**South Carolina General Assembly**

122nd Session, 2017-2018

**A40, R51, H3516**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Simrill, Lucas, White, G.M. Smith, Pope, Stringer, W. Newton, Bales, Clary, Cole, Delleney, Herbkersman, Hixon, Sandifer, Douglas, Knight, Erickson, Henegan, Ridgeway, Williams, Jefferson, Ott, Govan, Henderson, V.S. Moss, Martin, Spires, Funderburk, D.C. Moss, Brown, Whipper, Cobb‑Hunter, Felder, Bernstein, J.E. Smith, Clemmons, Clyburn, Daning, Cogswell, Davis, B. Newton, Anthony, Crosby, S. Rivers, Thigpen, Hosey, Murphy, Hardee, Weeks, King, Sottile and Anderson

Document Path: l:\council\bills\bbm\9590dg17.docx

Companion/Similar bill(s): 54, 384, 600, 813

Introduced in the House on January 18, 2017

Introduced in the Senate on March 2, 2017

Last Amended on May 9, 2017

Passed by the General Assembly on May 9, 2017

Governor's Action: May 9, 2017, Vetoed

Legislative veto action(s): Veto overridden

Summary: SC Infrastructure and Economic Development Reform Act

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 1/18/2017 House Introduced and read first time ([House Journal‑page 13](file:///h%3A%5Chj%5C20170118.docx))

 1/18/2017 House Referred to Committee on **Ways and Means** ([House Journal‑page 13](file:///h%3A%5Chj%5C20170118.docx))

 1/19/2017 House Member(s) request name added as sponsor: Douglas, Knight, Erickson

 1/24/2017 House Member(s) request name added as sponsor: Henegan, Ridgeway, Williams, Jefferson, Ott, Govan

 1/25/2017 House Member(s) request name added as sponsor: Henderson

 1/26/2017 House Member(s) request name added as sponsor: V.S.Moss

 1/31/2017 House Member(s) request name added as sponsor: Martin, Spires, Funderburk, D.C.Moss

 2/1/2017 House Member(s) request name added as sponsor: Brown, Whipper, Cobb‑Hunter

 2/2/2017 House Member(s) request name added as sponsor: Felder, Bernstein

 2/7/2017 House Member(s) request name added as sponsor: J.E.Smith, Clemmons

 2/9/2017 House Member(s) request name added as sponsor: Clyburn

 2/14/2017 House Member(s) request name added as sponsor: Daning

 2/14/2017 House Committee report: Majority favorable with amend., minority unfavorable **Ways and Means** ([House Journal‑page 30](file:///h%3A%5Chj%5C20170214.docx))

 2/15/2017 House Member(s) request name added as sponsor: Cogswell

 2/21/2017 House Member(s) request name added as sponsor: Davis, B.Newton, Anthony, Crosby, S.Rivers, Thigpen, Hosey, Murphy

 2/22/2017 House Member(s) request name added as sponsor: Hardee, Weeks

 2/23/2017 House Member(s) request name added as sponsor: King

 2/23/2017 House Debate adjourned until Tues., 2‑28‑17 ([House Journal‑page 12](file:///h%3A%5Chj%5C20170223.docx))

 2/28/2017 House Member(s) request name added as sponsor: Sottile

 2/28/2017 House Debate adjourned until Wed., 3‑1‑17 ([House Journal‑page 13](file:///h%3A%5Chj%5C20170228.docx))

 3/1/2017 House Member(s) request name added as sponsor: Anderson

 3/1/2017 House Amended ([House Journal‑page 15](file:///h%3A%5Chj%5C20170301.docx))

 3/1/2017 House Read second time ([House Journal‑page 15](file:///h%3A%5Chj%5C20170301.docx))

 3/1/2017 House Roll call Yeas‑97 Nays‑18 ([House Journal‑page 68](file:///h%3A%5Chj%5C20170301.docx))

 3/2/2017 House Read third time and sent to Senate ([House Journal‑page 20](file:///h%3A%5Chj%5C20170302.docx))

 3/2/2017 Senate Introduced and read first time ([Senate Journal‑page 9](file:///h%3A%5Csj%5C20170302.docx))

 3/2/2017 Senate Referred to Committee on **Finance** ([Senate Journal‑page 9](file:///h%3A%5Csj%5C20170302.docx))

 3/2/2017 Scrivener's error corrected

 3/7/2017 Scrivener's error corrected

 3/15/2017 Senate Committee report: Favorable with amendment **Finance** ([Senate Journal‑page 10](file:///h%3A%5Csj%5C20170315.docx))

 3/16/2017 Scrivener's error corrected

 3/29/2017 Senate Motion For Special Order Failed ([Senate Journal‑page 58](file:///h%3A%5Csj%5C20170329.docx))

 3/29/2017 Senate Roll call Ayes‑23 Nays‑18 ([Senate Journal‑page 58](file:///h%3A%5Csj%5C20170329.docx))

 4/6/2017 Senate Debate interrupted ([Senate Journal‑page 136](file:///h%3A%5Csj%5C20170406.docx))

 4/18/2017 Senate Debate interrupted ([Senate Journal‑page 31](file:///h%3A%5Csj%5C20170418.docx))

 4/19/2017 Senate Committee Amendment Adopted ([Senate Journal‑page 18](file:///h%3A%5Csj%5C20170419.docx))

 4/19/2017 Senate Roll call Ayes‑21 Nays‑17 ([Senate Journal‑page 18](file:///h%3A%5Csj%5C20170419.docx))

 4/19/2017 Senate Debate interrupted ([Senate Journal‑page 18](file:///h%3A%5Csj%5C20170419.docx))

 4/20/2017 Senate Debate interrupted ([Senate Journal‑page 25](file:///h%3A%5Csj%5C20170420.docx))

 4/25/2017 Senate Amended ([Senate Journal‑page 34](file:///h%3A%5Csj%5C20170425.docx))

 4/25/2017 Senate Debate interrupted ([Senate Journal‑page 34](file:///h%3A%5Csj%5C20170425.docx))

 4/26/2017 Senate Amended ([Senate Journal‑page 11](file:///h%3A%5Csj%5C20170426.docx))

 4/26/2017 Senate Read second time ([Senate Journal‑page 11](file:///h%3A%5Csj%5C20170426.docx))

 4/27/2017 Senate Read third time and returned to House with amendments ([Senate Journal‑page 45](file:///h%3A%5Csj%5C20170427.docx))

 4/27/2017 Senate Roll call Ayes‑30 Nays‑9 ([Senate Journal‑page 45](file:///h%3A%5Csj%5C20170427.docx))

 5/3/2017 House Non‑concurrence in Senate amendment ([House Journal‑page 29](file:///h%3A%5Chj%5C20170503.docx))

 5/3/2017 House Roll call Yeas‑7 Nays‑107 ([House Journal‑page 31](file:///h%3A%5Chj%5C20170503.docx))

 5/3/2017 Senate Senate insists upon amendment and conference committee appointed Campbell, Sheheen, Turner ([Senate Journal‑page 21](file:///h%3A%5Csj%5C20170503.docx))

 5/3/2017 House Conference committee appointed Simrill, Rutherford, White ([House Journal‑page 37](file:///h%3A%5Chj%5C20170503.docx))

 5/8/2017 Senate Free conference powers granted ([Senate Journal‑page 49](file:///h%3A%5Csj%5C20170508.docx))

 5/8/2017 Senate Roll call Ayes‑32 Nays‑11 ([Senate Journal‑page 49](file:///h%3A%5Csj%5C20170508.docx))

 5/8/2017 Senate Free conference committee appointed Sheheen, Campbell, Turner ([Senate Journal‑page 49](file:///h%3A%5Csj%5C20170508.docx))

 5/8/2017 Senate Free conference report adopted ([Senate Journal‑page 55](file:///h%3A%5Csj%5C20170508.docx))

 5/8/2017 Senate Roll call Ayes‑32 Nays‑12 ([Senate Journal‑page 55](file:///h%3A%5Csj%5C20170508.docx))

 5/9/2017 House Free conference powers granted ([House Journal‑page 10](file:///h%3A%5Chj%5C20170509.docx))

 5/9/2017 House Roll call Yeas‑102 Nays‑16 ([House Journal‑page 14](file:///h%3A%5Chj%5C20170509.docx))

 5/9/2017 House Free conference committee appointed Simrill, Rutherford, White ([House Journal‑page 15](file:///h%3A%5Chj%5C20170509.docx))

 5/9/2017 House Free conference report adopted ([House Journal‑page 15](file:///h%3A%5Chj%5C20170509.docx))

 5/9/2017 House Roll call Yeas‑99 Nays‑20 ([House Journal‑page 52](file:///h%3A%5Chj%5C20170509.docx))

 5/9/2017 House Ordered enrolled for ratification ([House Journal‑page 57](file:///h%3A%5Chj%5C20170509.docx))

 5/9/2017 Ratified R 51

 5/9/2017 Vetoed by Governor

 5/10/2017 House Veto overridden by originating body Yeas‑95 Nays‑18

 5/10/2017 Senate Veto overridden Ayes‑32 Nays‑12 ([Senate Journal‑page 44](file:///h%3A%5Csj%5C20170510.docx))

 5/19/2017 Effective date See Act

 5/25/2017 Act No. 40

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=3516&session=122&summary=B) at the website

**VERSIONS OF THIS BILL**

[1/18/2017](file:///p%3A%5Cpprever%5C2017-18%5C3516_20170118.docx)

[2/14/2017](file:///p%3A%5Cpprever%5C2017-18%5C3516_20170214.docx)

[3/1/2017](file:///p%3A%5Cpprever%5C2017-18%5C3516_20170301.docx)

[3/2/2017](file:///p%3A%5Cpprever%5C2017-18%5C3516_20170302.docx)

[3/7/2017](file:///p%3A%5Cpprever%5C2017-18%5C3516_20170307.docx)

[3/15/2017](file:///p%3A%5Cpprever%5C2017-18%5C3516_20170315.docx)

[3/16/2017](file:///p%3A%5Cpprever%5C2017-18%5C3516_20170316.docx)

[4/19/2017](file:///p%3A%5Cpprever%5C2017-18%5C3516_20170419.docx)

[4/25/2017](file:///p%3A%5Cpprever%5C2017-18%5C3516_20170425.docx)

[4/26/2017](file:///p%3A%5Cpprever%5C2017-18%5C3516_20170426.docx)

[5/9/2017](file:///p%3A%5Cpprever%5C2017-18%5C3516_20170509.docx)

(A40, R51, H3516)

**AN ACT TO AMEND SECTION 57‑11‑20, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DEPOSIT OF FUNDS WITH THE DEPARTMENT OF TRANSPORTATION, SO AS TO CREATE THE INFRASTRUCTURE MAINTENANCE TRUST FUND; TO AMEND SECTION 12‑28‑310, RELATING TO THE MOTOR FUEL USER FEE, SO AS TO PHASE-IN AN INCREASE OF TWELVE CENTS ON THE FEE OVER SIX YEARS; TO AMEND SECTIONS 56‑11‑410 AND 56‑11‑450, BOTH RELATING TO THE ROAD TAX, SO AS TO INCREASE THE ROAD TAX IN THE SAME MANNER AS THE MOTOR FUEL USER FEE; TO AMEND SECTION 56‑3‑620, AS AMENDED, RELATING TO THE BIENNIAL REGISTRATION OF A MOTOR VEHICLE, SO AS TO INCREASE THE FEE FOR THE REGISTRATION; BY ADDING SECTION 56‑3‑627 SO AS TO REQUIRE THE PAYMENT OF AN INFRASTRUCTURE MAINTENANCE FEE UPON FIRST REGISTERING ANY VEHICLE AND CERTAIN OTHER ITEMS IN THIS STATE AND TO SPECIFY THE MANNER IN WHICH THE FEE IS CALCULATED, CREDITED, AND ADMINISTERED; BY ADDING SECTION 56‑3‑645 SO AS TO IMPOSE A ROAD USE FEE ON CERTAIN MOTOR VEHICLES THAT OPERATE ON FUEL THAT IS NOT SUBJECT TO THE MOTOR FUEL USER FEE; TO AMEND SECTION 12‑36‑2110, RELATING TO THE MAXIMUM SALES TAX, SO AS TO INCREASE THE MAXIMUM TAX ON CERTAIN ITEMS; TO AMEND SECTION 12‑36‑2120, AS AMENDED, RELATING TO EXEMPTIONS FROM THE STATE SALES TAX, SO AS TO EXEMPT ANY ITEM SUBJECT TO THE INFRASTRUCTURE MAINTENANCE FEE; TO AMEND SECTION 12‑36‑1710, RELATING TO THE CASUAL EXCISE TAX, SO AS TO PROVIDE THAT MOTOR VEHICLES AND MOTORCYCLES ARE NOT SUBJECT TO THE TAX; TO REPEAL SECTION 12‑36‑2647 RELATING TO THE CREDITING OF CERTAIN MOTOR VEHICLE TAX REVENUES; 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, 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, AS AMENDED, RELATING TO THE TAX YEAR FOR MOTOR VEHICLES, SO AS TO MAKE CONFORMING CHANGES; TO AMEND SECTION 12‑37‑2650, RELATING TO THE ISSUANCE OF TAX NOTICES, SO AS TO MAKE CONFORMING CHANGES; TO AMEND SECTION 12‑28‑2355, RELATING TO INSPECTION FEE REVENUES, SO AS TO DELETE A PROVISION THAT CREDITED THE DEPARTMENT OF AGRICULTURE WITH TEN PERCENT OF THE REVENUES; TO REPEAL SECTION 12‑28‑530 RELATING TO THE MOTOR FUEL USER FEE ON FUEL INVENTORY; TO AMEND SECTION 12‑28‑2740, RELATING TO THE DISTRIBUTION OF THE MOTOR FUEL USER FEE TO COUNTIES, SO AS TO ALLOW FOR CERTAIN ADDITIONAL ALLOCATIONS, AND TO DISTRIBUTE ADDITIONAL REVENUES TO EACH COUNTY; BY ADDING SECTION 57‑1‑380 SO AS TO REQUIRE THE DEPARTMENT OF TRANSPORTATION TO PREPARE A TRANSPORTATION ASSET MANAGEMENT PLAN FOR THE STATE HIGHWAY SYSTEM; TO AMEND SECTION 11‑43‑167, RELATING TO FEES AND FINES CREDITED TO THE STATE HIGHWAY FUND, SO AS TO ALLOW THE DEPARTMENT OF TRANSPORTATION TO REDUCE CERTAIN AMOUNTS TRANSFERRED TO THE STATE‑FUNDED RESURFACING PROGRAM; TO REPEAL SECTION 11‑43‑165 RELATING TO A TRANSFER OF FUNDS TO THE SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK; BY ADDING SECTION 12‑6‑3780 SO AS TO ALLOW FOR A REFUNDABLE INCOME TAX CREDIT FOR CERTAIN PREVENTATIVE MAINTENANCE ON A PRIVATE PASSENGER MOTOR VEHICLE, AND TO SPECIFY THE MANNER IN WHICH THE CREDIT IS CALCULATED AND OFFSET; BY ADDING SECTION 11‑11‑240 SO AS TO CREATE THE SAFETY MAINTENANCE ACCOUNT TO OFFSET THE AMOUNT OF THE PREVENTATIVE MAINTENANCE CREDIT; BY ADDING SECTION 12‑6‑3632 SO AS TO PHASE‑IN A CREDIT EQUAL TO ONE HUNDRED TWENTY‑FIVE PERCENT OF ANY EARNED INCOME TAX CREDIT ALLOWED; TO AMEND SECTION 12‑6‑3330, RELATING TO THE TWO‑WAGE EARNER CREDIT, SO AS TO PHASE‑IN AN INCREASE IN THE MULTIPLIER THAT DETERMINES THE MAXIMUM CREDIT AMOUNT; TO AMEND SECTION 12‑6‑3385, RELATING TO THE INCOME TAX CREDIT FOR TUITION, SO AS TO INCREASE THE AMOUNT OF THE CREDIT FOR BOTH FOUR‑YEAR INSTITUTIONS AND TWO‑YEAR INSTITUTIONS; TO AMEND SECTION 12‑37‑220, AS AMENDED, RELATING TO EXEMPTIONS FROM PROPERTY TAX, SO AS TO PHASE-IN AN EXEMPTION OF A PERCENTAGE OF MANUFACTURING PROPERTY; TO REPEAL SECTION 57‑1‑460 RELATING TO THE DEPARTMENT OF TRANSPORTATION SECRETARY’S EVALUATION AND APPROVAL OF ROUTINE OPERATION, MAINTENANCE, AND EMERGENCY REPAIRS; TO REPEAL SECTION 57‑1‑470 RELATING TO THE DEPARTMENT OF TRANSPORTATION COMMISSION’S REVIEW OF ROUTINE MAINTENANCE AND EMERGENCY REPAIR REQUESTS APPROVED BY THE SECRETARY; TO AMEND SECTION 57‑1‑310, AS AMENDED, RELATING TO THE COMMISSION OF THE DEPARTMENT OF TRANSPORTATION, SO AS TO ADD AN AT‑LARGE MEMBER AND TO SPECIFY THE MANNER IN WHICH THE MEMBERS ARE APPROVED; TO AMEND SECTION 57‑1‑325, AS AMENDED, RELATING TO THE SUBMISSION OF TRANSPORTATION DISTRICT APPOINTMENTS, SO AS TO SPECIFY THE MANNER IN WHICH THE LEGISLATIVE DELEGATION MAY APPROVE THE APPOINTEE; TO AMEND SECTION 57‑1‑340, AS AMENDED, RELATING TO THE OATH OF OFFICE FOR A COMMISSION MEMBER, SO AS TO MAKE A CONFORMING CHANGE; TO REPEAL ARTICLE 7, CHAPTER 1, TITLE 57 RELATING TO THE JOINT TRANSPORTATION REVIEW COMMITTEE; TO AMEND SECTION 57‑1‑350, AS AMENDED, RELATING TO THE RULES AND PROCEDURES OF THE COMMISSION OF THE DEPARTMENT OF TRANSPORTATION, SO AS TO REQUIRE A MINIMUM OF SIX REGULAR MEETINGS ANNUALLY, TO PROHIBIT A MEMBER FROM BEING INVOLVED IN THE DAY‑TO‑DAY OPERATIONS OF THE DEPARTMENT, AND TO PROHIBIT A MEMBER FROM HAVING AN INTEREST IN A GRANT OR AWARD OF THE DEPARTMENT; TO AMEND SECTION 57‑1‑360, AS AMENDED, RELATING TO THE CHIEF INTERNAL AUDITOR OF THE DEPARTMENT OF TRANSPORTATION, SO AS TO REQUIRE ALL FINAL AUDIT REPORTS BE PUBLISHED ON THE WEBSITE MAINTAINED BY THE DEPARTMENT AND THE STATE AUDITOR; TO AMEND SECTION 57‑1‑430, AS AMENDED, RELATING TO THE SECRETARY OF THE DEPARTMENT OF TRANSPORTATION, SO AS TO REQUIRE THE SECRETARY TO PREPARE AND PUBLISH CERTAIN ANNUAL REPORTS; AND TO AMEND SECTION 57‑1‑330, AS AMENDED, RELATING TO THE TERMS OF OFFICE FOR MEMBERS OF THE COMMISSION OF THE DEPARTMENT OF TRANSPORTATION, SO AS TO MAKE A CONFORMING CHANGE.**

Whereas, this act is a comprehensive approach to address the effect that the deteriorating transportation infrastructure system has on our State and its residents, tourists, and economy; and

Whereas, our transportation infrastructure system has begun to deteriorate, causing safety and economic problems. It is time to focus the resources of our State in an efficient, effective manner to stop that deterioration and to set our State on the path toward building a first‑class road network that is the envy of the nation; and

Whereas, this act will provide the Department of Transportation with the resources it needs to effectively and immediately address the highway, road, and bridge maintenance and construction needs and to enable the department to provide safe and high‑quality infrastructure for the decades ahead; and

Whereas, the hazardous road conditions found throughout our State endanger residents and visitors alike. This act recognizes that safety is a paramount concern to drivers traversing the State and must also be a priority when the Department of Transportation identifies projects to undertake; and

Whereas, this act makes necessary reforms to the Department of Transportation’s operational footprint to provide a more effective, efficient delivery of services free from conflicts of interest that undermine the public’s confidence that the taxes that they pay are being applied in a fair, even‑handed manner across the State; and

Whereas, the revenue generated by this act will provide the Department of Transportation with additional resources, but it will also place an additional financial burden on the state’s taxpayers. This act strikes an appropriate balance between the needs of our transportation infrastructure and the needs of the taxpayers by providing targeted tax relief that will stimulate economic growth, which, in turn, will generate revenue growth from the sales of motor vehicles, from the sale of fuel for motor vehicles, and from other provisions contained in this act; and

Whereas, this act allocates to the Department of Transportation adequate resources to build and maintain a safe highway system for the residents of our State while preserving for taxpayers the means to engage in commerce and other daily activities that provide the Department of Transportation with those resources. Now, therefore,

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

**Infrastructure Maintenance Trust Fund**

SECTION 1. Section 57‑11‑20(A) of the 1976 Code, as last amended by Act 176 of 2005, is further amended to read:

 “(A)(1) All state revenues and state monies dedicated by statute to the operation of the department must be deposited into either the ‘State Highway Fund’, the ‘State Non‑Federal Aid Highway Fund’, or the ‘Infrastructure Maintenance Trust Fund’. All funds must be held and managed by the State Treasurer separate and distinct from the general fund, except as to monies utilized by the State Treasurer for the payment of principal or interest on state highway bonds as provided by law. Interest income from the State Highway Fund must be deposited to the credit of the State Highway Fund. Interest income from the Non‑Federal Aid Highway Fund must be deposited to the credit of the Non‑Federal Aid Highway Fund. Interest income from the Infrastructure Maintenance Trust Fund must be deposited to the credit of the Infrastructure Maintenance Trust Fund. The commission may commit up to the maximum annual debt service provided in Section 13, Article X, of the South Carolina Constitution, 1895, into a special fund to be used for the sole purpose of paying the principal and interest, as it comes due, on bonds issued for the construction or maintenance of state highways, or both. This special account will be designated as the State Highway Construction Debt Service Fund.

 (2) The Infrastructure Maintenance Trust Fund must be used exclusively for the repairs, maintenance, and improvements to the existing transportation system.”

**Motor fuel user fee increase**

SECTION 2. Section 12‑28‑310 of the 1976 Code is amended by adding a subsection at the end to read:

 “(D) On July 1, 2017, and each July first thereafter until after July 1, 2022, the department shall permanently increase the amount of the user fee imposed pursuant to subsection (A) by two cents, for a total of twelve cents. All of the funds raised by the increase in the motor fuel user fee imposed by this subsection must be credited to the Infrastructure Maintenance Trust Fund.”

**Road tax increase**

SECTION 3. A. Section 56‑11‑410 of the 1976 Code is amended to read:

 “Section 56‑11‑410. (A) 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 the user fee imposed pursuant to Section 12‑28‑310, 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.

 (B) Notwithstanding any other provision of law, all of the road tax funds collected in excess of sixteen cents a gallon after accounting for the credit provided in Section 56‑11‑450, must be credited to the Infrastructure Maintenance Trust Fund.”

B. Section 56‑11‑450(A) of the 1976 Code is amended to read:

 “(A) Every motor carrier subject to the tax imposed under this chapter is entitled to a credit on the tax equivalent to the user fee imposed pursuant to Section 12‑28‑310 on all gasoline or other motor fuel purchased by the carrier within this State for use in operations either within or without this State and upon which gasoline or other motor fuel the tax imposed by the laws of this State has been paid by the carrier. Evidence of the payment of the tax in such form as may be required by or is satisfactory to the Department of Motor Vehicles must be furnished by each carrier claiming the credit.”

**Registration fee increase**

SECTION 4. A. Section 56‑3‑620 of the 1976 Code, as last amended by Act 353 of 2008, is further 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 thirty‑six dollars.

 (B) For persons under the age of sixty‑five years the biennial registration fee for every private passenger motor vehicle, excluding trucks, is forty 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 forty‑six dollars.

 (D) For persons who are sixty‑four years of age, the biennial registration fee for a private passenger motor vehicle, excluding trucks, is thirty‑eight 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, sixteen dollars must be credited to the Infrastructure Maintenance Trust Fund.”

B. This SECTION takes effect January 1, 2018.

**Infrastructure maintenance fee**

SECTION 5. A. Article 5, Chapter 3, Title 56 of the 1976 Code is amended by adding:

 “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 registering the vehicle or other item. Also, the owner of each trailer or semitrailer must pay the fee upon first registering the trailer or semitrailer. The Department of Motor Vehicles may not issue a 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 register the item, then the dealer must collect the fee and remit it to the Department of Motor Vehicles.

 (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.

 (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 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.

 (E)(1)(a) The Department of Motor Vehicles shall transfer eighty percent of every fee collected on motor vehicles pursuant to subsections (B) and (C), but not to exceed two hundred forty dollars, to the Department of Transportation to be allocated to the state‑funded resurfacing program. The Department of Transportation shall develop and implement a needs‑based methodology to distribute revenue within the state‑funded resurfacing program, which shall include consideration of pavement condition on a county‑by‑county basis, to ensure that each county in the State is guaranteed funding for resurfacing.

 (b) The Department of Motor Vehicles shall transfer twenty percent of every fee collected on motor vehicles pursuant to subsections (B) and (C), but not to exceed sixty dollars, to the South Carolina Education Improvement Act of 1984 Fund.

 (2) The Department of Transportation shall reduce the allocation to the state‑funded resurfacing program required in item (1) in proportion to the amounts transferred to the South Carolina Transportation Infrastructure Bank pursuant to subsection (F) and in proportion to the amounts required by the Department of Transportation to fund repairs, maintenance, and improvements to the existing transportation system.

 (F)(1) The Department of Transportation shall identify bridge and road projects to be financed utilizing nontax revenue transferred to the bank by the Department of Transportation in an amount equal to the financing requirements related to projects selected pursuant to this section, provided that:

 (a) Fifty million dollars in revenue utilized by the bank shall be used to finance bridge replacement, rehabilitation projects, and expansion and improvements on existing roads in the State Highway System.

 (b) Funds in excess of fifty million dollars utilized by the bank shall be used to finance expansion and improvements to existing mainline interstates.

 (2) Funds transferred to the bank pursuant to this section may not be used to finance projects approved by the bank before July 1, 2013. The bank shall submit all projects proposed to be financed pursuant to subsection (B) to the Joint Bond Review Committee as provided in Section 11‑43‑180, before approving a project for financing.

 (3) Following consideration by the Joint Bond Review Committee, the bank shall approve the projects to be financed. Upon approval, the bank shall provide the Department of Transportation with written notice that identifies each project selected, the amount of nontax revenue that must be transferred to the bank for financing each project, a schedule for the transfers, and any other information necessary to carrying out the financing of each project.

 (4) Upon receipt of the notice provided in item (3), the Department of Transportation shall transfer nontax revenue to the bank in the amounts and upon the schedule provided in the notice. The department shall take any other action identified in the notice that is necessary for financing each project.

 (5) Projects financed utilizing funds transferred pursuant to this subsection shall not require a local match.

 (G) The Secretary of Transportation shall apply funds supplanted by the operation of this section to prioritized bridge and resurfacing needs.

 (H) Notwithstanding any other provision of this section, any transaction exempt pursuant to Section 12‑36‑2120(25), is also exempt from the infrastructure maintenance fee.”

B. This SECTION takes effect on July 1, 2017.

**Road use fee**

SECTION 6. A. 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, the owner of 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 use 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 is not subject to motor fuel user fees imposed by Chapter 28, Title 12 shall pay a biennial road use fee of sixty dollars.

 (B) All of the fees collected pursuant to this section must be credited to the Infrastructure Maintenance Trust Fund.

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

B. This SECTION takes effect January 1, 2018.

**Maximum tax increase, sales tax exemption, revenues**

SECTION 7. A. Section 12‑36‑2110(A) of the 1976 Code is amended to read:

 “(A)(1) 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:

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

 (b) motor vehicle;

 (c) motorcycle;

 (d) boat;

 (e) 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;

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

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

 (2) In the case of a lease, the total tax rate required by this section 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.

 (3) Notwithstanding any other provision of this subsection, after June 30, 2017, the maximum tax imposed pursuant to this chapter on the sale, lease, or registration of an item enumerated in item (1) only applies to items not subject to the fee pursuant to Section 56‑3‑627.

 (4) Notwithstanding any other provision of this subsection, after June 30, 2017, the maximum tax imposed pursuant to this chapter on the sale, lease, or registration of an item enumerated in item (1) is increased from three hundred dollars to five hundred dollars, mutatis mutandis. Notwithstanding Section 59‑21‑1010, or any other provision of law, any revenue resulting from the increase contained in this item must be credited to the Infrastructure Maintenance Trust Fund.

 (5) Notwithstanding any other provision of law, revenues resulting from the maximum tax imposed pursuant to this chapter on the sale, lease, or registration of an item enumerated in item (1) which would be subject to the fee set forth in Section 56‑3‑627 but for the state in which it is registered, must be collected by and remitted to the Department of Motor Vehicles. Upon collection, the Department of Motor Vehicles must transfer all the revenues to the Infrastructure Maintenance Trust Fund.”

B. Section 12‑36‑2120 of the 1976 Code, as last amended by Act 256 of 2016, is further amended by adding an appropriately numbered item to read:

 “( ) any item subject to the fee set forth in Section 56‑3‑627.”

C. Section 12‑36‑1710(A) through (D) of the 1976 Code is amended to read:

 “(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 boat, motor, or airplane, required to be registered, titled, or licensed. The tax is five percent of the fair market value of the airplane, boat, and motor.

 (B) Excluded from the tax are:

 (1) 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 boat, motor, or airplane, transferred to the seller or secured party in partial payment;

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

 (4) 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 boat, motor, or airplane agreed upon by the buyer and seller with an allowance for a trade‑in, if applicable.”

D. Section 12‑36‑2647 of the 1976 Code is repealed.

E. The Code Commissioner is directed to change or correct all references to the sales tax on vehicles and other such items to reflect the provisions of Section 56‑3‑627, as added by this act. References to the sales tax on vehicles and other such items in the 1976 Code or other provisions of law are considered to be and must be construed to mean appropriate references.

**Road use fee on certain commercial motor vehicles**

SECTION 8. A. Article 23, 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, 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.

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

 (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.

 (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.

 (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.

 (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 that must be licensed, registered, and pay ad valorem taxes as otherwise provided by law.

 Section 12‑37‑2820. (A) The Department of 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 vehicle or 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. However, for a motor vehicle which is fueled wholly or partially by alternative fuel as defined in Section 12‑28‑110(1), and that was acquired after 2015 but before 2026, the gross capitalized cost is reduced by the differential costs of a comparable diesel or gasoline powered vehicle, not to exceed thirty percent of the total acquisition cost of the motor vehicle. This reduction shall apply for the first ten property tax years for which tax is due following the acquisition of the vehicle.

 Section 12‑37‑2830. The value of a motor carrier’s large commercial motor vehicles and buses subject to road use fees in this State must be determined according to the South Carolina apportionment factor for the fleet of which the commercial vehicle is a part.

 Section 12‑37‑2840. A motor carrier registering a large commercial motor vehicle or bus must 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. A person choosing to pay registration fees on a large commercial motor vehicle or bus in quarterly installments pursuant to Section 56‑3‑660 also must pay the road use fee on the vehicle in the same quarterly installments.

 Section 12‑37‑2850. Beginning on January 1, 2019, the Department of Motor Vehicles shall assess annually the 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 July first of each year. The Department of Revenue, in consultation with the Revenue and Fiscal Affairs Office, 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 road use fee assessed must be paid to the Department of Motor Vehicles, in addition to the registration fees required pursuant to Sections 56‑3‑660 and 56‑3‑670, at the time and in the manner that the registration fees on the vehicle are paid pursuant to Sections 56‑3‑660 and 56‑3‑670. Distribution of the fees paid must be made by the Office of the State Treasurer based on the distribution formula provided in 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 any property tax and the registration requirements 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 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.

 (D) Twelve dollars of the one‑time fee must be distributed to the Department of Motor Vehicles and may be retained by the Department of 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 provided in 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.

 (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 are equal to or exceed 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. Seventy‑five percent of the revenues from the road use fee assessed pursuant to Section 12‑37‑2850, and the one‑time fee assessed pursuant to Section 12‑37‑2860 must be distributed by the State Treasurer as provided in Section 12‑37‑2870. Distributions must be made by the last day of the next month succeeding the month in which the fee is paid. The remaining twenty‑five percent must be credited to the Infrastructure Maintenance Trust Fund to be used to finance expansion and improvements to existing mainline interstates.

 Section 12‑37‑2870. The distribution of the fee revenues required to be distributed pursuant to Section 12‑37‑2865 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 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 road use fee imposed by this article is in lieu of all ad valorem taxes upon large commercial motor vehicles or buses, and any road use or other vehicle‑related fees imposed by a political subdivision of this State if registered for use in this State under the International Registration Plan.”

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:

 (1) 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.

 (2) 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.

 (3) 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 commonly used in combination with a large commercial motor vehicle, as defined in Section 12‑37‑2810, for which trailer or semitrailer the 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(A) of the 1976 Code is amended to read:

 “Section 56‑3‑660. (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 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 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. A proportionate fee may not 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.”

F. Section 56‑3‑660 of the 1976 Code is amended by adding an appropriately lettered subsection 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.”

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

 “(E) The department may register 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 four hundred dollars. The department may require any information necessary to complete the transaction.”

H. Section 58‑23‑620 of the 1976 Code is amended to read:

 “Section 58‑23‑620. (A) A municipality or county in this State may not impose a license fee or license tax upon a holder of a certificate A or a certificate B, and a municipality or county 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 municipality of the carrier’s residence or the location of 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.”

I. 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.”

J. Section 12‑37‑2610 of the 1976 Code, as last amended by Act 87 of 2015, is further 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 registration required by Section 56‑3‑110 is issued and ends on the last day of the month in which the registration expires or is due to expire. A registration may not be issued for motor vehicles until the ad valorem tax is paid for the year for which the registration is to be issued. 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 the transfer of motor vehicle registrations as specified in Section 12‑37‑2675 or to sales of motor vehicles by a licensed motor vehicle dealer. Notice of the sales must be furnished to the Department of Motor Vehicles by the dealer, along with other documents necessary for the registration and licensing of the vehicle concerned. The notice must be received by the Department of Motor Vehicles 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.”

K. The first paragraph of Section 12‑37‑2650 of the 1976 Code 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. A registration may not 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. 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.”

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, must register his vehicle during calendar year 2019 and is required to pay the road fees calculated based on the fair market value of the vehicle as specified in Sections 12‑37‑2820 and 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 2019, the first four hundred thousand dollars of fee revenue collected pursuant to Section 12‑37‑2865 must 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, 2018.

M. This SECTION takes effect January 1, 2019, except that the Department of Revenue, in consultation with the Revenue and Fiscal Affairs Office, shall calculate the millage to be used to calculate the road use fee provided in Section 12‑37‑2850 by July 1, 2018.

**Inspection fee revenues**

SECTION 9. The first paragraph in Section 12‑28‑2355(C), before the first colon, is amended to read:

 “(C) Notwithstanding any other provision of law, the fees collected pursuant to subsection (A) must be credited to the Department of Transportation State Non‑Federal Aid Highway Fund as provided in the following schedule:”

**Repeal**

SECTION 10. Section 12‑28‑530 of the 1976 Code is repealed.

**Additional allocation for certain counties**

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

 “(H)(1) For purposes of this subsection, ‘donor county’ means a county that contributes to the ‘C’ fund an amount in excess of what it receives under the allocation formula as stated in subsection (A). In addition to the allocation to the counties pursuant to subsection (A), the Department of Transportation annually shall transfer to the donor counties an amount equal to seventeen million dollars in the ratio of the individual donor county’s contribution in excess of ‘C’ fund revenue allocated to the county under subsection (A) to the total excess contributions of all donor counties.

 (2) A county is eligible for an additional allocation from the Department of Transportation if the county contributed to the ‘C’ fund an amount in excess of what it receives under the allocation formula as stated in subsection (A) plus what it receives under item (1). The Department of Transportation annually shall transfer to the eligible counties an amount up to three and one‑half million dollars in the ratio of the individual eligible county’s contribution to the ‘C’ fund in excess of the eligible county’s total allocations under subsection (A) and item (1) to the total excess contributions of all eligible counties remaining after all allocations under subsection (A) and item (1) have been made. Under no circumstances can an allocation under this item result in an eligible county receiving total allocations in excess of what the county contributed to the ‘C’ fund.”

**Transportation Asset Management Plan**

SECTION 12. Article 3, Chapter 1, Title 57 of the 1976 Code is amended by adding:

 “Section 57‑1‑380. The Department shall prepare a Transportation Asset Management Plan which includes objectives and performance measures for the preservation and improvement of the State Highway System. In addition, the Transportation Asset Management Plan shall include objectives, performance measures and innovative approaches to address high‑risk rural roads that are functionally classified as a rural Primary or Federal Aid Secondary Roads. High‑risk rural roads shall include roads in which the accidents resulting in fatalities and incapacitating injuries exceeds the statewide average, including roadway departures, for those functional classes of roadway. The Transportation Asset Management Plan shall be approved by the commission and is to establish fiscally constrained performance goals, including fifty million dollars for high‑risk rural roads, for transportation infrastructure assets such as pavements and bridges. The Department shall provide an annual update on achieving the Transportation Asset Management Plan performance goals to the General Assembly as well as publishing the results for the public to view.”

**Additional** “**C**” **funds**

SECTION 13. Section 12‑28‑2740 of the 1976 Code is further amended by adding an appropriately lettered subsection at the end to read:

 “( ) Notwithstanding the provisions of subsection (A), on July 1, 2018, and each July first thereafter until after July 1, 2021, the amount of proceeds of the user fee on gasoline only as levied for in this chapter that must be deposited with the State Treasurer and expended for the purposes of this section must be increased by .3325 cents a gallon, until such time as the total amount equals three and ninety‑nine one‑hundredths cents a gallon. Any increase in proceeds resulting from the provisions of this subsection must be used exclusively for repairs, maintenance, and improvements to the state highway system.”

**State‑funded resurfacing program, elimination of transfer**

SECTION 14. A. Section11‑43‑167(B)(2) of the 1976 Code is amended to read:

 “(2) The Department of Transportation shall reduce the allocation to the state‑funded resurfacing program required in item (1) in proportion to the amounts transferred to the South Carolina Transportation Infrastructure Bank pursuant to subsection (C) and in proportion to the amounts required by the Department of Transportation to fund repairs, maintenance, and improvements to the existing transportation system.”

B.1. Section 11‑43‑165 of the 1976 Code is repealed.

2. This subsection 14.B.1. takes effect upon approval by the Governor and first applies to Fiscal Year 2018‑2019.

**Credit for preventative maintenance, Safety Maintenance Account**

SECTION 15. A. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

 “Section 12‑6‑3780. (A)(1) A resident taxpayer is allowed a refundable income tax credit for preventative maintenance on a private passenger motor vehicle as defined in Section 56‑3‑630, including motorcycles, registered in this State during the appropriate year, subject to other limitations contained in this section. The total amount of the credit may not exceed the lesser of: (i) the resident taxpayer’s actual motor fuel user fee increase incurred for that motor vehicle as a result of increases in the motor fuel user fee pursuant to Section 12‑28‑310(D) or (ii) the amount the resident taxpayer expends on preventative maintenance. The resident taxpayer shall claim the credit allowed by this section on the resident taxpayer’s income tax return in a manner prescribed by the department. The department may require any documentation it deems necessary to implement the provisions of this section. Notwithstanding any other provision of this section, a resident taxpayer may claim the credit for up to two private passenger motor vehicles, with the credit being calculated separately for each vehicle. For the purposes of this section, ‘preventative maintenance’ includes costs incurred within this State for new tires, oil changes, regular vehicle maintenance, and the like. In addition, ‘motor fuel expenditures’ are purchases of motor fuel within this State to which the motor fuel user fee imposed pursuant to Section 12‑28‑310(D) applies.

 (2) Notwithstanding any other provision of this section:

 (a) For tax year 2018, the credit allowed by this section may not exceed forty million dollars for all taxpayers.

 (b) For tax year 2019, the credit allowed by this section may not exceed sixty‑five million dollars for all taxpayers.

 (c) For tax year 2020, the credit allowed by this section may not exceed eighty‑five million dollars for all taxpayers.

 (d) For tax year 2021, the credit allowed by this section may not exceed one hundred ten million dollars for all taxpayers.

 (e) For all tax years after 2021, the credit allowed by this section may not exceed one hundred fourteen million dollars for all taxpayers.

 On or before September 30, 2018, and by September thirtieth of each year thereafter, the Revenue and Fiscal Affairs Office shall estimate the number of taxpayers expected to claim the credit for the current tax year and the total amount expected to be claimed. In the event that the Revenue and Fiscal Affairs Office estimates that the total amount of credits claimed will exceed the maximum amount of aggregate credit allowed pursuant to this item, the Revenue and Fiscal Affairs Office shall certify to the Department of Revenue a pro rata adjustment to the credit otherwise provided.

 (B)(1) In order to offset the credit allowed by the section, on or before January 31, 2019, and by January thirty‑first of each year thereafter, an amount of funds necessary to entirely offset the estimated credit as certified by the Revenue and Fiscal Affairs Office, must be transferred from the Safety Maintenance Account to the Department of Revenue. If any funds exist in the Safety Maintenance Fund after all the income tax credits are claimed for the year or if any transferred funds still exist after all the income tax credits are claimed for the year, the remainder must be credited to the Infrastructure Maintenance Trust Fund.

 (2) If the transferred funds pursuant to item (1) are not sufficient to completely offset the credit, on or before January 31, 2019, and by January thirty‑first of each year thereafter, the Department of Transportation shall transfer to the Department of Revenue an amount equal to the total amount of credits estimated by the Revenue and Fiscal Affairs Office to be claimed for the applicable tax year minus any amounts transferred pursuant to item (1). If the credit claimed by all taxpayers in a tax year is less than the amounts transferred pursuant to this item, then the excess shall revert back from the Department of Revenue to the Department of Transportation as soon as practicable within the same year that the transfer occurred.

 (C) Unless reauthorized by the General Assembly, the credit allowed by this section may not be claimed for any tax year beginning after 2022.”

B. Article 1, Chapter 11, Title 11 of the 1976 Code is amended by adding:

 “Section 11‑11‑240. (A) There is created in the State Treasury the Safety Maintenance Account. This account is separate and distinct from the general fund of the State and all other funds. Earnings and interest on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year, subject to the provision of Section 12‑6‑3780(C). Notwithstanding Section 56‑3‑627, the account must be credited any funds collected pursuant to Section 56‑3‑627(D). The funds in the account only must be appropriated to offset the costs of the refundable income tax credit allowed pursuant to Section 12‑6‑3780.

 (B) Notwithstanding subsection (A), after December 31, 2022, the Safety Maintenance Account shall no longer be credited funds collected pursuant to Section 56‑3‑627(D). Once the account has expended all its funds on the costs of the credit or are transferred to the Infrastructure Maintenance Trust Fund pursuant to Section 12‑6‑3780(C), this section is repealed.”

C. This SECTION takes effect upon approval by the Governor, and subsection A first applies to tax years beginning after 2017.

**Earned income tax credit**

SECTION 16. A. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

 “Section 12‑6‑3632. There is allowed as a nonrefundable credit against the tax imposed pursuant to Section 12‑6‑510 on a full‑year resident individual taxpayer an amount equal to one hundred twenty‑five percent of the federal earned income tax credit (EITC) allowed the taxpayer pursuant to Internal Revenue Code Section 32.”

B. Notwithstanding Section 12‑6‑3632, as added by this SECTION, the percentage of the federal earned income tax credit, for which the credit allowed by Section 12‑6‑3632 is based, must be phased‑in in six equal installments of twenty and eighty‑three hundredths percent each tax year until it is fully phased‑in in tax year 2023, with the twenty and eighty‑three hundredths percent applying in tax year 2018.

C. This SECTION takes effect upon approval by the Governor and applies to tax years beginning after 2017.

**Two‑wage earner credit**

SECTION 17. A. Section 12‑6‑3330(B)(1) of the 1976 Code is amended to read:

 “(1) fifty thousand dollars; or”

B. Notwithstanding the increased multiplier of fifty thousand dollars in Section 12‑6‑3330(B)(1) as amended in this SECTION, the increase must be phased‑in in six equal installments of three thousand three hundred thirty‑three dollars each tax year until it is fully phased‑in in tax year 2023, with the first increase occurring in tax year 2018.

C. This SECTION takes effect upon approval by the Governor and applies to tax years beginning after 2017.

**Tuition credit**

SECTION 18. A. Section 12‑6‑3385(A)(1) of the 1976 Code is amended to read:

 “(A)(1)(a) A student is allowed a refundable individual income tax credit equal to fifty percent, not to exceed one thousand five hundred dollars in the case of both four‑year institutions and two‑year institutions, for tuition paid an institution of higher learning or a designated institution as provided in this section, during a taxable year. The amount of the tax credit claimed up to the limits authorized in this section for any taxable year may not exceed the amount of tuition paid during that taxable year.

 (b) The maximum amount of credits allowed by this section for all taxpayers may not exceed forty million dollars in tax year 2018. For all tax years after 2018, the maximum amount of credits for all taxpayers may not exceed the maximum amount in tax year 2018, plus a cumulative amount equal to the percentage increase in the Higher Education Price Index, not to exceed more than three percent a year. If the total amount of credits claimed in a tax year exceeds the maximum amount, then the amount of each credit must be reduced proportionately.

 (c) Notwithstanding any other provision of this section, the Revenue and Fiscal Affairs Office annually shall estimate a maximum credit that may be permitted under this section for a taxable year based on the number of taxpayers expected to claim the credit and the expected amount claimed. The Revenue and Fiscal Affairs Office shall certify the maximum credit to the Department of Revenue, and for the applicable taxable year, the maximum credit amount must not exceed the lesser of the certified estimate or the maximum amount set forth in subitem (a). If the certified estimate exceeds the maximum amount set forth in subitem (b), then the credit must be reduced by a pro rata amount that the certified estimate exceeds the maximum set forth in subitem (b).

 (d) The Commission on Higher Education, the State Board for Technical and Comprehensive Education, and each public institution of higher learning, as defined in Section 59‑103‑5, must develop a plan to notify each student of the tax credit allowed by this section and shall promote resources that may be available on campus, or in the community, that would assist students in applying for the tax credit as applicable.”

B. This SECTION takes effect upon approval by the Governor and applies to tax years beginning after 2017.

**Manufacturing property tax exemption**

SECTION 19. A. Section 12‑37‑220(B) of the 1976 Code is amended by adding an item at the end to read:

 “(52)(a) 14.2857 percent of the property tax value of manufacturing property assessed for property tax purposes pursuant to Section 12‑43‑220(a)(1). For purposes of this item, if the exemption is applied to real property, then it must be applied to the property tax value as it may be adjusted downward to reflect the limit imposed pursuant to Section 6, Article X of the South Carolina Constitution, 1895;

 (b) The revenue loss resulting from the exemption allowed by this item must be reimbursed and allocated to the political subdivisions of this State, including school districts, in the same manner as the Trust Fund for Tax Relief, not to exceed eighty‑five million dollars per year. In calculating estimated state individual and corporate income tax revenues for a fiscal year, the Board of Economic Advisors shall deduct amounts sufficient to account for the reimbursement required by this item.

 (c) Notwithstanding the exemption allowed by this item, in any year in which reimbursements are projected by the Revenue and Fiscal Affairs Office to exceed the reimbursement cap in subitem (b), the exemption amount shall be proportionally reduced so as not to exceed the reimbursement cap.

 (d) Notwithstanding any other provision of law, property exempted from property taxes in the manner provided in this item is considered taxable property for purposes of bonded indebtedness pursuant to Section 15, Article X of the Constitution of this State.”

B. Notwithstanding the exemption amount allowed pursuant to item (52) added pursuant to subsection A of this SECTION, the percentage exemption amount is phased‑in in six equal and cumulative percentage installments, applicable for property tax years beginning after 2017.

C. This SECTION takes effect upon approval by the Governor and first applies to property tax years beginning after 2017.

**Repeal**

SECTION 20. Section 57‑1‑460 of the 1976 Code, relating to the Department of Transportation Secretary’s evaluation and approval of routine operation, maintenance, and emergency repairs, is repealed.

**Repeal**

SECTION 21. Section 57‑1‑470 of the 1976 Code, relating to the Department of Transportation Commission’s review of routine maintenance and emergency repair requests approved by the Secretary, is repealed.

**Appointment process for Commission of the Department of Transportation**

SECTION 22. A. Section 57‑1‑310(A) and (B) of the 1976 Code, as last amended by Act 275 of 2016, is further amended to read:

 “(A) The congressional districts of this State are constituted and created Department of Transportation Districts of the State, designated by numbers corresponding to the numbers of the respective congressional districts. The Commission of the Department of Transportation shall be composed of:

 (1) one member from each transportation district, all appointed by the Governor, subject to the provisions of Section 57‑1‑325; and

 (2) two members from the State at large, both appointed by the Governor, upon the advice and consent of the General Assembly. Each house must hold a separate confirmation vote.

 In making appointments to the commission, the Governor shall take into account race, gender, and other demographic factors, such as residence in rural or urban areas, so as to represent, to the greatest extent possible, all segments of the population of the State; however, consideration of these factors in making an appointment in no way creates a cause of action or basis for an employee grievance for a person appointed or for a person who fails to be appointed. The members of the commission shall represent the transportation needs of the State as a whole and may not subordinate the needs of the State to those of any particular area of the State.

 (B) The at‑large appointments made by the Governor must be transmitted to the Senate and the House of Representatives for confirmation.”

B. Section 57‑1‑325 of the 1976 Code, as last amended by Act 275 of 2016, is further amended to read:

 “Section 57‑1‑325. (A) The Governor shall submit his transportation district appointees to the Senate and the House of Representatives for referral.

 (B) Upon receipt of a referral, the legislative delegation shall meet to approve or disapprove the Governor’s appointee. The question of whether to approve an appointee may be taken up in a full delegation meeting or it may be taken up separately by the Senators in the legislative delegation and the members of the House of Representatives in the legislative delegation. To approve an appointee, the appointee must receive a majority of the weighted vote of only the senators in the legislative delegation and a majority of the weighted vote of only the members of the House of Representatives in the delegation. The legislative delegation shall report its findings to the Clerk of the House of Representatives, the Clerk of the Senate, and the Governor whether the appointee was approved by the weighted vote of the members of the legislative delegation from both the House of Representatives and the Senate. If the delegation disapproves the appointee, the Governor shall make another appointment. If the legislative delegation fails to approve of the Governor’s appointee within forty‑five days of the appointee’s referral to the delegation, the appointee is deemed to have been disapproved. An appointee must receive a majority of the weighted vote of the members of the legislative delegation from both the House of Representatives and the Senate prior to entering a term of office.

 (C) For the purposes of this article, ‘legislative delegation’ means legislators representing any portion of the congressional district corresponding to the transportation district the appointee was appointed to represent.”

C. Section 57‑1‑340 of the 1976 Code, as last amended by Act 275 of 2016, is further amended to read:

 “Section 57‑1‑340. Each commission member, within thirty days after his appointment and confirmation, or approval by the appropriate legislative delegation, as the case may be, and before entering upon the discharge of the duties of his office, shall take, subscribe, and file with the Secretary of State the oath of office prescribed by the Constitution of the State.”

D. Article 7, Chapter 1, Title 57 of the 1976 Code, relating to the Joint Transportation Review Committee, is repealed.

**Commission of the Department of Transportation**

SECTION 23. Section 57‑1‑350 of the 1976 Code, as last amended by Act 275 of 2016 is further amended to read:

 “Section 57‑1‑350. (A) The commission may adopt an official seal for use on official documents of the department.

 (B) The commission shall elect a chairman and adopt its own rules and procedures and may select such additional officers to serve such terms as the commission may designate.

 (C) Commissioners must be reimbursed for official expenses as provided by law for members of state boards and commissions as established in the annual general appropriations act.

 (D) All commission members are eligible to vote on all matters that come before the commission.

 (E) The commission shall hold a minimum of six regular meetings annually, and other meetings may be called by the chair upon giving at least one week’s notice to all members and the public. Emergency meetings may be held with twenty‑four hours’ notice. Meeting materials for the regularly scheduled meetings shall be published at least twenty‑four hours in advance of the meeting.

 (F) The commission or a member thereof may not enter into the day‑to‑day operations of the department, except in an oversight role with the Secretary of Transportation, and is specifically prohibited from taking part in:

 (1) the awarding of contracts;

 (2) the selection of a consultant or contractor or the prequalification of any individual consultant or contractor;

 (3) the selection of a route for a specific project;

 (4) the specific location of a transportation facility;

 (5) the acquisition of rights of way or other properties necessary for a specific project or program; and

 (6) the granting, denial, suspension, or revocation of any permit issued by the department.

 (G) A member of the commission may not have any interest, direct or indirect, in any contract, franchise, privilege, or other benefit granted or awarded by the department during the member’s term of appointment and for one year after the termination of the appointment.”

**Audit reports of the Department of Transportation**

SECTION 24. Section 57‑1‑360(B) of the 1976 Code, as last amended by Act 275 of 2016, is further amended to read:

 “(B)(1) The chief internal auditor must be a Certified Public Accountant and possess any other experience the State Auditor may require. The chief internal auditor must establish, implement, and maintain the exclusive internal audit function of all departmental activities. The State Auditor shall set the salary for the chief internal auditor as allowed by statute or applicable law.

 (2) The audits performed by the chief internal auditor must comply with recognized governmental auditing standards. The department and any entity contracting with the department must fully cooperate with the chief internal auditor in the discharge of his duties and responsibilities and must timely produce all books, papers, correspondence, memoranda, and other records considered necessary in connection with an internal audit. All final audit reports must be submitted to the commission and the Chairman of the Senate Transportation Committee, the Chairman of the Senate Finance Committee, the Chairman of the House of Representatives Education and Public Works Committee, and the Chairman of the House of Representatives Ways and Means Committee before being made public. All final audit reports shall be published on the department’s and the State Auditor’s websites.

 (3) The State Auditor is vested with the exclusive management and control of the chief internal auditor.”

**Annual reports of the Department of Transportation**

SECTION 25. Section 57‑1‑430 of the 1976 Code, as last amended by Act 114 of 2007, is further 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.

 (B) For each division, the secretary may employ such personnel and prescribe their duties, powers, and functions as he considers necessary and as may be authorized by statute and for which funds have been authorized in the annual general appropriations act.

 (C) The secretary shall prepare and publish on the department’s website an annual report outlining the department’s annual expenditures. The report must include a statewide summary and a detailed expenditure report for each county.

 (D) The secretary shall prepare and publish on the department’s website an annual report that includes a list of all companies doing business with the department and the amount spent on these contracts.”

**Conforming change**

SECTION 26. Section 57‑1‑330(B) of the 1976 Code, as last amended by Act 275 of 2016, is further amended to read:

 “(B) An at‑large commission member may be appointed from any county in the State unless another commission member is serving from that county. Failure by an at‑large commission member to maintain residence in the State shall result in a forfeiture of his office.

 Commission members may be removed from office at the discretion of the Governor.”

**One subject**

SECTION 27. The General Assembly finds that all the provisions contained in this act relate to one subject as required by Section 17, Article III of the South Carolina Constitution, 1895, in that each provision relates directly to or in conjunction with other sections relating to the subject of the effects of inadequate infrastructure financing and oversight.

 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.

**Savings**

SECTION 28. The repeal or amendment by this act of any law, whether temporary or permanent or civil or criminal, does not affect pending actions, rights, duties, or liabilities founded thereon, or alter, discharge, release or extinguish any penalty, forfeiture, or liability incurred under the repealed or amended law, unless the repealed or amended provision shall so expressly provide. After the effective date of this act, all laws repealed or amended by this act must be taken and treated as remaining in full force and effect for the purpose of sustaining any pending or vested right, civil action, special proceeding, criminal prosecution, or appeal existing as of the effective date of this act, and for the enforcement of rights, duties, penalties, forfeitures, and liabilities as they stood under the repealed or amended laws.

**Severability**

SECTION 29. 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.

**Time effective**

SECTION 30. Except where specified otherwise, this act takes effect July 1, 2017.

Ratified the 9th day of May, 2017.

Vetoed by the Governor -- 5/9/17.

Veto overridden by House -- 5/10/17.

Veto overridden by Senate -- 5/10/17.

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