready to go as soon as funds are available – \$50 M/year

Revenue Estimates for H.3516

- ❖ **Motor Fuel User Fee:** \$69 M in year one and \$401 M in year five
 - ❖ Increase of 10 cents/gallon - 2 cents/year over a 5 year period First 2 cents of revenue will support SCDOT's new Rural Road Safety Program
- ❖ **Motor Vehicle Registration Fee (Biennial):** \$16 increase (currently \$20-\$30) \$25 M/year
- ❖ **Hybrid & Electric Vehicle Fee (Biennial):** \$60 for Hybrid - \$120 for Electric \$1.35 M/year
- ❖ **Infrastructure Maintenance Fee:** \$90 M/year in new revenue - \$20 M from Out-of-State
 - ❖ Eliminates the Motor Vehicle Sales Tax
 - ❖ 5% fee with a \$500 cap for vehicles purchased in SC
 - ❖ \$250 cap applied to vehicles purchased in other states and registered in SC
- ❖ **Motor Carrier Road Use Fee:** \$9 M/year (new revenue)
 - ❖ Imposed in lieu of property taxes - captures previously uncollected revenue from out-of-state motor carriers
 - ❖ Based on fair market value, average statewide millage rate, assessment ratio of 9.5%, and portion of miles driven in SC compared to total miles driven

\$200+ M a year in 2018 and **\$570+ M** a year by 2022

Increased Funding in H.3516

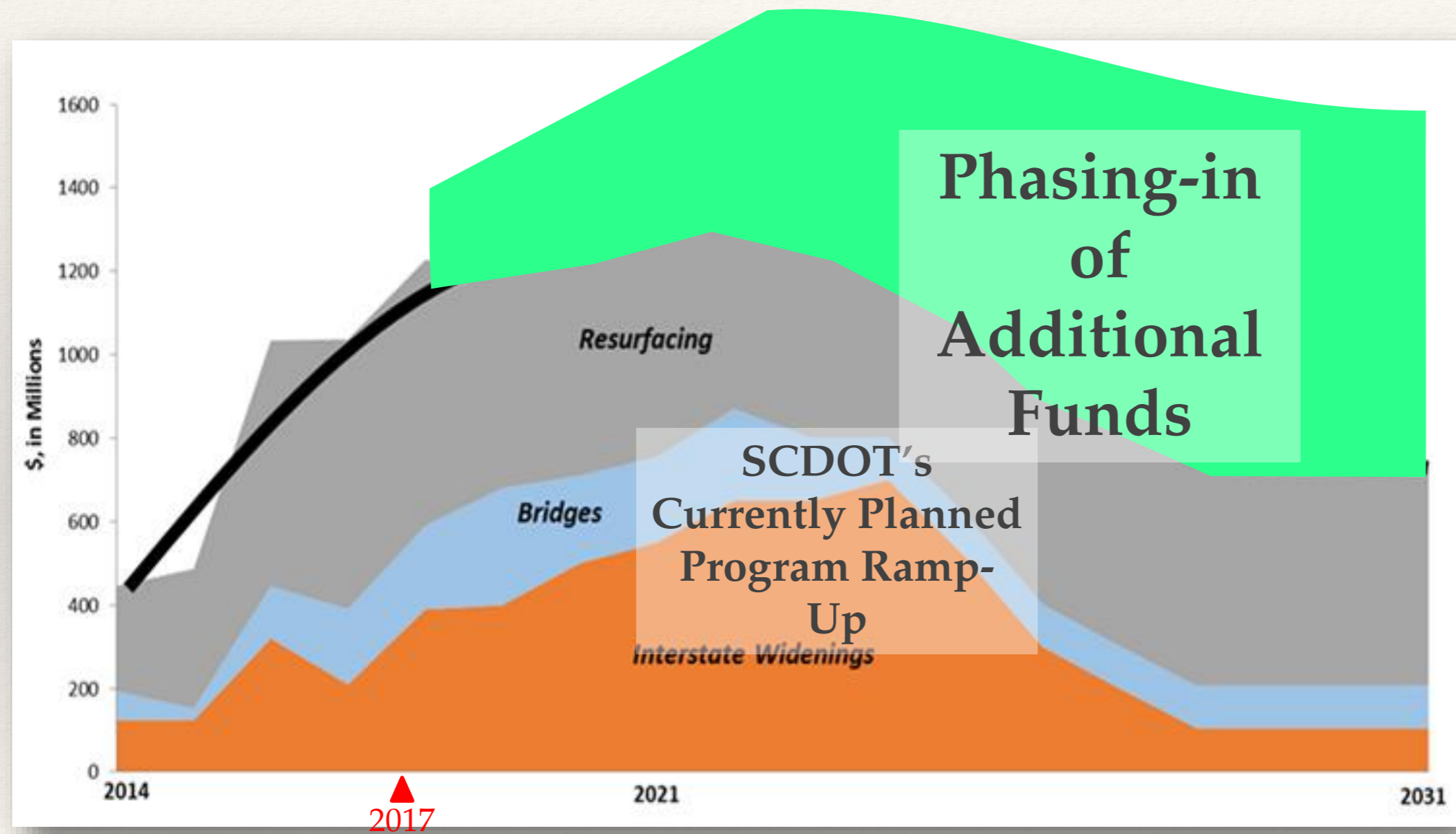


30% of New Dollars will be from Out-of-State

Phasing-in Funding Scenario for Priority Items Based on \$600 - \$800 M in New Dollars

New Funds Will:

- Begin Safety Program
- Double Resurfacing Program
- Widening of roads along freight network, both on and off of the interstate
- Increase Routine Maintenance in order to address backlog of deferred day-to-day system needs
- Replace more Bridges
- Improve Transit to move people more efficiently





H.3516 – Simrill, Lucas, White, and others

Questions?