~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

May 7, 2013

**H. 3412**

Introduced by Reps. Harrell, Lucas, Clemmons, Herbkersman, Loftis, Barfield, Huggins, Bowen, K.R. Crawford, Allison, Merrill, Ballentine, McCoy, Wood, Erickson, Putnam, Bannister, Branham, Taylor, Limehouse, Southard, Atwater, Bingham, Brannon, Chumley, Cole, Crosby, Daning, Delleney, Gagnon, Gambrell, Goldfinch, Henderson, Hiott, Hixon, Kennedy, Lowe, D.C. Moss, V.S. Moss, Murphy, Newton, Owens, Patrick, Pitts, Pope, Rivers, Ryhal, Sandifer, G.M. Smith, G.R. Smith, J.R. Smith, Sottile, Spires, Stringer, Tallon, Thayer, Toole, White, Whitmire, Willis, Hardwick, Quinn, Hamilton, Forrester and Edge

S. Printed 5/7/13--S.

Read the first time February 28, 2013.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (H. 3412) to amend the Code of Laws of South Carolina, 1976, by adding Section 12‑36‑2647 so as to provide that the sales, use, and casual excise tax, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

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

/ SECTION 1. A. Section 12‑36‑2110(A) of the 1976 Code is amended to read:

“Section 12‑36‑2110. (A) The maximum tax imposed by this chapter is three hundred dollars for each sale made after June 30, 1984, or lease executed after August 31, 1985, of each:

(1) aircraft, including unassembled aircraft which is to be assembled by the purchaser, but not items to be added to the unassembled aircraft;

~~(2)~~ ~~motor vehicle;~~

~~(3)~~(2) motorcycle;

~~(4)~~(3) boat;

~~(5)~~(4) trailer or semitrailer, pulled by a truck tractor, as defined in Section 56‑3‑20, and horse trailers, but not including house trailers or campers as defined in Section 56‑3‑710 or a fire safety education trailer;

~~(6)~~(5) recreational vehicle, including tent campers, travel trailer, park model, park trailer, motor home, and fifth wheel; or

~~(7)~~(6) self‑propelled light construction equipment with compatible attachments limited to a maximum of one hundred sixty net engine horsepower.

In the case of a lease, the total tax rate required by law applies on each payment until the total tax paid equals three hundred dollars. Nothing in this section prohibits a taxpayer from paying the total tax due at the time of execution of the lease, or with any payment under the lease. To qualify for the tax limitation provided by this section, a lease must be in writing and specifically state the term of, and remain in force for, a period in excess of ninety continuous days.”

B. Section 12‑36‑2120 of the 1976 Code is amended by adding an appropriately numbered new item to read:

“( ) sales and leases of motor vehicles;”

C. Section 12‑36‑1710 of the 1976 Code is amended to read:

“Section 12‑36‑1710. (A) In addition to all other fees prescribed by law there is imposed an excise tax for the issuance of every certificate of title, or other proof of ownership, for every ~~motor vehicle,~~ motorcycle, boat, motor, or airplane, required to be registered, titled, or licensed. The tax is five percent of the fair market value of the motor vehicle, motorcycle, airplane, boat, and motor.

(B) Excluded from the tax are:

(1) ~~motor vehicles,~~ motorcycles, boats, motors, or airplanes:

(a) transferred to members of the immediate family;

(b) transferred to a legal heir, legatee, or distributee;

(c) transferred from an individual to a partnership upon formation of a partnership, or from a stockholder to a corporation upon formation of a corporation;

(d) transferred to a licensed motor vehicle or motorcycle dealer for the purpose of resale;

(e) transferred to a financial institution for the purpose of resale;

(f) transferred as a result of repossession to any other secured party, for the purpose of resale;

(2) the fair market value of a ~~motor vehicle,~~ motorcycle, boat, motor, or airplane, transferred to the seller or secured party in partial payment;

(3) gross proceeds of transfers of ~~motor vehicles,~~ motorcycles, or airplanes specifically exempted by Section 12‑36‑2120 from the sales or use tax;

(4) ~~motor vehicles,~~ motorcycles, boats, motors, or airplanes, where a sales or use tax has been paid on the transaction necessitating the transfer.

(C) ‘Fair market value’ means the total purchase price less any trade‑in, or the valuation shown in a national publication of used values adopted by the department, less any trade‑in.

(D) ‘Total purchase price’ means the price of a ~~motor vehicle,~~ motorcycle, boat, motor, or airplane agreed upon by the buyer and seller with an allowance for a trade‑in, if applicable.

(E) ‘Immediate family’ means spouse, parents, children, sisters, brothers, grandparents, and grandchildren.

(F) The department shall require every applicant for a certificate of title to supply information it considers necessary as to the time of purchase, the purchase price, and other information relative to the determination of fair market value. If the excise tax is based upon total purchase price as defined in this section, the department shall require a submission of a bill of sale and the signature of the owner subject to the perjury statutes of this State.

(G) The Department of Motor Vehicles and the Division of Aeronautics of the Department of Commerce may not issue a license or transfer of title without first procuring from the Department of Revenue information showing that the excise tax has been collected. The Department of Natural Resources may not license any boat or register any motor without first procuring from the Department of Revenue information showing that the excise tax has been collected.”

D. Section 12‑36‑150 of the 1976 Code is amended to read:

“Section 12‑36‑150. ‘Transient construction property’ means ~~motor vehicles,~~ machines, machinery, tools, or other equipment, other tangible personal property brought, imported, or caused to be brought into this State for use, or stored for use, in constructing, building, or repairing any building, highway, street, sidewalk, bridge, culvert, sewer or water system, drainage or dredging system, railway system, reservoir or dam, power plant, pipeline, transmission line, tower, dock, wharf, excavation, grading or other improvement or structure, or any part of it.”

E. Section 12‑36‑930(A) of the 1976 Code is amended to read:

“Section 12‑36‑930. (A) The tax imposed by this article on sales of ~~motor vehicles, as defined in Section 56‑1‑10,~~ trailers, semitrailers, or pole trailers of a type to be registered and licensed, to a resident of another state, is the lesser of:

(1) an amount equal to the sales tax, which would be imposed in the purchasers state of residence, or

(2) the tax that would be imposed under this chapter.”

F. Sections 12‑36‑90(1)(c)(v), 12‑36‑90(2)(e), and 12‑36‑110(1)(c)(v) are repealed.

G. Chapter 3, Title 56 of the 1976 Code is amended by adding:

“Section 56‑3‑450. (A) A person registering a motor vehicle for the first time after purchasing the motor vehicle must pay an initial road impact registration fee equal to equal to five percent of the gross proceeds of the sale of the motor vehicle, not to exceed three hundred dollars. In the case of a lease, a person registering the motor vehicle for the first time after executing the lease must pay an initial registration fee of three hundred dollars.

(B)(1) There is imposed a proof of ownership road maintenance fee for the issuance of every certificate of title, or other proof of ownership, for every motor vehicle required to be registered, titled, or licensed. The fee is five percent of the fair market value of the motor vehicle.

(2) Excluded from the fee are:

(a) motor vehicles:

(i) transferred to members of the immediate family;

(ii) transferred to a legal heir, legatee, or distributee;

(iii) transferred from an individual to a partnership upon formation of a partnership, or from a stockholder to a corporation upon formation of a corporation;

(iv) transferred to a licensed motor vehicle dealer for the purpose of resale;

(v) transferred to a financial institution for the purpose of resale;

(vi) transferred as a result of repossession to any other secured party, for the purpose of resale;

(b) the fair market value of a motor vehicle transferred to the seller or secured party in partial payment;

(3) For the purposes of this subsection:

(a) ‘Fair market value’ means the total purchase price less any trade‑in, or the valuation shown in a national publication of used values adopted by the department, less any trade‑in.

(b) ‘Total purchase price’ means the price of a motor vehicle agreed upon by the buyer and seller with an allowance for a trade‑in, if applicable.

(c) ‘Immediate family’ means spouse, parents, children, sisters, brothers, grandparents, and grandchildren.

(4) The department shall require every applicant for a certificate of title to supply information it considers necessary as to the time of purchase, the purchase price, and other information relative to the determination of fair market value. If the fee is based upon total purchase price as defined in this section, the department shall require a submission of a bill of sale and the signature of the owner subject to the perjury statutes of this State.

(C)(1) Upon the sale of a motor vehicle to a resident of another state, the seller must collect from the purchaser a transfer fee equal to the lesser of:

(a) an amount equal to a similar fee or tax on the transaction, which would be imposed in the purchasers state of residence, or

(b) the initial road impact registration fee that would be imposed under this section.

(2) At the time of the sale, the seller shall:

(a) obtain from the purchaser a notarized statement of the purchasers intent to license the vehicle, within ten days, in the purchasers state of residence; and

(b) retain a signed copy of the notarized statement. The purchaser shall give a copy to the appropriate agency of the purchasers state of residence.

(3) No fee is due if a nonresident will not receive credit in his state of residence for the fee paid to this State under this section.

(D)(1) In fiscal year 2013‑14, the revenue generated pursuant to this section must be credited as follows:

(a) twenty percent to the South Carolina Education Improvement Act fund as provided in Section 59‑21‑1010(B);

(b) forty percent to the General Fund; and

(c) forty percent to the Interstate and Bridge Improvement Fund at the South Carolina Transportation Infrastructure Bank.

(2) For each fiscal year following Fiscal Year 2013‑14, the revenue generated pursuant to this section must be credited as follows:

(a) twenty percent South Carolina Education Improvement Act fund as provided in Section 59‑21‑1010(B); and

(b) eighty percent to the Interstate and Bridge Improvement Fund at the South Carolina Transportation Infrastructure Bank.”

SECTION 2. Article 3, Chapter 43, Title 11 of the 1976 Code is amended by adding:

“Section 11‑43‑430. (A)There is established in the State Treasury the Interstate and Bridge Improvement Fund. This fund is separate and distinct from the general fund of the State and all other funds, and any earnings shall be retained in the fund. The fund shall consist of revenues collected pursuant to Section 56‑3‑450. The fund must be utilized for existing mainline capacity, interstate, and bridge projects chosen by the Department of Transportation Commission in accordance with project ranking criteria contained in Section 57‑1‑370(B)(8), notwithstanding any law or regulation to the contrary. The revenue in this account may not be used for any purpose other than those enumerated in this section.

(B) The revenue in the Interstate and Bridge Improvement Fund may be pledged to secure the issuance of bonds pursuant to this article, provided the proceeds of the bonds are applied as prescribed in subsection (A), except that proceeds of the bonds may be applied to defray costs of issuance, fund any reserve, or procure any surety or credit enhancement in connection with the issuance of the bonds. Funds in excess of annual debt service and not restricted by covenant for any bonds issue pursuant to this subsection must be retained in the fund and may be expended on projects pursuant to subsection (A).”

SECTION 3.A. Chapter 11, Title 57 of the 1976 Code is amended by adding:

“Article 5

State Bonds for Transportation Infrastructure Act

Section 57‑11‑510. This article may be cited as the ‘State Bonds for Transportation Infrastructure Act’.

Section 57‑11‑520. It is declared that, for the benefit of the people of the State, the increase of their commerce, welfare, and prosperity, and the improvement of their health and living conditions, it is essential that additional funds be made available for transportation infrastructure projects of this State.

Section 57‑11‑530. As used in this article:

(1) ‘Department’ means the South Carolina Department of Transportation.

(2) ‘Transportation infrastructure purposes’ means those projects necessary to improve interstate highways and bridges along exiting mainline interstate highways throughout the state and for projects related to widening non‑interstate highways and repairing bridges along non‑interstate highways contained in existing major strategic corridors.

(3) ‘State bonds for transportation infrastructure’ (SBTI) means general obligation bonds of the State of South Carolina issued under the authority of this article.

Section 57‑11‑540. In order to obtain funds for the Department of Transportation to be allocated for transportation infrastructure purposes, there must be issued from time to time SBTI bonds under the conditions prescribed by this article. Bonds may be issued pursuant to this article no earlier than July 1, 2016.

Section 57‑11‑550. The maximum principal amount of SBTI bonds that may be issued pursuant to this article may not exceed five hundred million dollars except that this limitation does not apply to any SBTI bonds issued for the purpose of refunding issues of such bonds. The General Assembly directs the Department of Transportation to allocate up to five hundred million dollars for transportation infrastructure purposes in accordance with project ranking criteria contained in Section 57‑1‑370(B)(8). The authority to issue bonds under this article expires four years from the date of the first bond issuance. The four‑year limitation, however, does not apply to bonds issued to retire bond anticipation notes or for the purpose of refunding issues of such bonds.

Section 57‑11‑560. The South Carolina Department of Transportation, by resolution, shall notify the State Budget and Control of the following:

(1) the amount and purposes for which SBTI bonds are to be issued;

(2) a tentative time schedule setting forth the period of time during which the sum requested will be expended;

(3) a debt service table showing the annual principal and interest requirements for all SBTI bonds then outstanding; and

(3) the total amount of all SBTI bonds issued.

This notification must be presented to the State Budget and Control Board by January first of each year.

Section 57‑11‑570. Following the receipt of the notification presented pursuant to Section 57‑11‑560, the State Budget and Control Board, by resolution duly adopted, shall effect the issuance of SBTI bonds, or pending the issuance thereof, effect the issuance of bond anticipation notes pursuant to Chapter 17, Title 11.

Section 57‑11‑580. Pursuant to the provisions of Section 13(6)(c), Article X of the Constitution of this State, as amended, and by enactment of this article, the General Assembly provides that general obligation debt may be issued pursuant to this article only at such times as:

(1) the maximum annual debt service on all general obligation bonds of the State, including the bonds issued pursuant to this article, but excluding economic development bonds authorized pursuant to Section 11‑41‑50(A), and Section 11‑41‑50(B) of Chapter 41, Title 11, research university infrastructure bonds authorized pursuant to Chapter 51, Title 11, highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, will not exceed five percent of the general revenues of the State for the fiscal year next preceding, excluding revenues that are authorized to be pledged for state highway bonds and state institution bonds; and

(2) the maximum annual debt service on all general obligation bonds of the State, including the bonds issued pursuant to this article, and including economic development bonds issued pursuant to Section 11‑51‑50(A) and Section 11‑41‑50(C) of Chapter 41, Title 11 and research university infrastructure bonds issued pursuant to Chapter 51, Title 11, but excluding economic development bonds issued pursuant to Section 11‑41‑‑50(B) of Chapter 41, Title 11, highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, will not exceed six percent of the general revenues of the State for the fiscal year next preceding, excluding revenues that are authorized to be pledged for state highway bonds and state institution bonds.

Section 57‑11‑590. In order to effect the issuance of SBTI bonds, the State Budget and Control Board shall adopt a resolution providing for the issuance of SBTI bonds pursuant to the provisions of this article. The authorizing resolution must include:

(1) a schedule setting forth the aggregate of all general obligation debt of the State (excluding economic development bonds authorized pursuant to Section 11‑41‑50(A) and Section 11‑41‑50(B) of Chapter 41, Title 11, research university infrastructure bonds authorized pursuant to Chapter 51, Title 11, highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes);

(2) a schedule setting forth the aggregate of all general obligation debt of the State (excluding economic development bonds issued pursuant to Section 11‑41‑50(B) of Chapter 41, Title 11, highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes);

(3) a schedule showing the aggregate of SBTI bonds issued, the annual payments required to retire the SBTI bonds, and the interest on those bonds;

(4) a schedule showing the amount of any special funds applicable to the retirement of the outstanding SBTI bonds; and

(5) forms of certificates of the State Treasurer and State Auditor evidencing compliance with the provisions of Section 13(6)(c), Article X of the South Carolina Constitution.

Section 57‑11‑600. The SBTI bonds must bear the date and mature at the time that the resolution provides, except that no SBTI bond may mature more than thirty years from its date of issue. The SBTI bonds may be in the denominations, be payable in the medium of payment, be payable at the place and at the time, and be subject to redemption or repurchase and contain other provisions determined by the State Budget and Control Board before their issuance. The bonds may bear interest payable at the times and at the rates as determined by the State Budget and Control Board.

Section 57‑11‑610. All SBTI bonds issued under this article are exempt from taxation as provided in Section 12‑2‑50.

Section 57‑11‑620. All SBTI bonds issued under this article must be signed by the Governor and the State Treasurer. The Governor and the State Treasurer may sign these obligations by a facsimile of their signatures. The Great Seal of the State must be affixed to, impressed on, or reproduced upon each of them and each must be attested by the Secretary of State. The delivery of the SBTI bonds executed and authenticated is valid notwithstanding changes in officers or seal occurring after the execution or authentication.

Section 57‑11‑630. For the payment of the principal and interest on all SBTI bonds issued and outstanding pursuant to this article there is pledged the full faith, credit, and taxing power of the State of South Carolina, and in accordance with the provisions of Section 13(4), Article X of the South Carolina Constitution, the General Assembly allocates on an annual basis sufficient tax revenues to provide for the punctual payment of the principal and interest on the debt authorized by this article.

Section 57‑11‑640. SBTI bonds must be sold by the Governor and the State Treasurer upon sealed proposals, after publication of notice of the sale one or more times at least seven days before the sale, in a financial publication which regularly publishes notices of sale of state or municipal bonds. The SBTI bonds may be awarded only to the bidder offering the lowest interest cost, as determined by the State Treasurer. The right to reject all bids and to readvertise the SBTI bonds for sale must be reserved. For the purpose of bringing about successful sales of the bonds, the State Budget and Control Board may do all things ordinarily and customarily done in connection with the sale of state or municipal bonds. All expenses incident to the sale of the bonds must be paid from the proceeds of the sale of the bonds.

Section 57‑11‑650. The proceeds of the sale of SBTI bonds must be received by the State Treasurer and applied by the State Treasurer to the purposes for which issued, except that the accrued interest, if any, must be used to discharge in part the first interest to become due on the bonds. Purchasers of the bonds are not liable for the proper allocation of the proceeds to the purposes for which they are intended.

Section 57‑11‑660. It is lawful for all executors, administrators, guardians, and other fiduciaries to invest any monies in their hands in bonds issued pursuant to this article.

Section 57‑11‑670. The proceeds received from the issuance of SBTI bonds, after deducting the costs of issuance, must be allocated to the Department of Transportation for transportation infrastructure purposes chosen by the Department of Transportation Commission utilizing the project ranking system contained in Section 57‑1‑370(B)(8).”

B. This SECTION takes effect July 1, 2013.

SECTION 4.A. Section 12‑28‑310 of the 1976 Code is amended to read:

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

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

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

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

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

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

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

B. The first CPI adjustment made pursuant to this SECTION shall take effect July 1, 2014.

SECTION 5.A. Section 56‑11‑410 of the 1976 Code is amended to read:

“Section 56‑11‑410. A road tax for the privilege of using the streets and highways in this State is imposed upon every motor carrier. The tax is equivalent to sixteen cents a gallon, calculated on the amount of gasoline or other motor fuel used by the motor carrier in its operations within this State. Except as credit for certain taxes as provided for in this chapter, taxes imposed on motor carriers by this chapter are in addition to taxes imposed upon the carriers by any other provision of law. The department shall increase the amount of the road tax imposed pursuant to this section in the same manner as it adjusts the user fee imposed pursuant to Section 12‑28‑310(D).”

B. The first CPI adjustment made pursuant to this SECTION shall take effect July 1, 2014.

SECTION 6.A. Section 56‑1‑140 of the 1976 Code is amended to read:

“Section 56‑1‑140. (A) Upon payment of a fee of ~~twelve~~ seventeen dollars and fifty cents for a license that is valid for five years, or ~~twenty‑five~~ thirty‑five dollars for a license that is valid for ten years, the Department of Motor Vehicles shall issue to every qualified applicant a driver’s license as applied for by law. The license must bear on it a distinguishing number assigned to the licensee, the full name, date of birth, residence address, a brief description and laminated colored photograph of the licensee, and a facsimile of the signature of the licensee, or a space upon which the licensee shall write his usual signature with pen and ink immediately upon receipt of the license. No license is valid until it has been so signed by the licensee. The license authorizes the licensee to operate only those classifications of vehicles as indicated on the license.

(B) An applicant for a new, renewed, or replacement South Carolina driver’s license may apply to the Department of Motor Vehicles to obtain a veteran designation on the front of his driver’s license by providing:

(1) a United States Department of Defense discharge certificate, also known as a DD Form 214, that shows a characterization of service, or discharge status of ‘honorable’ or ‘general under honorable conditions’ and establishes the person’s qualifying military service in the United States Armed Forces; and

(2) payment of a one dollar fee that must be retained by the department.

The Department of Motor Vehicles may determine the appropriate form of the veteran designation on the driver’s license authorized pursuant to this section.

(C) ~~The~~ Of the fees collected pursuant to this section, ten dollars from each ten‑year license, and five dollars from each five‑year license, must be credited to the Local Transportation Infrastructure Fund, and the remainder must be credited to the Department of Transportation State Non‑Federal Aid Highway Fund.”

B. Section 56‑3‑620 of the 1976 Code is amended to read:

“Section 56‑3‑620. (A) For persons sixty‑five years of age or older or persons who are handicapped, as defined in Section 56‑3‑1950, the biennial registration fee for every private passenger motor vehicle, excluding trucks, is ~~twenty~~ thirty‑two dollars.

(B) Beginning July 1, ~~1987~~ 2013, for persons under the age of sixty‑five years the biennial registration fee for every private passenger motor vehicle, excluding trucks, is ~~twenty‑four~~ thirty‑six dollars.

(C) For persons sixty‑five years of age or older, the biennial registration fee for a property‑carrying vehicle with a gross weight of six thousand pounds or less is ~~thirty~~ forty‑two dollars.

(D) For persons who are sixty‑four years of age, the biennial registration fee for a private passenger motor vehicle, excluding trucks, is ~~twenty‑two~~ thirty‑four dollars.

(E) Applicable truck fees, established by Section 56‑3‑660, are not negated by this section.

(F) Annual license plate validation stickers which are issued for nonpermanent license plates on certified South Carolina public law enforcement vehicles must be issued without charge.

(G) From each biennial registration and license fee collected pursuant to this section, twelve dollars must be deposited in the Local Transportation Infrastructure Fund.”

C. Section 56‑3‑640 of the 1976 Code is amended to read:

“Section 56‑3‑640. (A) For every common carrier passenger vehicle the biennial registration and license fee is according to weight:

(1) not over 2000 pounds: $18.00;

(2) 2001 to 2500 pounds: $24.00;

(3) 2501 to 3000 pounds: $30.00;

(4) 3001 to 3500 pounds: $36.00;

(5) 3501 to 4000 pounds: $42.00;

(6) 4001 to 4500 pounds: $48.00;

(7) 4501 to 5000 pounds: $54.00;

(8) over 5000 pounds: $54.00 plus $6.00 for each 500 pounds’ weight or fraction over 5000 pounds.

(B) In addition to the biennial registration and license fee collected pursuant to subsection (A), an additional twelve dollars for every common carrier passenger vehicle must be collected and deposited in the Local Transportation Infrastructure Fund.

~~(B)~~(C) The Department of Motor Vehicles must include in this classification every motor vehicle, trailer, or semitrailer designed, used, or maintained for the transportation of persons for compensation as a regular business. This classification does not include a trackless trolley bus.

~~(C)~~(D) The manufacturer’s rating on the weight of a vehicle must be accepted as the weight of the vehicle for the purpose of fixing the license fee under this section.”

D. Chapter 3, Title 56 of the 1976 Code is amended by adding:

“Section 56‑3‑667. (A) In addition to the biennial fees imposed by Section 56‑3‑660, there is imposed a biennial Highway Infrastructure Improvement Fee based upon the gross weight of self‑propelled property carrying vehicles.

(B) The determination of gross vehicle weight to for the purposes of the fee imposed pursuant to this section is the empty weight of the vehicle or combination of vehicles and the heaviest load to be transported by the vehicle or combination of vehicles as declared by the registered owner. All determinations of weight must be made in units of one thousand pounds or major fraction of one thousand pounds. The declared gross vehicle weight applies to all self‑propelled property carrying vehicles operating in tandem with trailers or semitrailers except that the gross weight of a trailer or semitrailer is not required to be included when the operation is to be in tandem with a self‑propelled property carrying vehicle licensed for six thousand pounds or less gross weight, and the gross vehicle weight of the combination does not exceed nine thousand pounds.

(C) The Department of Motor Vehicles may collect the Highway Infrastructure Improvement Fee on a vehicle of this classification for which the biennial registration and license fee imposed by Section 56‑3‑667 is one hundred sixty dollars or more for an annual or one‑year period beginning on April first and ending on March thirty‑first of the next year upon application to the department by the owner and the payment of one‑half the specified biennial fee imposed by this section or for a semiannual or one‑half year beginning on April first and ending on September thirtieth of the same year upon application to the department by the owner and the payment of the appropriate fees. The Highway Infrastructure Improvement Fee for vehicles in this classification which are registered for the remaining twenty‑four months or less of the twenty‑four month biennial period or for the eleven months or less of the twelve‑month year ending on March thirty‑first or the remaining five months or less for the one‑half period ending on September thirtieth is the proportionate part of the specified biennial fee for the remainder of the twenty‑four month period or year or one‑half year based on one twenty‑fourth of the specified twenty‑four‑month fee for each month or part of a month remaining in the biennial registration period or license year or one‑half year. No proportionate fee may be reduced lower than ten dollars. A person making application for a registration and license for a motor vehicle of this classification shall declare the true unloaded or empty weight of the vehicle.

(D) The biennial fees for the gross vehicle weight are :

(1) not over 4,000 pounds: $ 5.00;

(2) 4,001 to 5,000 pounds: $ 6.00;

(3) 5,001 to 6,000 pounds: $ 10.00;

(4) 6,001 to 7,000 pounds: $ 11.00;

(5) 7,001 to 8,000 pounds: $ 13.00;

(6) 8,001 to 9,000 pounds: $ 14.00;

(7) 9,001 to 10,000 pounds: $ 16.00;

(8) 10,001 to 11,000 pounds: $ 18.00;

(9) 11,001 to 12,000 pounds: $ 19.00;

(10) 12,001 to 13,000 pounds: $ 21.00;

(11) 13,001 to 14,000 pounds: $ 22.00;

(12) 14,001 to 15,000 pounds: $ 24.00;

(13) 15,001 to 16,000 pounds: $ 29.00;

(14) 16,001 to 17,000 pounds: $ 31.00;

(15) 17,001 to 18,000 pounds: $ 33.00;

(16) 18,001 to 19,000 pounds: $ 35.00;

(17) 19,001 to 20,000 pounds: $ 42.00;

(18) 20,001 to 21,000 pounds: $ 44.00;

(19) 21,001 to 22,000 pounds: $ 49.00;

(20) 22,001 to 23,000 pounds: $ 52.00;

(21) 23,001 to 24,000 pounds: $ 58.00;

(22) 24,001 to 25,000 pounds: $ 60.00;

(23) 25,001 to 26,000 pounds: $ 63.00;

(24) 26,001 to 27,000 pounds: $ 65.00;

(25) 27,001 to 28,000 pounds: $ 68.00;

(26) 28,001 to 29,000 pounds: $ 70.00;

(27) 29,001 to 30,000 pounds: $ 72.00;

(28) 30,001 to 31,000 pounds: $ 75.00;

(29) 31,001 to 32,000 pounds: $ 77.00;

(30) 32,001 to 33,000 pounds: $ 80.00;

(31) 33,001 to 34,000 pounds: $ 82.00;

(32) 34,001 to 35,000 pounds: $ 84.00;

(33) 35,001 to 36,000 pounds: $ 87.00;

(34) 36,001 to 37,000 pounds: $ 89.00;

(35) 37,001 to 38,000 pounds: $ 92.00;

(36) 38,001 to 39,000 pounds: $ 94.00;

(37) 39,001 to 40,000 pounds: $ 97.00;

(38) 40,001 to 41,000 pounds: $ 99.00;

(39) 41,001 to 42,000 pounds: $ 101.00;

(40) 42,001 to 43,000 pounds: $ 104.00;

(41) 43,001 to 44,000 pounds: $ 106.00;

(42) 44,001 to 45,000 pounds: $ 109.00;

(43) 45,001 to 46,000 pounds: $ 111.00;

(44) 46,001 to 47,000 pounds: $ 113.00;

(45) 47,001 to 48,000 pounds: $ 116.00;

(46) 48,001 to 49,000 pounds: $ 118.00;

(47) 49,001 to 50,000 pounds: $ 121.00;

(48) 50,001 to 51,000 pounds: $ 123.00;

(49) 51,001 to 52,000 pounds: $ 125.00;

(50) 52,001 to 53,000 pounds: $ 128.00;

(51) 53,001 to 54,000 pounds: $ 130.00;

(52) 54,001 to 55,000 pounds: $ 133.00;

(53) 55,001 to 56,000 pounds: $ 135.00;

(54) 56,001 to 57,000 pounds: $ 138.00;

(55) 57,001 to 58,000 pounds: $ 140.00;

(56) 58,001 to 59,000 pounds: $ 142.00;

(57) 59,001 to 60,000 pounds: $ 145.00;

(58) 60,001 to 61,000 pounds: $ 147.00;

(59) 61,001 to 62,000 pounds: $ 149.00;

(60) 62,001 to 63,000 pounds: $ 152.00;

(61) 63,001 to 64,000 pounds: $ 154.00;

(62) 64,001 to 65,000 pounds: $ 181.00;

(63) 65,001 to 66,000 pounds: $ 184.00;

(64) 66,001 to 67,000 pounds: $ 187.00;

(65) 67,001 to 68,000 pounds: $ 189.00;

(66) 68,001 to 69,000 pounds: $ 192.00;

(67) 69,001 to 70,000 pounds: $ 195.00;

(68) 70,001 to 71,000 pounds: $ 198.00;

(69) 71,001 to 72,000 pounds: $ 214.00;

(70) 72,001 to 72,000 pounds: $ 217.00;

(71) 73,001 to 74,000 pounds: $ 220.00;

(72) 74,001 to 75,000 pounds: $ 223.00;

(73) 75,001 to 76,000 pounds: $ 226.00;

(74) 76,001 to 77,000 pounds: $ 243.00;

(75) 77,001 to 78,000 pounds: $ 246.00;

(76) 78,001 to 79,000 pounds: $ 249.00;

(77) 79,001 to 80,000 pounds: $ 256.00;

Vehicles in excess of 80,000 pounds are registered pursuant to Section 56‑3‑660, and are not subject to the fee imposed by this section.

(E) A vehicle registered in this State and found to be operating in excess of the gross vehicle weight for which a fee was paid pursuant to this section may be impounded by the department until the proper fee is paid or satisfactory arrangements for payment of the fees and penalties, if any, to the department have been made.

(F) Upon evidence of reliability in the payment of its obligations, the department may accept the check of a motor carrier company in payment of applicable fees and assessments.

(G) The fees collected pursuant to this section must be deposited in the Local Transportation Infrastructure Fund.”

E. Section 56‑3‑670 of the 1976 Code is amended to read:

“Section 56‑3‑670. (A) For the purpose of this section, ‘farm truck’ is defined as a truck used exclusively by the owner for agricultural, horticultural, dairying, livestock, and poultry operations and includes transporting farm processed horticultural products, including soil amendments and mulches owned by the truck’s owner or another person, including first market. However, farm trucks with an empty weight of less than seven thousand five hundred pounds may be used for ordinary domestic purposes and general transportation but must not be used to transport persons or property for hire. No part of this definition may be interpreted to exempt any commercial motor vehicle less than 26,001 pounds GVW/GVWR/GCW/GCWR from all or part of state laws or regulations applicable to intrastate commerce if the vehicle:

(1) transports hazardous materials requiring a placard; or

(2) is designed or used to transport sixteen or more people, including the driver.

(B) The Department of Motor Vehicles shall issue to bona fide farmers special farm vehicle licenses on an annual basis for farm trucks for a fee as follows according to the gross vehicle weight of the truck:

Gross Vehicle Weight Fee

(1) Up to 26,499 pounds $ 12.00

(2) 26,500 to 32,499 pounds $ 15.00

(3) 32,500 to 42,500 pounds $ 30.00

(4) 42,501 to 52,500 pounds $ 60.00

(5) 52,501 to 62,500 pounds $ 80.00

(6) 62,501 to 72,500 pounds $ 100.00

(7) 72,501 to 80,000 pounds $ 120.00.

Nothing in this section exempts farm vehicles from gross weight‑axle requirements contained in Section 56‑5‑4140.

(C) In addition to the fee collected pursuant to subsection (B), an additional twelve dollars for bona fide farmers special farm vehicles must be collected and deposited in the Local Transportation Infrastructure Fund.

~~(C)~~(D) A person who is issued a farm license plate for the purpose defined in this section and uses the license plate for purposes other than those defined is guilty of a misdemeanor and, upon conviction, must be fined not more than two hundred dollars or imprisoned not more than thirty days, or both.”

E. Chapter 3, Title 56 of the 1976 Code is amended by adding:

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

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

(2) by a combination of motor fuel subject to motor fuel user fees imposed by Chapter 28, Title 12 and electricity, hydrogen, or any fuel other than motor fuel that are not subject to motor fuel user fees imposed by Chapter 28, Title 12 shall pay a biennial road user fee of sixty dollars.

(B) The fees collected pursuant to this section must be deposited in the Local Transportation Infrastructure Fund to be used pursuant to Section 12‑28‑2760.

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

F. Chapter 28, Title 12 of the 1976 Code is amended by adding:

“Section 12‑28‑2760. (A)There is established in the State Treasury the Local Transportation Infrastructure Fund. This fund is separate and distinct from the general fund of the State and all other funds, and any earnings shall be retained in the fund. The fund shall consist of fees, or portions of fees, collected pursuant to Sections 56‑1‑140, 56‑3‑620, 56‑3‑640(B), 56‑3‑645, 56‑3‑667, and Article 23, Chapter 37 of Title 12. The funds shall be distributed as provided in subsection (B) and utilized in the manner provided in subsection (C).

(B) The revenue in the Local Transportation Infrastructure Fund shall be distributed as follows:

(1) five hundred thousand dollars to each county transportation committee;

(2) five hundred thousand dollars to the county transportation committee in each county that imposes a one cent sales tax pursuant to Article 10, Chapter 10, Title 4 for each year that the sales tax is imposed; and

(3) the remainder, including earnings of the fund, to each county transportation committee in equal amounts.

(C) Funds received by a County Transportation Committee pursuant to this section must be applied to road and bridge improvement projects in the state highway system following consideration of the Department of Transportation’s rankings pursuant to Section 57‑1‑370(B)(8).”

SECTION 7.A. Chapter 37, Title 12 of the 1976 Code is amended to read:

“Article 23

~~Motor Carriers~~ Commercial Motor Vehicles

Section 12‑37‑2810. As used in this article, unless the context requires otherwise:

(A) ~~‘Motor carrier’ means a person who owns, controls, operates, manages, or leases a motor vehicle or bus for the transportation of property or persons in intrastate or interstate commerce except for scheduled intercity bus service and farm vehicles using FM tags as allowed by the Department of Motor Vehicles. A motor carrier is defined further as being a South Carolina‑based International Registration Plan registrant or owning or leasing real property within this State used directly in the transportation of freight or persons.~~ Reserved

(B) ‘Commercial motor vehicle’ means a motor propelled vehicle used on a public highway for the transportation of property on a public highway with a gross vehicle weight of greater than twenty‑six thousand pounds.

(C) ‘Highway’ means all public roads, highways, streets, and ways in this State, whether within a municipality or outside of a municipality.

(D) ‘Person’ means any individual, corporation, firm, partnership, company or association, and includes a guardian, trustee, executor, administrator, receiver, conservator, or a person acting in a fiduciary capacity.

(E) ‘Semitrailers’ means every vehicle with or without motive power, other than a pole trailer, designed for carrying property and for being drawn by a motor vehicle and constructed so that a part of its weight and of its load rests upon or is carried by another vehicle.

(F) ‘Trailers’ means every vehicle with or without motive power, other than a pole trailer, designed for carrying property and for being drawn by a motor vehicle and constructed so that no part of its weight rests upon the towing vehicle.

(G) ‘Bus’ means every motor vehicle designed for carrying more than sixteen passengers and used for the transportation of persons, for compensation, other than a taxicab or intercity bus.

(H) ‘South Carolina apportionment factor’ means the ratio of miles operated by a fleet of vehicles in South Carolina to the miles operated by the fleet of vehicles everywhere which is used to apportion the registration fees of the fleet under the International Registration Plan.

Section 12‑37‑2820. (A) The Department of ~~Revenue~~ Motor Vehicles annually shall assess, equalize, and apportion the valuation of all commercial motor vehicles ~~of motor carriers~~ registered for use in this State under the International Registration Plan or otherwise pursuant to Section 56‑3‑190. The valuation must be based on fair market value for the motor vehicles and an assessment ratio of nine and one‑half percent as provided by Section 12‑43‑220(g). Fair market value is determined by depreciating the gross capitalized cost of each commercial motor vehicle by an annual percentage depreciation allowance down to ten percent of the cost as follows:

(1) Year One ‑‑ .90

(2) Year Two ‑‑ .80

(3) Year Three ‑‑ .65

(4) Year Four ‑‑ .50

(5) Year Five ‑‑ .35

(6) Year Six ‑‑ .25

(7) Year Seven ‑‑ .20

(8) Year Eight ‑‑ .15

(9) Year Nine ‑‑ .10

(B) ‘Gross capitalized cost’, as used in this section, means the original cost upon acquisition for income tax purposes, not to include taxes, interest, or cab customizing.

Section 12‑37‑2830. The value of a commercial motor ~~carrier’s vehicles~~ vehicle registered under the International Registration Plan and subject to ~~property taxes~~ road use fees in this State must be determined ~~based on the ratio of total mileage operated within this State during the preceding calendar year to the total mileage of its fleet operated within and without this State during the same preceding calendar year~~ according to the South Carolina apportionment factor for the fleet of which, for purposes of registration under the International Registration Plan, the commercial vehicle is a part.

Section 12‑37‑2840. ~~(A)~~ ~~Motor carriers must file an annual property tax return with the Department of Revenue no later than June 30 for the preceding calendar year and remit one‑half of the tax due or the entire tax due as stated on the return. If the motor carrier fails to pay either one‑half of the tax due or the entire tax due as of June 30, the department must issue a proposed assessment for the entire tax to the motor carrier. The tax as shown in the proposed assessment must be paid in full by cashier’s check, money order, or cash within thirty days of the issuance of the proposed assessment, or the taxpayer may appeal the proposed assessment within thirty days using the procedures provided in subarticle 1, Article 5, Chapter 60 of this title.~~

~~(B)(1)~~ ~~If one‑half of the tax is remitted on or before June 30, the remaining one‑half of the tax due must be paid to the Department of Revenue on or before December 31 of that year. If the motor carrier fails to remit the remaining tax due pursuant to this section, the department shall issue a proposed assessment to the motor carrier.~~

~~(2)~~ ~~The tax shown in the proposed assessment must be paid in full by cashier’s check, money order, or cash or appealed within thirty days of the issuance of the proposed assessment. The taxpayer may appeal the proposed assessment using the procedures provided in subarticle 1, Article 5, Chapter 60 of this title.~~

~~(C)~~ ~~If a motor carrier fails to timely file the return as required by this section, the department shall issue a proposed assessment which assumes all mileage of the motor carrier’s fleet was driven within this State. A taxpayer may appeal this proposed assessment using the procedures provided in subarticle 1, Article 5, Chapter 60 of this title.~~

~~(D)~~ ~~A twenty‑five percent penalty must be added to the property tax due if the motor carrier fails to file a return or pay any tax due, including the one‑half of the tax due on June 30, as required by this section. The penalty must be applied the day after the date that the return was due to be filed or the tax was due to be paid. This penalty is instead of all other penalties and interest required by law, except those provided in Section 12‑54‑44.~~

~~(E)~~ ~~If the motor carrier fails to remit the tax due within thirty days of receipt of the proposed assessment and the taxpayer fails to appeal the proposed assessment as provided in subsection (B), the department shall assess the tax. Tax due pursuant to this section is subject to the collection procedures provided in Chapter 54, of this title, except that the penalty provisions of Section 12‑54‑43 do not apply~~ A person registering a commercial motor vehicle shall pay the road use fee due on the vehicle at the time and in the manner the person pays the registration fees on the vehicle pursuant to Section 56‑3‑660 and the Highway Infrastructure Improvement Fee pursuant to Section 56‑3‑670. A person choosing to pay registration fees on a commercial motor vehicle in two installments pursuant to Section 56‑3‑660 and Section 56‑3‑670 also must pay the road use fee on the vehicle in the same installments.

~~Section 12‑37‑2842.~~ ~~(A)~~ ~~The Department of Motor Vehicles, at the time of first registration by a motor carrier as defined in this article, shall notify the registrant of the Department of Revenue’s registration and filing requirements and supply the required registration forms.~~

~~(B)~~ ~~The motor carrier must register with the Department of Revenue within thirty days following the year in which the vehicle or bus was first registered for operation in South Carolina.~~

~~(C)~~ ~~A motor carrier must notify the Department of Revenue, on forms supplied by the department, of a motor vehicle or bus that is disposed of before December 31~~.

Section 12‑37‑2850. The Department of ~~Revenue~~ Motor Vehicles shall assess annually the ~~taxes~~ road use fee due on commercial motor vehicles based on the value determined in Section 12‑37‑2820 and an average millage for all purposes statewide for the preceding calendar year and shall publish the average millage for the preceding year by June ~~1~~ first of each year. The ~~taxes~~ road use fee assessed must be paid to the Department of ~~Revenue no later than December 31 of each year and may be made in two equal installments~~ Motor Vehicles at the time and in the manner that the registration fees on the vehicle are paid pursuant to Section 56‑3‑660 and Section 56‑3‑670. Distribution of the ~~taxes~~ fees paid must be made by the ~~State Treasurer’s Office~~ Office of the State Treasurer based on the distribution formula ~~contained~~ provided in ~~Section 12‑37‑2870~~ Sections 12‑37‑2865 and 12‑37‑2870.

Section 12‑37‑2860. (A) In addition to the property tax exemptions allowed pursuant to Section 12‑37‑220, one hundred percent of the fair market value of semitrailers and trailers as defined in Section 12‑37‑2810, and commonly used in combination with a commercial motor vehicle as defined pursuant to Section 12‑37‑2810(B), is exempt from property tax.

(B) Instead of ~~the~~ any property ~~taxes~~ tax and the registration requirements ~~contained~~ provided in Sections 56‑3‑110 and 56‑3‑700 on semitrailers and trailers of motor carriers as defined in Section 12‑37‑2810, and commonly used in combination with a commercial motor vehicle, a one‑time fee payable to the Department of Motor Vehicles in the amount of eighty‑seven dollars is ~~due~~ imposed on all semitrailers and trailers currently registered and subsequently on each semitrailer and trailer before being placed in service.

(C) The fee imposed pursuant to subsection (B) and the registration requirements of this article are in lieu of any local road use fee, registration fees, or any other vehicle related fee imposed by a political subdivision of this State on a trailer or semitrailer.

~~(B)~~(D) Twelve dollars of the one‑time fee must be distributed to the Department of ~~Revenue~~ Motor Vehicles and may be retained by the Department of ~~Revenue~~ Motor Vehicles and expended in budgeted operations to record and administer the fee. The remaining seventy‑five dollars of the fee must be distributed based on the distribution formula ~~contained~~ provided in ~~Section~~ Sections 12‑37‑2865 and 12‑37‑2870, and must occur by the fifteenth day of the month following the month in which the fees are collected.

~~(C)~~ ~~The fee required by this section is due on or before March 31, 1998, for the initial registration.~~

~~(D)~~(E) The Department of Motor Vehicles shall design a permanent tag for display on the exterior of the rear of the trailer or semitrailer in a conspicuous place.

Section 12‑37‑2865. (A) The fee revenues not retained by the Department of Motor Vehicles pursuant to Section 12‑37‑2860 and the revenues of the road use fee assessed pursuant to Section 12‑37‑2850 must be distributed as provided in subsections (B) and (C). Distributions must be made by the last day of the next month succeeding the month in which the fee is paid.

(B) The first seventeen million dollars of fee revenues in a fiscal year must be distributed as provided pursuant to Section 12‑37‑2870.

(C) Fiscal year revenues in excess of seventeen million dollars of the fees described in subsection (A) must be credited to the Local Transportation Infrastructure Fund.

Section 12‑37‑2870. The distribution of the fee revenues required to be distributed pursuant to Section 12‑37‑2865(B) for each county must be determined on the ratio of total federal and state highway miles within each county during the preceding calendar year to the total federal and state highway miles within all counties of this State during the same preceding calendar year. The county must distribute the revenue from the payment‑in‑lieu of taxes received pursuant to this section within thirty days of its receipt to every governmental entity levying a property tax in the manner set forth below. For each governmental entity levying a property tax, the entire assessed value of the taxable property within its boundaries and the county area must be multiplied by the millage rate imposed by the governmental entity. That figure constitutes the numerator for that governmental entity. The total of the numerators for all property tax levying entities within the county area constitutes the denominator. The numerator for each governmental entity must be divided by the denominator. The resulting percentage must be multiplied by the ~~payment‑in‑lieu of tax~~ fee revenue received pursuant to this section and that amount distributed to the general fund of the appropriate governmental entity. The distribution of taxes and fees paid must be made by the last day of the next month succeeding the month in which the taxes and fees were paid.

Section 12‑37‑2880. (A) In addition to the property tax exemptions allowed pursuant to Section 12‑37‑220, one hundred percent of the fair market value of all commercial motor vehicles registered for use in this State under the International Registration Plan or otherwise pursuant to Section 56‑3‑190, is exempt from property tax and is instead subject to the road use fee imposed pursuant to this article.

(B) The ~~ad valorem taxes authorized~~ road use fee imposed by this article ~~are~~ is in lieu of all ~~other~~ ad valorem taxes upon ~~the~~ commercial motor vehicles ~~of motor carriers~~, and any road use or other vehicle related fees imposed by a political subdivision of this State if the vehicle is registered under the International Registration Plan. ~~The fee‑in‑lieu of property taxes and registration requirements authorized by this article are in lieu of all other ad valorem taxes upon trailers and semitrailers of motor carriers.~~

~~Section 12‑37‑2890.~~ ~~(A)~~ ~~Upon request by the Department of Revenue, and after the time period for all appeals of tax due is exhausted, the Department of Motor Vehicles shall suspend the driver’s license and vehicle registration of a person that fails to file or pay a motor carrier property tax on a vehicle, pursuant to this article. The request to suspend must be an electronic notification from the Department of Revenue to the Department of Motor Vehicles. Before notification is sent to the Department of Motor Vehicles, the Department of Revenue shall notify the delinquent taxpayer by certified letter of the pending suspension and of the steps necessary to prevent the suspension from being entered on the taxpayer’s driving and registration records. The department shall allow thirty days for payment of taxes before notifying the Department of Motor Vehicles to suspend the driver’s license and vehicle registration.~~

~~(B)~~ ~~Notwithstanding the provisions of Sections 56‑1‑460 and 56‑9‑500, a charge of driving under suspension when the suspension is solely for failure to file or pay a motor carrier property tax or the reinstatement fee required for the property tax does not require proof of financial responsibility. A person is not subject to a custodial arrest solely for being under suspension pursuant to this section. Upon conviction of a violation of this section, the taxpayer is subject to:~~

~~(1)~~ ~~for a first offense a fine not to exceed fifty dollars;~~

~~(2)~~ ~~for a second offense a fine not to exceed two hundred fifty dollars; and~~

~~(3)~~ ~~for a third or subsequent offense under this section, the penalty is a fine not to exceed five hundred dollars or imprisonment not to exceed thirty days, or both.~~

~~(C)~~ ~~Notwithstanding the provisions of subsections (A) and (B) of this section or the provisions of Section 56‑1‑460, a charge of driving under suspension issued solely as a result of this section must be dismissed if the taxpayer provides proof on the taxpayer’s court date that the personal property taxes on the vehicle which resulted in the charge being issued have been paid.~~

~~(D)~~ ~~Before the reinstatement of a driver’s license or vehicle registration suspended due to a violation of this section, a fee of fifty dollars must be paid to the Department of Motor Vehicles. The Department of Motor Vehicles may retain revenues generated by payment of the reinstatement fees pursuant to this section for use in defraying costs associated with suspension and reinstatement actions pursuant to this section. Fees collected in excess of actual departmental direct costs related to suspension and reinstatement actions pursuant to this section must be deposited to the credit of the general fund of the State at the end of each fiscal year.~~”

B. Section 56‑3‑120(5) of the 1976 Code is amended to read:

“(5) a trailer or semitrailer ~~of a motor carrier~~ commonly used in combination with a commercial motor vehicle as defined in Section 12‑37‑2810 for which trailer or semitrailer the ~~fee‑in‑lieu of taxes and registration requirements has been paid~~ fee imposed pursuant to Section 12‑37‑2860 is paid and applicable registration requirements provided pursuant to Article 23, Chapter 37, Title 12, are met, and a distinctive permanent plate has been issued pursuant to Section 12‑37‑2860.”

C. Section 56‑3‑610 of the 1976 Code is amended to read:

“Section 56‑3‑610. (A) Except as provided in subsection (B), the owner of every motor vehicle, trailer, semitrailer, pole trailer, and special mobile equipment vehicle required to be registered and licensed under this chapter shall pay to the Department of Motor Vehicles at the time of registering and licensing the vehicle and biennially after that time registration and license fees as set forth in this article.

(B) A commercial motor vehicle on which is imposed the road use fee provided pursuant to Article 23, Chapter 37, Title 12 is required to be registered and licensed annually pursuant to this chapter and the scheduled fees adjusted as provided pursuant to Section 56‑3‑660(E).”

D. Section 56‑3‑660(E) of the 1976 Code is amended to read:

“(E) ~~The department may register an apportionable vehicle for the payment of one‑half of this State’s portion of the license fee for a vehicle whose portion owed to this State exceeds eight hundred dollars. The department may require any information necessary to complete the transaction~~ The registration period for a commercial motor vehicle, as defined in Section 12‑37‑2810, is annual rather than biennial. The annual registration fee for such a commercial motor vehicle is one‑half the fee set out in subsection (A) for a vehicle of like weight. The provisions in subsection (A) concerning semiannual payment of fees and proportionate registration apply to the registration of such a commercial motor vehicle as to any other vehicle. Notwithstanding the registration periods provided in this section, upon appropriate notice, the department may revise the established renewal dates to allow renewals to be assigned an expiration date pursuant to a staggered monthly basis.”

E. Section 58‑23‑620 of the 1976 Code, as last amended by Act 145 of 1995, is further amended to read:

“Section 58‑23‑620. (A) ~~No city, town,~~ A municipality or county in this State ~~shall~~ may not impose a license fee or license tax upon a holder of a certificate A or a certificate B, and ~~no city, town,~~ a municipality or county ~~shall~~ may not impose a license fee or license tax on the holder of a certificate E or a certificate F, Certificate of Compliance, or a common or contract motor carrier of property, except the ~~city or town~~ municipality of ~~such~~ the carrier’s residence or the location of ~~his~~ the carrier’s principal place of business. However, the fee required of a holder of a certificate C is in addition to any license tax or license fee charged by a municipality.

(B) If a municipality imposes a license fee or license tax pursuant to subsection (A), the fee or tax in the case of any certificate holder or common or contract motor carrier of property which operates its vehicles both within and without this State, must be apportioned in the ratio that the miles traveled by the vehicles operated by the certificate holder in this State bears to miles traveled by those vehicles in all states.”

F. Notwithstanding any provision to the contrary within this SECTION, a person who registers a vehicle for use in this state pursuant to Article 23, Chapter 37, Title 12, as amended by this Act, who was subject to property taxes on the vehicle in this State prior to the effective date of this Act, who must register his vehicle:

(1) on or prior to June 30, 2014 is required to pay his 2013 property taxes on the vehicle only to the extent that the property taxes exceed the road use fee imposed by Article 23, Chapter 37, Title 12, as amended by this Act; or

(2) on or after July 1, 2014 is required pay one half of the property taxes due for 2013 which shall be credited against the road use fee that must be remitted on the registration date.

The provisions contained in this item (F) are effective for calendar year 2014 only.

SECTION 8. Chapter 10, Title 4 of the 1976 Code is amended by adding:

“ARTICLE 10.

TRANSPORTATION INFRASTRUCTURE SALES TAX ACT

Section 4‑10‑1000. This article may be cited as the ‘Transportation Infrastructure Sales Tax Act’.

Section 4‑10‑1010. For the purposes of this article ‘transportation infrastructure project’ or ‘project’ shall mean construction, improvement, maintenance, and paving for rural, county, or state roads and bridges. Transportation infrastructure projects may be located within or without, or both within and without, the boundaries of the local governmental entities, including the county, municipalities, and special purpose districts located in the county area.

Section 4‑10‑1020. Subject to the requirements of this article, the county governing body may impose a one percent sales and use tax by ordinance, subject to a referendum, within the county area for a specific purpose or purposes and for a limited amount of time.

Section 4‑10‑1030. The county transportation committee shall consider proposals for funding transportation infrastructure projects within the county area on rural, county, or state roads and bridges with proceeds of a tax imposed pursuant to this article. The committee shall formulate the referendum question that is to appear on the ballot pursuant to this article. The committee must take into consideration the Department of Transportation’s priority list of projects when formulating the referendum question.

Section 4‑10‑1040. (A) The sales and use tax authorized by this article is imposed by an enacting ordinance of the county governing body containing the ballot question formulated by the county transportation committee pursuant to Section 4‑10‑1030 subject to referendum approval in the county. The ordinance must specify the type of work to be undertaken and identify the transportation infrastructure projects that will be undertaken;

(1) the maximum time, in two‑year increments not to exceed eight years from the date of imposition, or in the case of a reimposed tax, a period ending on April thirtieth of an odd‑numbered year, not to exceed seven years, for which the tax may be imposed; and

(2) any other condition precedent, as determined by the county transportation committee to the imposition of the sales and use tax authorized by this article or condition or restriction on the use of sales and use tax revenue collected pursuant to this article.

(B) When the tax authorized by this article is imposed for more than one project, the enacting ordinance must set forth the priority in which the net proceeds are to be expended for the purposes stated. The enacting ordinance may set forth a formula or system by which multiple projects are funded simultaneously.

(C) Upon receipt of the ordinance, the county election commission must conduct a referendum on the question of imposing the sales and use tax in the area of the county that is to be subject to the tax. The referendum for imposition or reimposition of the tax must be held at the time of the general election. Two weeks before the referendum the election commission must publish in a newspaper of general circulation the question that is to appear on the ballot, with the list of projects and the cost of the projects. This notice is in lieu of any other notice otherwise required by law.

(D) The referendum question to be on the ballot must read substantially as follows:

‘Must a special one percent sales and use tax be imposed in (county) for not more than (time) to raise the amounts specified for the following purposes?

(1) for (transportation infrastructure project);

(2) for (transportation infrastructure project);

(3) etc.

Yes [ ]

No [ ].’

(E) All qualified electors desiring to vote in favor of imposing the tax for the stated purposes shall vote ‘yes’ and all qualified electors opposed to levying the tax shall vote ‘no’. If a majority of the votes cast are in favor of imposing the tax, then the tax is imposed as provided in this article and the enacting ordinance. A subsequent referendum on this question must be held on the date prescribed in subsection (C). The election commission shall conduct the referendum under the election laws of this State, mutatis mutandis, and shall certify the result no later than November thirtieth to the county governing body and to the Department of Revenue. Expenses of the referendum must be paid by the governmental entities that would receive the proceeds of the tax in the same proportion that those entities would receive the net proceeds of the tax.

(F) Upon receipt of the returns of the referendum, the county governing body must, by resolution, declare the results. In that event, the results of the referendum, as declared by resolution of the county governing body, are not open to question except by a suit or proceeding instituted within thirty days from the date the resolution is adopted.

Section 4‑10‑1050. (A) If the sales and use tax is approved in the referendum, the tax is imposed on the first of May following the date of the referendum. If the reimposition of an existing sales and use tax imposed pursuant to this article is approved in the referendum, the new tax is imposed immediately following the termination of the earlier imposed tax and the reimposed tax terminates on the thirtieth of April in an odd‑numbered year, not to exceed seven years from the date of reimposition. If the certification is not timely made to the Department of Revenue, the imposition is postponed for twelve months.

(B) The tax terminates the final day of the maximum time period specified for the imposition.

(C)(1) Amounts collected in excess of the required net proceeds must first be applied, if necessary, to complete a project for which the tax was imposed.

(2) If funds still remain after first using the funds as described in item (1) and the tax is reimposed, the remaining funds must be used to fund the projects approved by the voters in the referendum to reimpose the tax, in priority order as the projects appeared on the enacting ordinance.

(3) If funds still remain after first using the funds as described in item (1) and the tax is not reimposed, the remaining funds must be used for the purposes set forth in Section 4‑10‑1030. These remaining funds only may be expended for the purposes set forth in Section 4‑10‑1030 following an ordinance specifying the authorized purpose or purposes for which the funds will be used.

Section 4‑10‑1060. (A) The tax levied pursuant to this article must be administered and collected by the Department of Revenue in the same manner that other sales and use taxes are collected. The department may prescribe amounts that may be added to the sales price because of the tax.

(B) The tax authorized by this article is in addition to all other local sales and use taxes and applies to the gross proceeds of sales in the applicable area that is subject to the tax imposed by Chapter 36, Title 12 and the enforcement provisions of Chapter 54, Title 12. The gross proceeds of the sale of items subject to a maximum tax in Chapter 36, Title 12 are exempt from the tax imposed by this article. Unprepared food items eligible for purchase with United States Department of Agriculture food coupons are exempt from the tax imposed pursuant to this article. The tax imposed by this article also applies to tangible personal property subject to the use tax in Article 13, Chapter 36, Title 12.

(C) A taxpayer required to remit taxes under Article 13, Chapter 36 of Title 12 must identify the county in which the personal property purchased at retail is stored, used, or consumed in this State.

(D) A utility is required to report sales in the county in which the consumption of the tangible personal property occurs.

(E) A taxpayer subject to the tax imposed by Section 12‑36‑920, who owns or manages rental units in more than one county, must report separately in his sales tax return the total gross proceeds from business done in each county.

(F) The gross proceeds of sales of tangible personal property delivered after the imposition date of the tax levied under this article in a county, either under the terms of a construction contract executed before the imposition date, or a written bid submitted before the imposition date, culminating in a construction contract entered into before or after the imposition date, are exempt from the sales and use tax provided in this article if a verified copy of the contract is filed with the Department of Revenue within six months after the imposition date of the sales and use tax provided for in this article.

(G) Notwithstanding the imposition date of the sales and use tax authorized pursuant to this chapter, with respect to services that are billed regularly on a monthly basis, the sales and use tax authorized pursuant to this article is imposed beginning on the first day of the billing period beginning on or after the imposition date.

Section 4‑10‑1070. The revenues of the tax collected under this article must be remitted to the Department of Revenue and placed on deposit with the State Treasurer and credited to a fund separate and distinct from the general fund of the State. After deducting the amount of any refunds made and costs to the Department of Revenue of administering the tax, not to exceed one percent of the revenues, the State Treasurer shall distribute the revenues quarterly to the county treasurer in the county area in which the tax is imposed and the revenues must be used only for the purposes stated in the imposition ordinance. The State Treasurer may correct misallocations by adjusting subsequent distributions, but these adjustments must be made in the same fiscal year as the misallocations. However, allocations made as a result of city or county code errors must be corrected prospectively.

Section 4‑10‑1080. The Department of Revenue shall furnish data to the State Treasurer and to the county treasurers receiving revenues for the purpose of calculating distributions and estimating revenues. The information that must be supplied to counties and municipalities upon request includes, but is not limited to, gross receipts, net taxable sales, and tax liability by taxpayers. Information about a specific taxpayer is considered confidential and is governed by the provisions of Section 12‑54‑240. A person violating this section is subject to the penalties provided in Section 12‑54‑240.

Section 4‑10‑1090. Annually, and only in the month of June, funds collected by the department from the transportation infrastructure project sales tax, which are not identified as to the governmental unit due the tax, must be transferred, after reasonable effort by the department to determine the appropriate governmental unit, to the State Treasurer’s Office. The State Treasurer shall distribute these funds to the county treasurer in the county area in which the tax is imposed and the revenues must be used only for the purposes stated in the imposition ordinance. The State Treasurer shall calculate this supplemental distribution on a proportional basis, based on the current fiscal year’s county area revenue collections.

Section 4‑10‑1100. The County Transportation Committee of each county that imposes a tax pursuant to this article must receive five hundred thousand dollars from the Local Transportation Infrastructure Fund. All monies received from the fund must be used for system improvements of roads in the state highway system.

Section 4‑10‑1110. The Department of Transportation shall administer all funds expended on the state highway system unless the department has given explicit authority to a county or municipal government or other agent acting on behalf of the county transportation committee to design, engineer, construct, and inspect projects using their own personnel.

Section 4‑10‑1120. The revenues of the tax collected under this article may not be used to defray debt service on bonds issued to pay for projects authorized in this article.

Section 4‑10‑1130. A county may impose the sales tax provided in this article in addition to any other local option sales taxes already in effect in that county.”

SECTION 9. Section 11‑43‑140 of the 1976 Code is amended to read:

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

SECTION 10. Section 57‑1‑430(A) of the 1976 Code is amended to read:

“Section 57‑1‑430. (A) The secretary is charged with the affirmative duty to carry out the policies of the commission, to administer the day‑to‑day affairs of the department, to direct the implementation of the Statewide Transportation Improvement Program and the Statewide Mass Transit Plan, and to ensure the timely completion of all projects undertaken by the department, and routine operation and maintenance requests, and emergency repairs. He must represent the department in its dealings with other state agencies, local governments, special districts, and the federal government. The secretary must prepare an annual budget for the department that must be approved by the commission before becoming effective. In each fiscal year in which proceeds from bonds issued pursuant to Section 11‑43‑420 are programmed for bridge improvements, the department must budget in its resurfacing program an amount equal to the amount programmed for bridge improvements from the proceeds of bonds issued pursuant to Section 11‑43‑420 that fiscal year plus one hundred million dollars, provided federal aid highway funding levels are not reduced.”

SECTION 11. Section 12‑28‑2740(B) of the 1976 Code is amended to read:

“(B) The funds expended must be approved by and used in furtherance of a countywide transportation plan adopted by a county transportation committee. The county transportation committee must be appointed by the county legislative delegation and must be made up of fair representation from municipalities and unincorporated areas of the county; provided, however, that members of county or municipal governing bodies may not be appointed to a county transportation committee. County transportation committees may join in approving a regional transportation plan, and the funds must be used in furtherance of the regional transportation plan. ~~This subsection does not prohibit the county legislative delegation from making project recommendations to the county transportation committee.~~ A county transportation committee may expend from the funds allocated under this section an amount not to exceed two thousand dollars for reasonable administrative expenses directly related to the activities of the committee. Administrative expenses may include costs associated with copying, mailings, public notices, correspondence, and recordkeeping but do not include the payment of per diem or salaries for members of the committee.”

SECTION 12. Section 6 of Act 114 of 2007 is repealed.

SECTION 13. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 14. The General Assembly finds that the sections presented in this act constitute one subject as required by Article III, Section 17 of the South Carolina Constitution, in particular finding that each change and each topic relates directly to or in conjunction with other sections to the subject of directing additional funding for transportation infrastructure projects as clearly enumerated in the title.

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

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑36‑2647 SO AS TO PROVIDE THAT THE SALES, USE, AND CASUAL EXCISE TAX REVENUES IN A FISCAL YEAR FROM THE SALE, USE, OR TITLING OF A VEHICLE REQUIRED TO BE REGISTERED AND LICENSED BY THE SOUTH CAROLINA DEPARTMENT OF MOTOR VEHICLES MUST BE CREDITED TO THE STATE NON‑FEDERAL AID HIGHWAY FUND, AND TO PROVIDE FOR THE USE OF THESE REVENUES.

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

SECTION 1. The General Assembly finds that:

(1) before a motor vehicle may be licensed and registered by the South Carolina Department of Motor Vehicles for the privilege of using the public highways of this State, that department either collects or confirms the collection of any applicable sales, use, and casual excise taxes due on the vehicle;

(2) without the required registration and licensing it is unlawful for a motor vehicle to use the public highways of this State; and

(3) the revenue of the sales, use, and casual excise tax required to be paid before a motor vehicle may be registered and licensed in this State is included within the “sources of revenue” that may be pledged to secure highway bonds pursuant to Section 13(6)(a), Article X of the Constitution of this State.

SECTION 2. Article 25, Chapter 36, Title 12 of the 1976 Code is amended by adding:

“Section 12‑36‑2647. Notwithstanding the provisions of Section 59‑21‑1010, for fiscal years 2013‑2014, fifty percent and thereafter one hundred percent of the components of the revenues of sales, use, and casual excise taxes derived pursuant to Sections 12‑36‑2620(1), 12‑36‑2630(1), and 12‑36‑2640(1) on the sale, use, or titling of a 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. Revenues credited to the State Non‑Federal Aid Highway Fund pursuant to this section must be used exclusively for highway, road, and bridge maintenance, construction, and repair.”

SECTION 3. This act takes effect July 1, 2013.

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