**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, SO AS TO ENACT THE “COMMERCIAL MOTOR VEHICLE EQUITY AND INFRASTRUCTURE IMPROVEMENT ACT”; TO AMEND ARTICLE 23, CHAPTER 37, TITLE 12, RELATING TO MOTOR CARRIERS, SO AS TO DEFINE TERMS, TO PROVIDE THAT THE ARTICLE DOES NOT APPLY TO A SMALL COMMERCIAL VEHICLE, TO PROVIDE THAT CERTAIN VEHICLES ARE ASSESSED AND APPORTIONED BASED ON A ROAD USE FEE INSTEAD OF PROPERTY TAXES, TO PROVIDE THAT THE ROAD USE FEE IS DUE AT THE SAME TIME AS REGISTRATION FEES, TO PROVIDE FOR THE DISTRIBUTION OF THE ROAD USE FEE, AND TO EXEMPT CERTAIN SEMITRAILERS, TRAILERS, LARGE COMMERCIAL MOTOR VEHICLES, AND BUSES FROM AD VALOREM TAXATION; TO AMEND SECTION 56‑3‑376, RELATING TO THE REGISTRATION OF MOTOR VEHICLES, SO AS TO PROVIDE A REGISTRATION SYSTEM FOR LARGE COMMERCIAL MOTOR VEHICLES AND BUSES; TO AMEND SECTION 56‑3‑120, RELATING TO EXEMPTIONS FROM THE REGISTRATION PROCESS, SO AS TO MAKE CONFORMING CHANGES; TO AMEND SECTION 56‑3‑610, RELATING TO THE PAYMENT OF REGISTRATION FEES, SO AS TO MAKE CONFORMING CHANGES; TO AMEND SECTION 56‑3‑660, RELATING TO REGISTRATION FEES, SO AS TO PROVIDE THAT FEES FOR LICENSING AND REGISTRATION AND THE ROAD USE FEE MAY BE CREDITED OR PRORATED IF THE FEE EXCEEDS FOUR HUNDRED DOLLARS INSTEAD OF EIGHT HUNDRED DOLLARS, AND TO MAKE CONFORMING CHANGES; TO AMEND SECTION 58‑23‑620, AS AMENDED, RELATING TO THE IMPOSITION OF LOCAL FEES, SO AS TO APPORTION CERTAIN LICENSE FEES AND TAXES; BY ADDING SECTION 12-37-2600 SO AS TO EXEMPT MOTOR CARRIERS FROM AD VALOREM TAXES ON LARGE COMMERCIAL MOTOR VEHICLES AND BUSES; TO AMEND SECTION 12‑37‑2610, RELATING TO THE TAX YEAR FOR MOTOR VEHICLES, SO AS TO MAKE CONFORMING CHANGES; TO AMEND SECTION 12-37-2650, RELATING TO TAX NOTICES ON VEHICLES, SO AS TO PROVIDE THAT LARGE COMMERCIAL MOTOR VEHICLES AND BUSES MUST PAY ROAD USE FEES INSTEAD OF AD VALOREM TAXES; TO AMEND SECTION 12‑28‑110, RELATING TO DEFINITIONS CONCERNING MOTOR FUEL USER FEES, SO AS TO INCLUDE LIQUEFIED NATURAL GAS WITHIN THE DEFINITION OF “ALTERNATIVE FUEL”; BY ADDING SECTION 12‑28‑230 SO AS TO PROVIDE THE MANNER IN WHICH NATURAL GAS AND LIQUEFIED NATURAL GAS MUST BE DISPENSED; TO AMEND SECTION 12‑28‑310, RELATING TO THE MOTOR FUEL USER FEE, SO AS TO IMPOSE THE FEE ON LIQUEFIED NATURAL GAS AND COMPRESSED NATURAL GAS; TO AMEND SECTION 56‑5‑4160, AS AMENDED, RELATING TO VEHICLE WEIGHTS AND LOADS, SO AS TO ALLOW FOR AN ADDITIONAL TWO THOUSAND POUNDS OF WEIGHT FOR CERTAIN VEHICLES FUELED BY NATURAL GAS; AND TO AMEND SECTION 12-37-2820, RELATING TO THE ASSESSMENT OF MOTOR VEHICLES, SO AS TO SPECIFY THE APPLICABILITY OF THE DEFINITION OF “GROSS CAPITALIZED COST”.

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

SECTION 1. A. Chapter 37, Title 12 of the 1976 Code is amended to read:

“Article 23

Motor Carriers

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 commercial 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.

(B) ‘Commercial motor vehicle’ means a motor propelled vehicle used for the transportation of property on a public highway ~~with a gross vehicle weight of greater than twenty‑six thousand pounds~~, except for farm vehicles using FM tags as allowed by the Department of Motor Vehicles.

(C) ‘Large commercial motor vehicle’ means a commercial motor vehicle with a gross vehicle weight of greater than twenty‑six thousand pounds that is registered under the International Registration Plan or used on a highway for the transportation of property.

(D) ‘Small commercial motor vehicle’ means a commercial motor vehicle with a gross vehicle weight of less than or equal to twenty‑six thousand pounds that is registered under the International Registration Plan or used on a highway for the transportation of property.

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

~~(D)~~(F) ‘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)~~(G) ‘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)~~(H) ‘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)~~(I) ‘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.

(J) ‘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 12‑37‑2815. The provisions contained in this article do not apply to small commercial motor vehicles which must be licensed, registered, and must have paid ad valorem taxes as otherwise provided by law.

Section 12‑37‑2820. (A) The Department of ~~Revenue~~ Motor Vehicles annually shall assess, equalize, and apportion the valuation of all large commercial motor vehicles and buses 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 motor carrier’s large commercial motor vehicleor bus 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 motor carrier’s large commercial motor vehicles and buses 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 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 motor carrier registering a large commercial motor vehicle or bus 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 large commercial motor vehicle or bus in quarterly 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 quarterly 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. Beginning on January 1, 2016, the Department of ~~Revenue~~ Motor Vehicles shall assess annually the ~~taxes~~ road use fee due on large commercial motor vehicles and buses 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~~ July first of each year. The Board of Economic Advisors, in consultation with the Department of Revenue, shall calculate the millage to be used to calculate the road use fee by June first of each year for the following calendar 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, in addition to the registration fees required pursuant to Section 56‑3‑660 and Section 56‑3‑670, 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 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 large commercial motor vehicle as defined pursuant to Section 12‑37‑2810, 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 large 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.

(F) If the apportioned registration fees of a large commercial motor vehicle or bus and the road use fees for large commercial motor vehicles required under this chapter is equal to or exceeds four hundred dollars, the fees may be remitted to the Department of Motor Vehicles quarterly provided that each installment is made online. A motor carrier who fails to make a quarterly payment on a timely basis may no longer make installment payments and must remit to the department the balance of the fees owed for any previous calendar year before the Department of Motor Vehicles will renew registration for the current calendar year. A motor carrier that opts out of installment payments must make full payment of fees at the time of registration.

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 by the State Treasurer 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 described in subsection (A) must be distributed to the counties in the manner provided in Section 12‑28‑2740. The counties must apply revenue distributed pursuant to this subsection to road and bridge improvement projects in the state highway system following consideration of the Department of Transportation’s ranking pursuant to Section 57‑1‑370(B)(8).

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 large commercial motor vehicles and buses 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~~ large commercial motor vehicles or buses ~~of motor carriers~~, and any road use or other vehicle related fees imposed by a political subdivision of this State. ~~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 56‑3‑376 of the 1976 Code is amended to read:

“Section 56‑3‑376. (A) All vehicles except those vehicles designated in Section 56‑3‑780 are designated as distinct classifications and must be assigned an annual registration period as follows:

Classification (1). Vehicles for which the biennial registration fee is one‑hundred sixty dollars or more. The Department of Motor Vehicles may register and license a vehicle for which the biennial registration fee is one‑hundred sixty dollars or more or for a semiannual or one‑half year upon application to the department by the owner and the payment of one‑fourth of the specified biennial fee. Biennial registrations and licenses expire at midnight on the last day of the twenty‑fourth month for the period for which they were issued. Semiannual or half‑year registrations and licenses expire at midnight of the sixth month for the period for which they were issued and no person shall drive, move, or operate a vehicle upon a highway after the expiration of the registration and license until the vehicle is registered and licensed for the then current period. Trucks, truck tractors, or road tractors with an empty or unloaded weight of over five thousand pounds or less, or gross vehicle weight of eight thousand pounds or less also must be placed in this classification but may not be registered for less than a full biennial period.

Classification (2). Other vehicles. All other vehicles except those vehicles described in classification (1) and (3) of this section are assigned a staggered biennial registration which expires on the last day of the month for the period for which they were issued.

Classification (3). Large commercial motor vehicles and buses registered by motor carriers, as defined in Section 12‑37‑2810, are assigned a staggered annual registration which expires on the last day of the month for the period for which they were issued.

(B) 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.”

C. 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 large 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.”

D. 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 large commercial motor vehicle or bus 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).”

E. Section 56‑3‑660 of the 1976 Code is amended by adding an appropriately lettered new subsection at the end to read:

“( ) Fees for licensing and registration, and fees imposed pursuant to Article 23, Chapter 37, Title 12, may be credited or prorated as prescribed by the Department of Motor Vehicles.”

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

“(E) The department may register ~~an apportionable~~ a large commercial motor vehicle, as defined in Section 12‑37‑2810, for the payment of one‑half of this State’s portion of the license and road fee for a vehicle whose portion of the license and road fee owed to this State exceeds ~~eight~~ four hundred dollars. The department may require any information necessary to complete the transaction.”

G. 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 or county 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.”

H. Article 21, Chapter 37, Title 12 of the 1976 Code is amended by adding:

“Section 12‑37‑2600. Motor carriers, as defined in Section 12‑37‑2810, are exempt from ad valorem taxes imposed pursuant to this chapter on large commercial motor vehicles and buses.”

I. Section 12‑37‑2610 of the 1976 Code is amended to read:

“Section 12‑37‑2610. The tax year for licensed motor vehicles begins with the last day of the month in which a license required by Section 56‑3‑110 is issued and ends on the last day of the month in which the license expires or is due to expire, unless the license is for a period of two years. In that case the tax year for motor vehicles for the first year of the two‑year licensing period begins with the last day of the month in which a license required by law is issued and ends on the last day of the month on the next anniversary of the issue date of the license. For the second year of the two‑year licensing period the tax year for motor vehicles begins with the last day of the month on the anniversary of the issue date of the license and ends on that last day of the month in which the license expires or is due to expire. No license may be issued for motor vehicles until the ad valorem tax is paid for the year for which the license is to be issued. ~~Motor vehicles registered under the International Registration Plan may pay ad valorem property taxes on a semiannual basis.~~ Large commercial motor vehicles and buses, as defined in Section 12‑37‑2810, must pay road use fees pursuant to Article 23, Chapter 37, Title 12 in lieu of ad valorem property taxes. The provisions of this section do not apply to sales of motor vehicles by a licensed motor vehicle dealer that do not involve the transfer of a license plate. Notice of the sales must be furnished to the department along with other documents necessary for the registration and licensing of the vehicle concerned. The notice must be received by the department as a prerequisite to the registration and licensing of the vehicle and must include the name and address of the purchaser, the vehicle identification number, and the year and model of the vehicle. The notice must be an original and one copy, and the copy must be provided by the department to the auditor of the county in which the vehicle is taxable. All ad valorem taxes on a vehicle are due and payable one hundred twenty days from the date of purchase. The notice and the time in which to pay the tax applies to motor vehicles that are serviced and delivered by a licensed motor vehicle dealer for the benefit of an out‑of‑state dealer.”

J. The first paragraph of Section 12‑37‑2650 is amended to read:

“The auditor shall prepare a tax notice of all vehicles owned by the same person and licensed at the same time for each tax year within the two‑year licensing period. A notice must describe the motor vehicle by name, model, and identification number. The notice must set forth the assessed value of the vehicle, the millage, the taxes due on each vehicle, and the license period or tax year. The notice must be delivered to the county treasurer who must collect or receive payment of the taxes. One copy of the notice must be in the form of a bill or statement for the taxes due on the motor vehicle and, when practical, the treasurer shall mail that copy to the owner or person having control of the vehicle. When the tax and all other charges included on the tax bill have been paid, the treasurer shall issue the taxpayer a paid receipt. The receipt or a copy may be delivered by the taxpayer to the Department of Motor Vehicles with the application for the motor vehicle registration. A record of the payment of the tax must be retained by the treasurer. The auditor shall maintain a separate duplicate for motor vehicles. No registration may be issued by the Department of Motor Vehicles unless the application is accompanied by the receipt, a copy of the notification required by Section 12‑37‑2610 or notice from the county treasurer, by other means satisfactory to the Department of Motor Vehicles, of payment of the tax. ~~Motor vehicles registered under the International Registration Plan may pay ad valorem property taxes on a semiannual basis, and a proportional receipt must be issued by the treasurer subject to penalties in Section 12‑37‑2730.~~ Large commercial motor vehicles and buses, as defined in Section 12‑37‑2810, must pay road use fees pursuant to Article 23, Chapter 37, Title 12 in lieu of ad valorem property taxes. The treasurer, tax collector, or other official charged with the collection of ad valorem property taxes in each county may delegate the collection of motor vehicle taxes to banks or banking institutions, if each institution assigns, hypothecates, or pledges to the county, as security for the collection, federal funds or federal, state, or municipal securities in an amount adequate to prevent any loss to the county from any cause. Each institution shall remit the taxes collected daily to the county official charged with the collections. The receipt given to the taxpayer, in addition to the information required in this section and by Section 12‑45‑70, must contain the name and office of the treasurer or tax collector of the county and must also show the name of the banking institution to which payment was made.”

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

“(A) The determination of gross vehicle weight to register and license self‑propelled property carrying vehicles 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. The Department of Motor Vehicles may register and license a ~~vehicle of this classification~~ small commercial motor vehicle, as defined in Section 12‑37‑2810, for which the biennial registration and license fee is one‑hundred and 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 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 registration and license fee for small commercial motor 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.”

L. (1) 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 before the effective date of this act, who must register his vehicle on or after July 1, 2016 is required to pay the road use fees calculated based on the fair market value of the vehicle as specified in Section 12‑37‑2820 and Section 12‑37‑2850 at the time the vehicle’s registration fees are paid.

(2) Notwithstanding the provisions in Section 12‑37‑2865(B) and (C), as contained in this SECTION, to the contrary, during calendar year 2016, the first four hundred thousand dollars of fee revenue collected under Section 12‑37‑2865 shall be retained by the Department of Motor Vehicles to defray programming costs.

(3) The initial millage required by Section 12‑37‑2850 must be calculated on or before June 1, 2015.

M. The provisions contained in this SECTION take effect January 1, 2016.

SECTION 2. A. Section 12‑28‑110(1) of the 1976 Code is amended to read:

“(1) ‘Alternative fuel’ means a liquefied petroleum gas, liquefied natural gas, compressed natural gas product, or a combination of liquefied petroleum gas and a compressed natural gas product used in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance. It includes all forms of fuel commonly or commercially known or sold as butane, propane, or compressed natural gas.”

B. Article 1, Chapter 28, Title 12 of the 1976 Code is amended by adding:

“Section 12‑28‑230. (A) For purposes of this section, unless the context requires otherwise:

(1) ‘Diesel gallon equivalent’ or ‘DGE’ means the amount of compressed natural gas or liquefied natural gas containing the same energy content as one gallon of diesel.

(2) ‘Gasoline gallon equivalent’ or ‘GGE’ means the amount of compressed natural gas or liquefied natural gas containing the same energy content as one gallon of gasoline.

(B) Compressed natural gas and liquefied natural gas sold at retail for use as a motor fuel must be dispensed in units as follows:

(1) Compressed natural gas must be dispensed either in GGE units or DGE units. A GGE of compressed natural gas must be set initially at 5.66 pounds and shall remain at that level unless changed pursuant to regulation adopted pursuant to subsection (C). A DGE of compressed natural gas must be set initially at 6.38 pounds and shall remain at that level unless changed pursuant to regulation adopted by the Department of Agriculture.

(2) Liquefied natural gas must be dispensed in DGE units. A DGE of liquefied natural gas must be set initially at 6.06 pounds and shall remain at this level unless changed pursuant to regulation adopted by the Department of Agriculture pursuant to subsection (C).

(C) The Department of Agriculture shall adopt regulations necessary to implement the provisions of this section and to adopt the values set forth in subsection (B). If subsequently it becomes necessary to revise such standards due to changes in the energy content of motor fuels, the Department of Agriculture shall take into consideration whether the National Conference on Weights and Measures has adopted similar standards for dispensing compressed natural gas and liquefied natural gas and whether those standards use different values for GGE and DGE units. If the National Conference on Weights and Measures has adopted different GGE and DGE units, it must be presumed that such standards also should be adopted for the State unless good cause is shown otherwise.”

C. 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 other than liquefied natural gas, or blended fuels containing diesel fuel that are used or consumed in this State in producing or generating power for propelling motor vehicles.

(B) A user fee of sixteen cents per gasoline gallon equivalent is imposed on compressed natural gas subject to the exemptions otherwise provided in this chapter.

(C) A user fee of sixteen cents per diesel gallon equivalent is imposed on liquefied natural gas and compressed natural gas subject to the exemptions otherwise provided in this chapter.

~~(B)~~(D) 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)~~(E) 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. Section 56‑5‑4160 of the 1976 Code, as last amended by Act 234 of 2008, is further amended by adding an appropriately lettered subsection to read:

“( ) Any motor vehicle that is fueled, wholly or partially, by natural gas shall be allowed up to an additional two thousand pounds total in gross, single axle, tandem axle, or bridge formula weight limits. To be eligible for this exception, the operator of the vehicle must be able to demonstrate that the vehicle is a natural gas vehicle, a bi‑fuel vehicle using natural gas, or a vehicle that has been converted to a natural gas vehicle. No such allowance shall authorize any extension of the limitations provided on federal Interstate highways in this State, unless such limitations or exceptions are authorized by the federal government.”

E. Section 12‑37‑2820(B) is amended to read:

“(B)(1) Except as provided in item (2), ‘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.

(2) For commercial vehicles that are fueled wholly or partially by natural gas, ‘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, reduced by a dollar amount of thirty percent in order to equal the cost or valuation basis with a comparable diesel or gasoline powered vehicle, for the life of the vehicle. This provision contained in this item shall only apply to vehicles purchased after June 30, 2015, but before July 1, 2022.”

SECTION 3. This act takes effect upon approval by the Governor.

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