**A** **BILL**

TO AMEND SECTION 56‑3‑627(A), (B), (C), AND (D) OF THE 1976 CODE, RELATING TO THE INFRASTRUCTURE MAINTENANCE FEE ASSESSED AGAINST A VEHICLE OR OTHER ITEM UPON ITS FIRST REGISTRATION, TO PROVIDE THAT THE FEE ALSO APPLIES TO THE FIRST TITLING OF A VEHICLE OR OTHER ITEM, TO PROVIDE THAT THE DEPARTMENT OF MOTOR VEHICLES MAY NOT ISSUE A TITLE UNTIL THE FEE HAS BEEN COLLECTED, TO PROVIDE THAT IF A DEALER DOES NOT LICENSE, TITLE, OR REGISTER A VEHICLE, THEN THE CUSTOMER MUST PAY THE FEE TO THE DEPARTMENT OF MOTOR VEHICLES UPON TITLING OR REGISTERING THE VEHICLE, TO PROVIDE THAT IF A PERSON PURCHASES A VEHICLE HE ORIGINALLY LEASED, THEN THE PERSON DOES NOT OWE AN ADDITIONAL FEE, AND TO PROVIDE THAT A FEE MUST BE ASSESSED AGAINST AN OWNER WHO FIRST TITLES OR REGISTERS A VEHICLE IN ANOTHER STATE AND SUBSEQUENTLY REGISTERS THE VEHICLE IN THIS STATE; AND TO AMEND SECTION 56‑3‑645(C) OF THE 1976 CODE, RELATING TO THE ROAD USE FEE IMPOSED UPON OWNERS OF VEHICLES NOT POWERED EXCLUSIVELY BY MOTOR FUEL, TO PROVIDE THAT THE FEE MUST BE COLLECTED AT THE TIME THE VEHICLE IS TITLED OR REGISTERED.

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

SECTION 1. Section 56‑3‑627(A),(B),(C), and (D) of the 1976 Code is amended to read:

“Section 56‑3‑627. (A) In order to account for the necessary road maintenance caused by each item traversing the roads of this State, in addition to the registration fees imposed by this chapter, the owner of each vehicle or other item that is required to be registered pursuant to this chapter must pay an infrastructure maintenance fee upon first titling or registering the vehicle or other item. Also, the owner of each trailer or semitrailer must pay the fee upon first titling or registering the trailer or semitrailer. The Department of Motor Vehicles may not issue a title or registration until the infrastructure maintenance fee has been collected. The infrastructure maintenance fee must be credited to the Infrastructure Maintenance Trust Fund.

(B) If upon purchasing or leasing the item from a dealer, the owner first registers the item in this State, then the fee equals five percent, not to exceed five hundred dollars, of the gross proceeds of sales, or sales price, as those terms are defined in Chapter 36, Title 12. If the dealer holds a South Carolina retail license or offers to license, ~~and~~, title, or register the item, then the dealer must collect the fee and remit it to the Department of Motor Vehicles. If the dealer does not license, title, or register the item, then the customer must pay the infrastructure maintenance fee to the department upon titling or registering the vehicle.

(C)(1) If upon purchasing or leasing the item from a person other than a dealer, the owner first registers the item in this State, then the fee equals five percent, not to exceed five hundred dollars, of the fair market value of the item. If the owner purchases the vehicle he originally leased and the registered owner of the vehicle remains the same, then the person does not owe an additional infrastructure maintenance fee.

(2) Excluded from the fee imposed pursuant to this subsection are:

(a) items transferred:

(i) to members of the immediate family;

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

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

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

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

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

(b) the fair market value of an item transferred to the seller or secured party in partial payment;

(c) gross proceeds of transfers of items specifically exempted by Section 12‑36‑2120 from the sales or use tax;

(d) items where a sales or use tax has been paid on the transaction necessitating the transfer.

(3) The Department of Motor Vehicles 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 subsection, 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.

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

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

(D)(1) If upon purchasing or leasing the item, the owner first titles or registers the item in another state, and subsequently registers the item in this State, then the fee equals two hundred fifty dollars.

(2) This subsection does not apply if the owner of the item is serving on active duty in the armed forces of the United States. The exclusion allowed by this item also extends to items owned by the spouse or dependent of a person serving on active duty in the armed forces of the United States.

(3) Notwithstanding any other provision of this section, until after December 31, 2022, the revenue collected pursuant to this subsection must be credited to the Safety Maintenance Account established pursuant to Section 11‑11‑240. After December 31, 2022, the revenue collected pursuant to this subsection must be credited to the Infrastructure Maintenance Trust Fund.”

SECTION 2. Section 56‑3‑645(C) of the 1976 Code is amended to read:

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

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

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