

NO. 60

JOURNAL
OF THE
SENATE
OF THE
STATE OF SOUTH CAROLINA



REGULAR SESSION BEGINNING TUESDAY, JANUARY 10, 2017

WEDNESDAY, APRIL 19, 2017

Wednesday, April 19, 2017
(Statewide Session)

Indicates Matter Stricken

Indicates New Matter

The Senate assembled at 11:00 A.M., the hour to which it stood adjourned, and was called to order by the PRESIDENT.

A quorum being present, the proceedings were opened with a devotion by the Chaplain as follows:

Psalm 67:1-2 NIV

“May God be gracious to us and bless us and make his face shine on us -- so that Your ways may be known on earth, your salvation among all nations.”

Let us pray. Holy God, in the quiet of this special moment of conversation with You, we dedicate this day. We want to live it to Your glory. May all that we say and do be a reflection of Your spirit living within us.

Help us to humble ourselves and honor You by seeking Your forgiveness and Your guidance.

We commit to Your care, O God, any personal worries that might cripple our faith. In the quiet of intimate communion with You, release our bondage to pressure and stress, so that we might become healthy in body and in spirit. Help us to focus our minds on the possibilities that only Your power can provide us, as we allow our will to become Your will. In Your holy name we pray, Amen.

The PRESIDENT called for Petitions, Memorials, Presentments of Grand Juries and such like papers.

Motion Adopted

On motion of Senator MARTIN, with unanimous consent, Senators SHEALY, YOUNG, McELVEEN, ALLEN, CLIMER, GOLDFINCH, TALLEY, GAMBRELL, SHEHEEN, JOHNSON, SCOTT, TURNER, FANNING, McLEOD and TIMMONS were granted leave to attend a subcommittee meeting and were granted leave to vote from the balcony.

Motion to Ratify Adopted

At 11:09 A.M., Senator LEATHERMAN asked unanimous consent to make a motion to invite the House of Representatives to attend the Senate Chamber for the purpose of ratifying Acts at a mutually convenient time.

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There was no objection and a message was sent to the House accordingly.

MESSAGE FROM THE GOVERNOR

The following appointments were transmitted by the Honorable Henry Dargan McMaster:

Statewide Appointment

Initial Appointment, State Inspector General, with the term to commence upon confirmation by the Senate, and to expire four years from the date of confirmation.

Brian D. Lamkin, 308 Old Course Loop, Blythewood, SC 29016 *VICE*
Patrick J. Maley

Referred to the Committee on Judiciary.

Local Appointments

Initial Appointment, Charleston County Part-Time Magistrate, with the term to commence April 30, 2015, and to expire April 30, 2019

At-Large

Amy Mikell, 247 Ashley Avenue, Charleston, SC 29403 *VICE* David Wilson Coker

Leave of Absence

On motion of Senator SETZLER, at 12:02 P.M., Senator MALLOY was granted a leave of absence until 2:00 P.M.

CO-SPONSOR ADDED

The following co-sponsor was added to the respective Bill:
S. 341 Sen. Gregory

RECALLED AND ADOPTED

S. 616 -- Senator Young: A CONCURRENT RESOLUTION TO DESIGNATE THE THIRD FULL WEEK OF APRIL 2017 AS "SHAKEN BABY SYNDROME AWARENESS WEEK", TO RAISE AWARENESS REGARDING SHAKEN BABY SYNDROME, AND TO COMMEND THE HOSPITALS, CHILD CARE COUNCILS, SCHOOLS, AND OTHER ORGANIZATIONS THAT EDUCATE PARENTS AND CAREGIVERS ON HOW TO PROTECT CHILDREN FROM ABUSE.

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Senator YOUNG asked unanimous consent to make a motion to recall the Resolution from the Committee on Medical Affairs.

The Resolution was recalled from the Committee on Medical Affairs.

Senator YOUNG asked unanimous consent to make a motion to take the Resolution up for immediate consideration.

There was no objection.

The Senate proceeded to a consideration of the Resolution. The question then was the adoption of the Resolution.

On motion of Senator YOUNG, the Resolution was adopted and ordered sent to the House.

RECALLED

S. 637 -- Senators Talley, Martin, Peeler, Reese and Corbin: A BILL TO AMEND SECTION 7-7-490 OF THE 1976 CODE, RELATING TO THE DESIGNATION OF VOTING PRECINCTS IN SPARTANBURG COUNTY, TO ADD ANDERSON MILL BAPTIST, D. R. HILL MIDDLE SCHOOL, HOPE, LYMAN ELEMENTARY, AND TRINITY PRESBYTERIAN PRECINCTS; TO REMOVE THE FRIENDSHIP BAPTIST PRECINCT; AND TO REDESIGNATE THE MAP NUMBER ON WHICH THE NAMES OF THESE PRECINCTS MAY BE FOUND AND MAINTAINED BY THE REVENUE AND FISCAL AFFAIRS OFFICE.

Senator TALLEY asked unanimous consent to make a motion to recall the Bill from the Committee on Judiciary.

The Bill was recalled from the Committee on Judiciary and ordered placed on the Calendar for consideration tomorrow.

INTRODUCTION OF BILLS AND RESOLUTIONS

The following were introduced:

S. 639 -- Senators Alexander and Gambrell: A JOINT RESOLUTION TO DIRECT THE PIONEER RURAL WATER DISTRICT TO CEASE ACTIVITY RELATED TO THE CONSTRUCTION OF A WATER TREATMENT PLANT UNTIL A COURT MAKES A FINAL DETERMINATION WHETHER OR NOT PIONEER RURAL

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WATER DISTRICT HAS THE AUTHORITY TO CONSTRUCT A WATER TREATMENT PLANT.

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Read the first time and, on motion of Senator ALEXANDER, with unanimous consent, S. 639 was ordered placed on the Calendar without reference.

S. 640 -- Senator Sabb: A SENATE RESOLUTION TO CONGRATULATE HASELDEN BROTHERS FORD OF HEMINGWAY ON WINNING THE 2015 PRESIDENT'S AWARD BY FORD MOTOR COMPANY.

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The Senate Resolution was adopted.

S. 641 -- Senator Fanning: A CONCURRENT RESOLUTION TO RECOGNIZE AND COMMEND THE SIGNIFICANT WORK OF YORK COUNTY SCHOOL DISTRICT THREE SOUTH POINTE HIGH SCHOOL IMPROVEMENT COUNCIL IN ROCK HILL AS THE RECIPIENT OF THE 2017 DICK AND TUNKY RILEY AWARD FOR SCHOOL IMPROVEMENT COUNCIL EXCELLENCE FROM THE SOUTH CAROLINA SCHOOL IMPROVEMENT COUNCIL.

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The Concurrent Resolution was adopted, ordered sent to the House.

S. 642 -- Senator Sheheen: A SENATE RESOLUTION TO EXPRESS THE PROFOUND SORROW OF THE MEMBERS OF THE SOUTH CAROLINA SENATE UPON THE PASSING OF JAMES BOBBY ROBERTS OF KERSHAW AND TO EXTEND THE DEEPEST SYMPATHY TO HIS FAMILY AND MANY FRIENDS.

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The Senate Resolution was adopted.

S. 643 -- Senator Grooms: A CONCURRENT RESOLUTION TO HONOR AND RECOGNIZE THE LAING MIDDLE SCHOOL OF SCIENCE AND TECHNOLOGY FOR ITS RICH HISTORY IN THE STATE OF SOUTH CAROLINA.

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The Concurrent Resolution was adopted, ordered sent to the House.

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H. 3171 -- Reps. Whipper and Gilliard: A BILL TO AMEND ACT 340 OF 1967, AS AMENDED, RELATING TO THE CHARLESTON COUNTY SCHOOL DISTRICT, SO AS TO REESTABLISH THE BOUNDARY LINES THAT DEFINE THE CHARLESTON COUNTY SCHOOL DISTRICT'S CONSTITUENT DISTRICTS; AND TO AMEND ACT 245 OF 1979, AS AMENDED, RELATING TO THE COOPER RIVER SCHOOL DISTRICT NUMBER 4 BOARD OF TRUSTEES, SO AS TO REDRAW THE THREE GEOGRAPHIC AREAS IN WHICH THE MEMBERS OF THE BOARD OF TRUSTEES MUST RESIDE, TO DESIGNATE A MAP NUMBER ON WHICH THESE GEOGRAPHIC AREAS ARE DELINEATED, AND TO PROVIDE DEMOGRAPHIC INFORMATION PERTAINING TO THE REDRAWN AREAS.

Read the first time and ordered placed on the Local and Uncontested Calendar.

H. 4140 -- Reps. Allison, Alexander, Anderson, Anthony, Arrington, Atkinson, Atwater, Bales, Ballentine, Bamberg, Bannister, Bedingfield, Bennett, Bernstein, Blackwell, Bowers, Bradley, Brown, Burns, Caskey, Chumley, Clary, Clemmons, Clyburn, Cobb-Hunter, Cogswell, Cole, Collins, Crawford, Crosby, Daning, Davis, Delleney, Dillard, Douglas, Duckworth, Elliott, Erickson, Felder, Finlay, Forrest, Forrester, Fry, Funderburk, Gagnon, Gilliard, Govan, Hamilton, Hardee, Hart, Hayes, Henderson, Henegan, Herbkersman, Hewitt, Hill, Hiott, Hixon, Hosey, Howard, Huggins, Jefferson, Johnson, Jordan, King, Kirby, Knight, Loftis, Long, Lowe, Lucas, Mack, Magnuson, Martin, McCoy, McCravy, McEachern, McKnight, Mitchell, D. C. Moss, V. S. Moss, Murphy, B. Newton, W. Newton, Norrell, Ott, Parks, Pitts, Pope, Putnam, Quinn, Ridgeway, M. Rivers, S. Rivers, Robinson-Simpson, Rutherford, Ryhal, Sandifer, Simrill, G. M. Smith, G. R. Smith, J. E. Smith, Sottile, Spires, Stavrinakis, Stringer, Tallon, Taylor, Thayer, Thigpen, Toole, Weeks, West, Wheeler, Whipper, White, Whitmire, Williams, Willis and Yow: A CONCURRENT RESOLUTION TO RECOGNIZE AND HONOR THE CHILDREN'S SECURITY BLANKET AND THE CHILDHOOD CANCER OPTIMIST CLUB OF SOUTH CAROLINA UPON THE OCCASION OF CHILDHOOD CANCER AWARENESS MONTH IN SEPTEMBER 2017, FOR THEIR COMMITMENT TO PROVIDING SUPPORT TO SOUTH CAROLINA FAMILIES FACING THE CHALLENGES IMPOSED BY CHILDHOOD CANCER, AND TO WISH THEM SUCCESS IN

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GROWING THEIR ORGANIZATIONS SO THAT MORE FAMILIES
MAY BE SERVED.

The Concurrent Resolution was adopted, ordered returned to the
House.

H. 4144 -- Reps. Huggins, Alexander, Allison, Anderson, Anthony, Arrington, Atkinson, Atwater, Bales, Ballentine, Bamberg, Bannister, Bedingfield, Bennett, Bernstein, Blackwell, Bowers, Bradley, Brown, Burns, Caskey, Chumley, Clary, Clemons, Clyburn, Cobb-Hunter, Cogswell, Cole, Collins, Crawford, Crosby, Daning, Davis, Delleney, Dillard, Douglas, Duckworth, Elliott, Erickson, Felder, Finlay, Forrest, Forrester, Fry, Funderburk, Gagnon, Gilliard, Govan, Hamilton, Hardee, Hart, Hayes, Henderson, Henegan, Herbkersman, Hewitt, Hill, Hiott, Hixon, Hosey, Howard, Jefferson, Johnson, Jordan, King, Kirby, Knight, Loftis, Long, Lowe, Lucas, Mack, Magnuson, Martin, McCoy, McCravy, McEachern, McKnight, Mitchell, D. C. Moss, V. S. Moss, Murphy, B. Newton, W. Newton, Norrell, Ott, Parks, Pitts, Pope, Putnam, Quinn, Ridgeway, M. Rivers, S. Rivers, Robinson-Simpson, Rutherford, Ryhal, Sandifer, Simrill, G. M. Smith, G. R. Smith, J. E. Smith, Sottile, Spires, Stavrinakis, Stringer, Tallon, Taylor, Thayer, Thigpen, Toole, Weeks, West, Wheeler, Whipper, White, Whitmire, Williams, Willis and Yow: A CONCURRENT RESOLUTION TO CONGRATULATE STELLA T. MANIOS OF GREENVILLE COUNTY ON THE OCCASION OF HER ONE HUNDREDTH BIRTHDAY AND TO WISH HER A JOYOUS BIRTHDAY CELEBRATION AND MANY YEARS OF CONTINUED HEALTH AND HAPPINESS.

The Concurrent Resolution was adopted, ordered returned to the
House.

H. 4152 -- Reps. Howard, Alexander, Allison, Anderson, Anthony, Arrington, Atkinson, Atwater, Bales, Ballentine, Bamberg, Bannister, Bedingfield, Bennett, Bernstein, Blackwell, Bowers, Bradley, Brown, Burns, Caskey, Chumley, Clary, Clemons, Clyburn, Cobb-Hunter, Cogswell, Cole, Collins, Crawford, Crosby, Daning, Davis, Delleney, Dillard, Douglas, Duckworth, Elliott, Erickson, Felder, Finlay, Forrest, Forrester, Fry, Funderburk, Gagnon, Gilliard, Govan, Hamilton, Hardee, Hart, Hayes, Henderson, Henegan, Herbkersman, Hewitt, Hill, Hiott, Hixon, Hosey, Huggins, Jefferson, Johnson, Jordan, King, Kirby, Knight, Loftis, Long, Lowe, Lucas, Mack, Magnuson, Martin, McCoy,

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McCrary, McEachern, McKnight, Mitchell, D. C. Moss, V. S. Moss, Murphy, B. Newton, W. Newton, Norrell, Ott, Parks, Pitts, Pope, Putnam, Quinn, Ridgeway, M. Rivers, S. Rivers, Robinson-Simpson, Rutherford, Ryhal, Sandifer, Simrill, G. M. Smith, G. R. Smith, J. E. Smith, Sottile, Spires, Stavrinakis, Stringer, Tallon, Taylor, Thayer, Thigpen, Toole, Weeks, West, Wheeler, Whipper, White, Whitmire, Williams, Willis and Yow: A CONCURRENT RESOLUTION TO COMMEND THE BOYS & GIRLS CLUBS OF SOUTH CAROLINA FOR THEIR EXTRAORDINARY EFFORTS IN HELPING SOUTH CAROLINA'S YOUTH PREPARE FOR A PRODUCTIVE LIFE AND TO RECOGNIZE THE TEN YOUNG PEOPLE FROM DIFFERENT BOYS & GIRLS CLUBS THROUGHOUT THE STATE WHO HAVE BEEN NAMED 2017 YOUTH OF THE YEAR BY THE SOUTH CAROLINA ALLIANCE OF BOYS & GIRLS CLUBS.

The Concurrent Resolution was adopted, ordered returned to the House.

REPORTS OF STANDING COMMITTEES

Senator SHEALY from the Committee on Judiciary submitted a favorable with amendment report on:

S. 109 -- Senator McElveen: A BILL TO AMEND ARTICLE 7, CHAPTER 11, TITLE 16 OF THE 1976 CODE, RELATING TO TRESPASSES AND THE UNLAWFUL USE OF THE PROPERTY OF OTHERS, BY ADDING SECTION 16-11-605, TO PROVIDE THAT IT IS UNLAWFUL TO OPERATE AN UNMANNED AERIAL VEHICLE WITHIN A CERTAIN DISTANCE OF A STATE OR FEDERAL MILITARY INSTALLATION AND TO PROVIDE PENALTIES FOR THE VIOLATION.

Ordered for consideration tomorrow.

Senator CAMPSEN from the Committee on Judiciary submitted a favorable with amendment report on:

S. 169 -- Senators Shealy and McLeod: A BILL TO AMEND CHAPTER 25, TITLE 16 OF THE 1976 CODE, RELATING TO DOMESTIC VIOLENCE, BY ADDING ARTICLE 8, TO CREATE THE OFFENSE OF TEEN DATING VIOLENCE, TO PROVIDE A PENALTY, TO ALLOW VICTIMS TO SEEK ORDERS OF PROTECTION OR RESTRAINING ORDERS UNDER CERTAIN CIRCUMSTANCES, TO PROHIBIT A PERSON WHO VIOLATES THE PROVISIONS OF THE ARTICLE FROM PARTICIPATING IN

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A PRETRIAL INTERVENTION PROGRAM, AND TO DEFINE NECESSARY TERMS; AND TO AMEND SECTION 16-3-755 OF THE 1976 CODE, RELATING TO SEXUAL BATTERY WITH A STUDENT, TO REVISE THE STRUCTURE OF THE OFFENSE TO PROVIDE THE SAME PENALTY FOR PERSONS WHO COMMIT THE OFFENSE WHEN THE VICTIM IS SIXTEEN YEARS OF AGE OR OLDER AND TO PROVIDE A MANDATORY MINIMUM SENTENCE OF ONE YEAR FOR A CONVICTION, NO PART OF WHICH MAY BE SUSPENDED NOR PROBATION GRANTED.

Ordered for consideration tomorrow.

Senator HUTTO from the Committee on Judiciary submitted a favorable with amendment report on:

S. 324 -- Senators Peeler, Hutto and McElveen: A BILL TO AMEND SECTION 23-31-240, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PERSONS ALLOWED TO CARRY A CONCEALABLE WEAPON WHILE ON DUTY, SO AS TO INCLUDE PERSONS WHO ARE RETIRED FROM CERTAIN OFFICES AND CLERKS OF COURT IN THE PURVIEW OF THE STATUTE.

Ordered for consideration tomorrow.

Senator RANKIN from the Committee on Judiciary submitted a favorable report on:

H. 3647 -- Reps. Sandifer, Clemons, Bedingfield, Forrester, Rutherford, Duckworth, Ott, Williams, Atwater, McCravy, Erickson, Jefferson, King, Anderson, Simrill, Hixon, Bowers, Hewitt and Forrest: A BILL TO AMEND SECTION 27-32-10, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS CONCERNING VACATION TIME SHARING PLANS, SO AS TO DEFINE AND REDEFINE CERTAIN TERMS; TO AMEND SECTION 27-32-55, RELATING TO FEES FOR THE RESALE OF INTERESTS IN VACATION TIMESHARES, SO AS TO PROVIDE REQUIREMENTS OF RESALE VACATION TIMESHARE SERVICES AND PROVIDERS OF THESE SERVICES; AND TO AMEND SECTION 27-32-130, RELATING TO ENFORCEMENT AND IMPLEMENTATION PROVISIONS, SO AS TO MAKE THE PROVISIONS APPLICABLE TO VACATION TIME SHARING ASSOCIATIONS.

Ordered for consideration tomorrow.

Senator RANKIN from the Committee on Judiciary submitted a favorable report on:

H. 3886 -- Reps. Crawford, Ryhal, Hamilton, Sandifer, Fry, Putnam, Clemons, Yow, Anderson, Johnson, Hardee, Huggins, Hewitt, Duckworth, Bowers, Sottile, Crosby, Felder, Bennett, Thigpen, Whipper, Brown, Hixon, Taylor, King, Daning, Spires, Henderson, Pitts, Kirby, White, McCravy, Hill, Gagnon, West, Wheeler, Davis, Murphy, Hayes, Ott, V.S. Moss, Lowe, Jordan and McKnight: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 30 TO TITLE 27 SO AS TO ENTITLE THE CHAPTER "HOMEOWNERS ASSOCIATIONS"; TO DEFINE NECESSARY TERMS; TO REQUIRE OWNERS OF PROPERTY SUBJECT TO A HOMEOWNERS ASSOCIATION TO DISCLOSE THE ASSOCIATION'S GOVERNING DOCUMENTS TO PROSPECTIVE OWNERS, TO PROVIDE HOMEOWNERS ASSOCIATIONS SHALL PROVIDE HOMEOWNERS WITH PRINTED OR ELECTRONIC COPIES OF FINANCIAL INFORMATION AND THE GOVERNING DOCUMENTS OF THE ASSOCIATION UPON REQUEST AT NO CHARGE, TO PROVIDE HOMEOWNERS ASSOCIATION BOARDS MAY NOT TAKE ACTION TO ADD OR INCREASE FEES AND THE LIKE WITHOUT GIVING CERTAIN NOTICE TO HOMEOWNERS AND TO PROVIDE HOMEOWNERS MAY ATTEND MEETINGS AT WHICH SUCH ACTIONS ARE TO BE TAKEN, TO INSTRUCT THE SOUTH CAROLINA REAL ESTATE COMMISSION TO OFFER AN ONLINE INSTRUCTIONAL COURSE COVERING THE BASICS OF HOMEOWNERS' ASSOCIATION MANAGEMENT AND THE RIGHTS AND RESPONSIBILITIES OF HOMEOWNERS, TO GRANT CONCURRENT CIVIL JURISDICTION IN CERTAIN ACTIONS BETWEEN HOMEOWNERS ASSOCIATIONS AND HOMEOWNERS, AND TO CREATE THE OFFICE OF HOMEOWNERS ASSOCIATION OMBUDSMAN IN THE DEPARTMENT OF CONSUMER AFFAIRS, TO PROVIDE QUALIFICATIONS, POWERS, AND DUTIES OF THE OMBUDSMAN, AMONG OTHER THINGS; AND TO AMEND SECTION 27-50-40, AS AMENDED, RELATING TO MANDATORY DISCLOSURE STATEMENTS SELLERS OF REAL PROPERTY MUST PROVIDE PURCHASERS, SO AS TO INCLUDE

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**PROVISIONS CONCERNING DISCLOSURES OF PROPERTY
SUBJECT TO HOMEOWNERS ASSOCIATION GOVERNANCE.**

Ordered for consideration tomorrow.

Appointments Reported

Senator RANKIN from the Committee on Judiciary submitted a favorable report on:

Statewide Appointments

Reappointment, South Carolina State Commission for Minority Affairs, with the term to commence June 30, 2017, and to expire June 30, 2021

5th Congressional District:

William B. James, Jr., 1748 Cherokee National Highway, Gaffney, SC 29341

Received as information.

Initial Appointment, Juvenile Parole Board, with the term to commence June 30, 2015, and to expire June 30, 2019

At-Large:

Suzanne S. Prosser, 697 Wedgewood Dr., Murrells Inlet, SC 29576
VICE Reno R. Boyd

Received as information.

Message from the House

Columbia, S.C., April 19, 2017

Mr. President and Senators:

The House respectfully informs your Honorable Body that it insists upon the amendments proposed by the House to:

H. 3346 -- Reps. Collins, Clary and Hiott: A BILL TO AMEND ACT 260 OF 1981, AS AMENDED, RELATING TO THE PICKENS COUNTY SCHOOL BOARD OF TRUSTEES, SO AS TO INCREASE THE NUMBER OF BOARD MEMBERS FROM SIX TO SEVEN AND TO PROVIDE FOR SEVEN SINGLE-MEMBER DISTRICTS BEGINNING WITH THE 2018 GENERAL ELECTION; AND TO PROVIDE FOR A PROCEDURE FOR CLOSING A SCHOOL WITHIN THE DISTRICT.

asks for a Committee of Conference, and has appointed Reps. Hiott, Clary and Collins to the committee on the part of the House.

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Very respectfully,
Speaker of the House
Received as information.

H. 3346--CONFERENCE COMMITTEE APPOINTED

Whereupon, Senators ALEXANDER, RICE and FANNING were appointed to the Committee of Conference on the part of the Senate and a message was sent to the House accordingly.

HOUSE CONCURRENCES

S. 616 -- Senator Young: A CONCURRENT RESOLUTION TO DESIGNATE THE THIRD FULL WEEK OF APRIL 2017 AS "SHAKEN BABY SYNDROME AWARENESS WEEK", TO RAISE AWARENESS REGARDING SHAKEN BABY SYNDROME, AND TO COMMEND THE HOSPITALS, CHILD CARE COUNCILS, SCHOOLS, AND OTHER ORGANIZATIONS THAT EDUCATE PARENTS AND CAREGIVERS ON HOW TO PROTECT CHILDREN FROM ABUSE.

Returned with concurrence.

Received as information.

S. 631 -- Senator Campsen: A CONCURRENT RESOLUTION TO HONOR, COMMEMORATE, AND CONGRATULATE THE SOUTH CAROLINA FORESTRY COMMISSION ON ITS NINETIETH ANNIVERSARY ON APRIL 26, 2017, AND TO WISH THE AGENCY ANOTHER NINETY YEARS OF PROSPEROUS SERVICE.

Returned with concurrence.

Received as information.

S. 641 -- Senator Fanning: A CONCURRENT RESOLUTION TO RECOGNIZE AND COMMEND THE SIGNIFICANT WORK OF YORK COUNTY SCHOOL DISTRICT THREE SOUTH POINTE HIGH SCHOOL IMPROVEMENT COUNCIL IN ROCK HILL AS THE RECIPIENT OF THE 2017 DICK AND TUNKY RILEY AWARD FOR SCHOOL IMPROVEMENT COUNCIL EXCELLENCE FROM THE SOUTH CAROLINA SCHOOL IMPROVEMENT COUNCIL.

Returned with concurrence.

Received as information.

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THE SENATE PROCEEDED TO A CALL OF THE UNCONTESTED LOCAL AND STATEWIDE CALENDAR.

ORDERED ENROLLED FOR RATIFICATION

The following Bill was read the third time and, having received three readings in both Houses, it was ordered that the title be changed to that of an Act and enrolled for Ratification:

H. 3034 -- Rep. Daning: A BILL TO AMEND SECTION 59-112-50, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE ELIGIBILITY FOR IN-STATE COLLEGE TUITION RATES OF VETERANS AND RELATED PERSONS COVERED BY CERTAIN FEDERAL EDUCATION ASSISTANCE PROGRAMS, SO AS TO ELIMINATE ENROLLMENT TIME LIMITS FOR THESE RELATED PERSONS.

**READ THE THIRD TIME
SENT TO THE HOUSE**

The following Resolutions were read the third time and ordered sent to the House of Representatives:

S. 601 -- Education Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE STATE BOARD OF EDUCATION, RELATING TO CERTIFICATION REQUIREMENTS, DESIGNATED AS REGULATION DOCUMENT NUMBER 4698, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

S. 602 -- Education Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE STATE BOARD OF EDUCATION, RELATING TO CREDENTIAL CLASSIFICATION, DESIGNATED AS REGULATION DOCUMENT NUMBER 4699, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

S. 603 -- Education Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE STATE BOARD OF EDUCATION, RELATING TO REQUIREMENTS FOR ADDITIONAL AREAS OF CERTIFICATION, DESIGNATED AS REGULATION DOCUMENT NUMBER 4701, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

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S. 604 -- Education Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE STATE BOARD OF EDUCATION, RELATING TO ADMINISTRATIVE AND PROFESSIONAL PERSONNEL QUALIFICATIONS, DUTIES AND WORKLOADS, DESIGNATED AS REGULATION DOCUMENT NUMBER 4695, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

HOUSE BILL RETURNED

The following Bill was read the third time and ordered returned to the House with amendments.

H. 3792 -- Reps. Thayer, Funderburk and Sandifer: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59-23-245 SO AS TO PROVIDE MINIMUM STANDARDS FOR THE NUMBERS OF TOILETS AND LAVATORIES AVAILABLE FOR MEN AND WOMEN AT MIDDLE SCHOOL FOOTBALL STADIUMS AND HIGH SCHOOL FOOTBALL STADIUMS, AND TO PROVIDE THESE STANDARDS APPLY NOTWITHSTANDING OTHERWISE APPLICABLE BUILDING CODES AND PLUMBING CODES, AMONG OTHER THINGS.

READ THE SECOND TIME

S. 626 -- Transportation Committee: A BILL TO AMEND CHAPTER 3, TITLE 56 OF THE 1976 CODE, RELATING TO MOTOR VEHICLE REGISTRATION AND LICENSING, BY ADDING ARTICLE 140, TO PROVIDE THAT THE DEPARTMENT MAY ISSUE "POWERING THE PALMETTO STATE" SPECIAL LICENSE PLATES HONORING SOUTH CAROLINA'S ELECTRICAL LINEMEN; TO AMEND CHAPTER 3, TITLE 56, RELATING TO MOTOR VEHICLE REGISTRATION AND LICENSING, BY ADDING ARTICLE 141, TO PROVIDE THAT THE DEPARTMENT OF MOTOR VEHICLES MAY ISSUE "LEGION OF MERIT" SPECIAL LICENSE PLATES; TO AMEND SECTION 56-3-8400, RELATING TO "LIONS CLUB" SPECIAL LICENSE PLATES, TO PROVIDE THAT THE DEPARTMENT OF MOTOR VEHICLES MAY ISSUE "LIONS CLUB" SPECIAL MOTOR VEHICLE LICENSE PLATES TO OWNERS OF PRIVATE PASSENGER MOTOR VEHICLES AS DEFINED IN SECTION 56-3-630

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REGISTERED IN THEIR NAMES; AND TO AMEND CHAPTER 3, TITLE 56, RELATING TO MOTOR VEHICLE REGISTRATION AND LICENSING, BY ADDING ARTICLE 142, TO PROVIDE THAT THE DEPARTMENT OF MOTOR VEHICLES MAY ISSUE "VIRGINIA TECH" SPECIAL LICENSE PLATES.

The Senate proceeded to a consideration of the Bill.

The question being the second reading of the Bill.

The "ayes" and "nays" were demanded and taken, resulting as follows:

Ayes 36; Nays 0

AYES

| | | |
|-----------|-------------------------|----------|
| Alexander | Bennett | Campbell |
| Campsen | Climer | Corbin |
| Cromer | Davis | Fanning |
| Gambrell | Goldfinch | Gregory |
| Grooms | Hembree | Hutto |
| Kimpson | Leatherman | Martin |
| Massey | <i>Matthews, Margie</i> | McElveen |
| Nicholson | Peeler | Rankin |
| Reese | Rice | Sabb |
| Scott | Senn | Setzler |
| Shealy | Sheheen | Talley |
| Timmons | Turner | Young |

Total--36

NAYS

Total--0

The Bill was read the second time, passed and ordered to a third reading.

OBJECTION

H. 3221 -- Reps. Allison, Collins, Felder, Daning, Govan, Taylor, Knight and Anderson: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59-20-90 SO AS TO REQUIRE THE STATE DEPARTMENT OF EDUCATION TO

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DEVELOP AND ADOPT A STATEWIDE PROGRAM FOR IDENTIFYING FISCAL PRACTICES AND BUDGETARY CONDITIONS THAT, IF UNCORRECTED, COULD COMPROMISE THE FISCAL INTEGRITY OF A SCHOOL DISTRICT AND FOR ADVISING THE DISTRICT ON HOW TO TAKE APPROPRIATE CORRECTIVE ACTIONS, TO ESTABLISH THREE LEVELS OF FISCAL AND BUDGETARY CONCERN WITH CONDITIONS AND REQUIREMENTS ASSOCIATED WITH EACH, AND TO DIRECT THE DEPARTMENT TO PROMULGATE REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION; AND BY ADDING SECTION 59-20-95 SO AS TO REQUIRE THE STATE AUDITOR TO ADOPT THE STATEWIDE PROGRAM CREATED BY THE DEPARTMENT OF EDUCATION IN SECTION 59-20-90 AND USE IT TO IDENTIFY FISCAL PRACTICES AND BUDGETARY CONDITIONS THAT, IF UNCORRECTED, COULD COMPROMISE THE FISCAL INTEGRITY OF A STATE AGENCY THAT IS ALSO A LOCAL EDUCATION AGENCY AND TO ADVISE THE STATE AGENCY THAT IS ALSO A LOCAL EDUCATION AGENCY ON HOW TO TAKE APPROPRIATE CORRECTIVE ACTIONS, AND TO PROVIDE EXCEPTIONS TO ENABLE THE STATE AUDITOR TO DIRECT THE DEPARTMENT TO IMMEDIATELY ASSUME EMERGENCY MANAGEMENT OF THE STATE AGENCY THAT IS ALSO A LOCAL EDUCATION AGENCY FOR WHICH IT HAS MADE A DECLARATION OF FISCAL CAUTION OR FISCAL EMERGENCY, TO CONTINUE THIS EMERGENCY MANAGEMENT OF THE LOCAL EDUCATION AGENCY UNTIL THE STATE AUDITOR RELEASES THE STATE AGENCY THAT IS ALSO A LOCAL EDUCATION AGENCY FROM THE DECLARATION OF FISCAL CAUTION OR FISCAL EMERGENCY, AS APPLICABLE, AND TO DIRECT THE STATE AUDITOR TO PROMULGATE REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.

Senator MALLOY objected to consideration of the Bill.

H. 3289 -- Reps. G.R. Smith and Knight: A BILL TO AMEND SECTION 56-5-1930, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DISTANCE THAT MUST BE MAINTAINED BETWEEN VEHICLES TRAVELING ALONG A HIGHWAY, SO AS TO PROVIDE THAT THIS SECTION DOES NOT APPLY TO THE OPERATOR OF ANY NONLEADING

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VEHICLE TRAVELING IN A PROCESSION OF VEHICLES IF THE SPEED OF EACH VEHICLE IS AUTOMATICALLY COORDINATED.

Senator MALLOY objected to consideration of the Bill.

H. 4033 -- Reps. Hixon, Taylor, Blackwell, Clyburn, Allison, Daning, Yow, Erickson, B. Newton, Bennett, Arrington, Murphy, Crawford and Clemons: A BILL TO AMEND SECTION 56-5-1535, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO SPEEDING IN WORK ZONES AND PENALTIES ASSOCIATED WITH SPEEDING IN WORK ZONES, SO AS TO DELETE THIS PROVISION AND PROVIDE A DEFINITION FOR THE TERMS "HIGHWAY WORK ZONE" AND "HIGHWAY WORKER", TO CREATE THE OFFENSE OF "ENDANGERMENT OF A HIGHWAY WORKER", AND TO PROVIDE A PENALTY FOR THIS OFFENSE; TO AMEND SECTION 56-1-720, RELATING TO THE POINT SYSTEM ESTABLISHED FOR THE EVALUATION OF THE DRIVING RECORD OF PERSONS OPERATING MOTOR VEHICLES, SO AS TO PROVIDE THAT THE OFFENSE OF ENDANGERMENT OF A HIGHWAY WORKER RESULTING IN NO INJURY IS A TWO POINT VIOLATION, THE OFFENSE OF ENDANGERMENT OF A HIGHWAY WORKER IN WHICH INJURY OCCURS IS A FOUR POINT VIOLATION, AND THE OFFENSE OF ENDANGERMENT OF A HIGHWAY WORKER IN WHICH GREAT BODILY INJURY OCCURS IS A SIX POINT VIOLATION; AND TO REPEAL SECTION 56-5-1536 RELATING TO DRIVING IN TEMPORARY WORK ZONES AND PENALTIES FOR UNLAWFUL DRIVING IN TEMPORARY WORK ZONES.

Senator MALLOY objected to consideration of the Bill.

AMENDED AND ADOPTED

H. 3999 -- Reps. Quinn, Atwater and Huggins: A CONCURRENT RESOLUTION TO REQUEST THE DEPARTMENT OF TRANSPORTATION AND THE DEPARTMENT OF NATURAL RESOURCES RENAME THE "HOPE FERRY LANDING" ON THE SALUDA RIVER THE "J. B. BARKER BOAT LANDING" AND ERECT APPROPRIATE SIGNS OR MARKERS AT THIS LOCATION THAT CONTAIN THIS DESIGNATION.

The Senate proceeded to the consideration of the Resolution.

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Senator GROOMS proposed the following amendment (3999R001.SP.LKG), which was adopted:

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

/ That the members of the General Assembly request that the Department of Natural Resources rename the "Hope Ferry Landing" on the Saluda River the "J. B. Barker Boat Landing" and erect appropriate signs or markers at this location that contain this designation.

Be it further resolved that a copy of this resolution be forwarded to the Department of Natural Resources. /

Renumber sections to conform.

Amend title to conform.

The amendment was adopted.

The Resolution was adopted, ordered returned to the House

THE CALL OF THE UNCONTESTED CALENDAR HAVING BEEN COMPLETED, THE SENATE PROCEEDED TO THE MOTION PERIOD.

Motion Adopted

Senator LEATHERMAN moved that when the Senate adjourns tomorrow, it stand adjourned to meet at 11:45 A.M. on Tuesday, April 25, 2017 for the purpose of attending a Joint Assembly and at the conclusion of the Joint Assembly, the Senate will stand in recess until 2:00 P.M.

The motion was adopted.

MOTION ADOPTED

At 11:54 P.M., on motion of Senator LEATHERMAN, the Senate agreed to dispense with the balance of the Motion Period.

THE SENATE PROCEEDED TO A CONSIDERATION OF THE VETOES.

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CARRIED OVER

(R2, S310) -- Senator Sheehan: AN ACT TO PERMIT THE TOWN OF CAMDEN TO ANNEX CERTAIN REAL PROPERTY BY ORDINANCE UPON FINDING THAT THE PROPERTY IS BLIGHTED.

On motion of Senator PEELER, the veto was carried over.

THE SENATE PROCEEDED TO THE INTERRUPTED DEBATE.

**COMMITTEE AMENDMENT ADOPTED
DEBATE INTERRUPTED**

H. 3516 -- 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, Clemons, Clyburn, Daning, Cogswell, Davis, B. Newton, Anthony, Crosby, S. Rivers, Thigpen, Hosey, Murphy, Hardee, Weeks, King, Sottile and Anderson: A BILL TO AMEND SECTION 12-28-310, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE MOTOR FUEL USER FEE, SO AS TO PHASE IN AN INCREASE OF TEN CENTS ON THE FEE OVER FIVE 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 EACH RESIDENT TO PAY 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

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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; AND 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.

The Senate proceeded to a consideration of the committee amendment, the question being the adoption of the committee amendment.

The Committee on Finance proposed the following amendment (DG3516C006.BBM.DG17), which was adopted:

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

/ SECTION 1. Section 57-11-20(A) of the 1976 Code is 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’, ~~or~~ the ‘State Non-Federal Aid Highway Fund’ or the ‘Infrastructure Maintenance Trust Fund’. ~~Both~~ 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 Article X, Section 13

of the South Carolina Constitution 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.”

SECTION 2. A. Section 12-28-310 of the 1976 Code is amended by adding subsections 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.

(E)(1) The department shall increase the amount of the motor fuel user fee imposed pursuant to subsections (A) and (D) on an annual basis by an inflation factor equal to the annual average percentage adjustment over the last ten completed calendar years of the Consumer Price Index for all-urban consumers as published by the United States Department of Labor, Bureau of Labor Statistics, but not to exceed two percent. Upon determining the increase, the department shall round the price to the nearest one-tenth of a cent. If the increase is exactly between two-tenths of a cent, the department must round the price up to the higher of the two. The department determines the increase in the motor fuel user fee by March thirty-first of each year, and the increase takes effect the following July first. The department must notify affected taxpayers of the motor fuel user fee to be in effect for the coming July first to June thirtieth period.

(2) The provisions of item (E)(1) must be suspended by the Director of the Department of Revenue if they result in the motor fuel user fee exceeding the same in North Carolina and the Georgia county with the highest cumulative motor fuel user fee. The suspension must remain in place until such time the motor fuel user fees in North Carolina and the Georgia county with the highest cumulative motor fuel user fee are greater than or equal to that of South Carolina.”

B. The first CPI adjustment made pursuant to this SECTION takes effect July 1, 2023.

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 ~~sixteen cents a gallon 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 ~~sixteen cents per gallon 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.”

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 ~~twenty thirty-six~~ dollars.

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

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 semi-trailer must pay the fee upon first registering the trailer or semi-trailer. 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) Notwithstanding the provisions of subsections (B) and (C), the maximum fee of five hundred dollars must be increased by fifty dollars on July 1, 2018, and on July 1, 2019, until the maximum fee equals six hundred dollars.

(E)(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. On July 1, 2018, the department shall permanently increase the amount of the user fee imposed pursuant to this subsection by fifty dollars, and the department shall continue to increase the fee permanently on each July first thereafter by fifty dollars until the total fee equals six hundred 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.

(F)(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 (G) and in proportion to the amounts required by the Department of Transportation to fund repairs, maintenance, and improvements to the existing transportation system.

(G)(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 do not require a local match.

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

(I) 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.

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.

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

“Section 12-36-2110. (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:

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

(2)(b) motor vehicle;

(3)(c) motorcycle;

(4)(d) boat;

(5)(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;

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

(7)(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 ~~law 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. Further, the maximum tax of five hundred dollars must be increased by fifty dollars on July 1, 2018, and on July 1, 2019, until the maximum fee equals six hundred dollars. 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 ~~motor vehicle, motorcycle~~, boat, motor, or airplane, required to be registered, titled, or licensed. The tax is five percent of the fair market value of the ~~motor vehicle, motorcycle~~, airplane, boat, and motor.

(B) Excluded from the tax are:

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

(a) transferred to members of the immediate family;

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

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

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

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

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

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

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

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

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

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

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.

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 ~~with a gross vehicle weight of greater than twenty-six thousand pounds, except for farm vehicles using FM tags as allowed by the Department of Motor Vehicles.~~

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

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

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

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

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

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

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

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

Section 12-37-2815. The provisions contained in this article do not apply to small commercial motor vehicles that must be licensed, registered, and pay ad valorem taxes as otherwise provided by law.

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

Section 12-37-2830. The value of a motor carrier's large commercial motor vehicles and buses subject to property taxes road use fees in this State must be determined ~~based on the ratio of total mileage operated within this State during the preceding calendar year to the total mileage of its fleet operated within and without this State during the same preceding calendar year according to the South Carolina apportionment factor for the fleet of which the commercial vehicle is a part.~~

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

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

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

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

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

(E) ~~If the motor carrier fails to remit the tax due within thirty days of receipt of the proposed assessment and the taxpayer fails to appeal the proposed assessment as provided in subsection (B), the department shall assess the tax. Tax due pursuant to this section is subject to the collection procedures provided in Chapter 54 of this title, except that the penalty provisions of Section 12-54-43 do not apply. A motor carrier registering a large commercial motor vehicle or bus 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 12-37-2842. (A) The Department of Motor Vehicles, at the time of first registration by a motor carrier as defined in this article, shall notify the registrant of the Department of Revenue's registration and filing requirements and supply the required registration forms.~~

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

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

~~Section 12-37-2850. Beginning on January 1, 2019, the Department of Revenue Motor Vehicles shall assess annually the taxes road use fee due on large commercial motor vehicles and buses based on the value determined in Section 12-37-2820 and an average millage for all purposes statewide for the preceding calendar year and shall publish the average millage for the preceding year by June 1 July first of each year. The 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 taxes road use fee assessed must be paid to the Department of Revenue no later than December 31 of each year and may be made in two equal~~

~~installments Motor Vehicles, in addition to the registration fees required pursuant to 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 taxes fees paid must be made by the State Treasurer's Office of the State Treasurer based on the distribution formula contained provided in Section 12-37-2870 Sections 12-37-2865 and 12-37-2870.~~

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

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

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

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

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

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

(F) If the apportioned registration fees of a large commercial motor vehicle or bus and the road use fees for large commercial motor vehicles

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

Section 12-37-2880. (A) In addition to the property tax exemptions allowed pursuant to Section 12-37-220, one hundred percent of the fair

market value of all large commercial motor vehicles and buses registered for use in this State under the International Registration Plan or otherwise pursuant to Section 56-3-190, is exempt from property tax and is instead subject to the road use fee imposed pursuant to this article.

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

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

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

- ~~(1) for a first offense a fine not to exceed fifty dollars;~~
- ~~(2) for a second offense a fine not to exceed two hundred fifty dollars; and~~
- ~~(3) for a third or subsequent offense under this section, the penalty is a fine not to exceed five hundred dollars or imprisonment not to exceed thirty days, or both.~~

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

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

B. Section 56-3-376 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 of a motor carrier commonly used in combination with a large commercial motor vehicle, as defined in Section 12-37-2810, for which trailer or semitrailer the fee in lieu of taxes and registration requirements has been paid fee imposed pursuant to Section 12-37-2860 is paid and applicable registration requirements provided pursuant to Article 23, Chapter 37, Title 12, are met, and a distinctive permanent plate has been issued pursuant to Section 12-37-2860.”

D. Section 56-3-610 of the 1976 Code is amended to read:

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

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

E. Section 56-3-660(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 ~~vehicle of this classification~~ small commercial motor vehicle, as defined in Section 12-37-2810, for which the biennial registration and license fee is one-hundred and sixty dollars or more for an annual or one-year period beginning on April first and ending on March thirty-first of the next year upon application to the department by the owner and the payment of one-half the specified biennial fee or for a semiannual or one-half year beginning on April first and ending on September thirtieth of the same year upon application to the department by the owner and the payment of the appropriate fees. The registration and license fee for small commercial motor vehicles ~~in this classification~~ which are registered for the remaining twenty-four months or less of the twenty-four month biennial period or for the eleven months or less of the twelve-month year ending on March thirty-first or the remaining five months or less for the one-half period ending on September thirtieth is the proportionate part of the specified biennial fee for the remainder of the twenty-four month period or year or one-half year based on one twenty-fourth of the specified twenty-four-month fee for each month or part of a month remaining in the biennial registration period or license year or one-half year. ~~No~~ An 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 ~~an apportionable~~ a large commercial motor vehicle, as defined in Section 12-37-2810, for the payment of one-half of this State's portion of the license and road fee for a vehicle whose portion of the license and road fee owed to this State exceeds ~~eight~~ four hundred dollars. The department may require any information necessary to complete the transaction."

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

"Section 58-23-620. (A) ~~No~~ city, town, A municipality or county in this State ~~shall~~ may not impose a license fee or license tax upon a holder

of a certificate A or a certificate B, and ~~no city, town, a municipality~~ or county ~~shall~~ may not impose a license fee or license tax on the holder of a certificate E or a certificate F, Certificate of Compliance, or a common or contract motor carrier of property, except the ~~city or town~~ municipality of ~~such~~ the carrier's residence or the location of ~~his~~ the carrier's principal place of business. However, the fee required of a holder of a certificate C is in addition to any license tax or license fee charged by a municipality.

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

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. ~~No~~ 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. ~~Motor vehicles registered under the International Registration Plan may pay ad valorem property taxes on a semiannual basis~~ Large commercial motor vehicles and buses, as defined in Section 12-37-2810, must pay road use fees pursuant to Article 23, Chapter 37, Title 12 in lieu of ad valorem property taxes. The provisions of this section do not apply to 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. ~~No 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. ~~Motor vehicles registered under the International Registration Plan may pay ad valorem property taxes on a semiannual basis, and a proportional receipt must be issued by the treasurer subject to penalties in Section 12-37-2730. Large commercial motor vehicles and buses, as defined in Section 12-37-2810, must pay road use fees pursuant to Article 23, Chapter 37, Title 12 in lieu of ad valorem property taxes.~~ The treasurer, tax collector, or other official charged with the collection of ad valorem property taxes in each county may delegate the collection of motor vehicle taxes to banks or banking institutions, if each institution assigns, hypothecates, or pledges to the county, as security for the collection, federal funds or federal, state, or municipal securities in an amount

adequate to prevent any loss to the county from any cause. Each institution shall remit the taxes collected daily to the county official charged with the collections. The receipt given to the taxpayer, in addition to the information required in this section and by Section 12-45-70, must contain the name and office of the treasurer or tax collector of the county and must also show the name of the banking institution to which payment was made.”

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.

SECTION 9. Section 56-1-140 of the 1976 Code, as last amended by Act 275 of 2016, is further amended to read:

“Section 56-1-140. (A) Upon payment of a fee of ~~twelve twenty-five~~ dollars ~~and fifty cents~~ for a license that is valid for five years, or ~~twenty five fifty~~ dollars for a license that is valid for ten years, the Department of Motor Vehicles shall issue to every qualified applicant a driver's license as applied for by law. The license must bear on it a distinguishing number assigned to the licensee, the full name, date of birth, residence address, a brief description and laminated colored photograph of the licensee, and a facsimile of the signature of the licensee, or a space upon which the licensee shall write his usual signature with pen and ink immediately upon receipt of the license. ~~No~~ A license is not valid until it has been ~~so~~ signed by the licensee. The license authorizes the licensee to operate only those classifications of vehicles as indicated on the license.

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

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

(2) payment of a one dollar fee that must be ~~retained~~ collected by the department and placed by the Comptroller General into the State Highway Fund as established by Section 57-11-20, to be distributed as provided in Section 11-43-167.

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

~~(C) The fees collected pursuant to this section must be credited to the Department of Transportation State Non-Federal Aid Highway Fund. All of the fees collected pursuant to this section must be credited to the Infrastructure Maintenance Trust Fund."~~

SECTION 10. The first paragraph in Section 12-28-2355(C), before the first colon, is amended to read:

~~"(C) Notwithstanding any other provision of law, of the fees collected pursuant to subsection (A) of this section, ten percent must be transmitted by the Department of Revenue to the Department of Agriculture beginning upon the effective date of this act for use as provided in Section 39-41-70 and the remainder of the fees must be credited to the Department of Transportation State Non-Federal Aid Highway Fund as provided in the following schedule."~~

SECTION 11. Section 12-28-2740 of the 1976 Code is amended by adding an appropriately numbered 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 the repairs, maintenance, and improvements to the state highway secondary system."~~

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

WEDNESDAY, APRIL 19, 2017

SECTION 13. 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 in that each provision relates directly to or in conjunction with other sections to the subject of 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.

SECTION 14. 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.

SECTION 15. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 16. Except where specified otherwise, this act takes effect July 1, 2017. /

Renumber sections to conform.

Amend title to conform.

Senator CAMPBELL spoke on the committee amendment.

Objection

Senator SCOTT asked unanimous consent, with Senator CAMPBELL retaining the floor, for the committee amendment to be adopted.

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Senator DAVIS objected.

Senator CAMPBELL spoke on the committee amendment.

The question then was the adoption of the committee amendment.

The "ayes" and "nays" were demanded and taken, resulting as follows:

Ayes 21; Nays 17

AYES

| | | |
|-----------|------------|-------------------------|
| Alexander | Campbell | Cromer |
| Fanning | Gambrell | Goldfinch |
| Gregory | Hutto | Johnson |
| Kimpson | Leatherman | <i>Matthews, Margie</i> |
| McElveen | McLeod | Nicholson |
| Rankin | Reese | Sabb |
| Scott | Setzler | Sheheen |

Total--21

NAYS

| | | |
|---------|---------|---------|
| Bennett | Campsen | Climer |
| Corbin | Davis | Grooms |
| Hembree | Martin | Massey |
| Peeler | Rice | Senn |
| Shealy | Talley | Timmons |
| Turner | Young | |

Total--17

The committee amendment was adopted.

Recorded Vote

Senators ALLEN and WILLIAMS desired to be recorded as voting in favor of the adoption of the committee amendment.

Amendment No. 1

Senator BENNETT proposed the following amendment (3516R024.KM.SB), which was carried over:

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Amend the bill, as and if amended, page 28, line 6, by inserting appropriately numbered new SECTIONS to read:

/ SECTION ___. A. Section 12-6-510 of the 1976 Code is amended to read:

“Section 12-6-510. (A) For taxable years beginning after 1994, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520:

| | |
|------------------------------------|---|
| Not over \$2,220 | 2.5 percent of taxable income |
| Over \$2,220 but not over \$4,440 | \$56 plus 3 percent of the excess over \$2,220; |
| Over \$4,440 but not over \$6,660 | \$123 plus 4 percent of the excess over \$4,440; |
| Over \$6,660 but not over \$8,880 | \$212 plus 5 percent of the excess of \$6,660; |
| Over \$8,880 but not over \$11,100 | \$323 plus 6 percent of the excess over \$8,880; |
| Over \$11,100 | \$456 plus 7 percent of the excess over \$11,100- |

(B) Notwithstanding subsection (A), for tax year 2017, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520:

| <u>BUT NOT</u> | | |
|----------------|---------------|--|
| <u>OVER</u> | <u>OVER</u> | <u>--0--</u> |
| \$ 0 | \$ 3,610 | <u>0.00% Times the amount</u> |
| <u>3,610</u> | <u>7,220</u> | <u>2.90% Times the amount less \$105</u> |
| <u>7,220</u> | <u>10,830</u> | <u>4.00% Times the amount less \$184</u> |
| <u>10,830</u> | <u>14,440</u> | <u>5.00% Times the amount less \$292</u> |
| <u>14,440</u> | <u>18,050</u> | <u>6.00% Times the amount less \$437</u> |
| <u>18,050</u> | | <u>6.90% Times the amount less \$599</u> |

(C) Notwithstanding subsection (A), and subject to subsection (F), for tax year 2018, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520:

| <u>BUT NOT</u> | | |
|----------------|---------------|--|
| <u>OVER</u> | <u>OVER</u> | <u>--0--</u> |
| \$ 0 | \$ 3,680 | <u>0.00% Times the amount</u> |
| <u>3,680</u> | <u>7,360</u> | <u>2.90% Times the amount less \$107</u> |
| <u>7,360</u> | <u>11,040</u> | <u>4.00% Times the amount less \$188</u> |
| <u>11,040</u> | <u>14,720</u> | <u>5.00% Times the amount less \$298</u> |
| <u>14,720</u> | <u>18,400</u> | <u>6.00% Times the amount less \$445</u> |
| <u>18,400</u> | | <u>6.90% Times the amount less \$611</u> |

(D) Notwithstanding subsection (A), and subject to subsection (F), for tax year 2019, a tax is imposed on the South Carolina taxable income

of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520:

| <u>BUT NOT</u> | | |
|----------------|-----------------|--|
| <u>OVER</u> | <u>OVER</u> | <u>--0--</u> |
| <u>\$ 0</u> | <u>\$ 3,750</u> | <u>0.00% Times the amount</u> |
| <u>3,750</u> | <u>7,500</u> | <u>2.90% Times the amount less \$109</u> |
| <u>7,500</u> | <u>11,250</u> | <u>4.00% Times the amount less \$191</u> |
| <u>11,250</u> | <u>15,000</u> | <u>5.00% Times the amount less \$304</u> |
| <u>15,000</u> | <u>18,750</u> | <u>6.00% Times the amount less \$454</u> |
| <u>18,750</u> | | <u>6.90% Times the amount less \$622</u> |

(E) Notwithstanding subsection (A), and subject to subsection (F), for taxable years beginning after 2019, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520:

| <u>BUT NOT</u> | | |
|----------------|-----------------|--|
| <u>OVER</u> | <u>OVER</u> | <u>--0--</u> |
| <u>\$ 0</u> | <u>\$ 4,150</u> | <u>0.00% Times the amount</u> |
| <u>4,150</u> | <u>8,300</u> | <u>2.90% Times the amount less \$120</u> |
| <u>8,300</u> | <u>12,450</u> | <u>4.00% Times the amount less \$212</u> |
| <u>12,450</u> | <u>16,600</u> | <u>5.00% Times the amount less \$336</u> |
| <u>16,600</u> | <u>20,750</u> | <u>6.00% Times the amount less \$502</u> |
| <u>20,750</u> | | <u>6.90% Times the amount less \$689</u> |

(F)(1) Notwithstanding any other provision of this section, the provisions of subsection (C) shall not apply until forecasted general fund growth meets the requirements of subsection (G), the provisions of subsection (D) shall not apply until forecasted general fund growth meets the requirements of subsection (G) twice, and the provisions of subsection (E) shall not apply until forecasted general fund growth meets the requirements of subsection (G) three times.

(2) Once income tax brackets and rates are applicable in a tax year, the same brackets and rates shall continue to apply until general fund growth meets the requirements of this subsection (G) causing new tax brackets and rates to be applicable. In any tax year in which new tax brackets and rates are not applicable, the department shall adjust the income tax brackets in accordance with Section 12-6-520. In the first year income tax brackets and rates become applicable, the income tax brackets must be at least as large as the previous tax year.

(3) The provisions of this subsection no longer apply once the provisions of subsection (E) are applicable; however, an amended return must use the applicable tax brackets and rates of the year for which the return was filed.

(G)(1) Forecasted general fund growth meets the requirements of this section if, beginning with the February 15, 2018 forecast by the Board of Economic Advisors of annual general fund revenue for the upcoming fiscal year, and annually thereafter, general fund revenues are projected to increase by at least one percent. If the February fifteenth forecast meets the requirement, the Executive Director of the Revenue and Fiscal Affairs Office, or his designee, promptly shall certify this result in writing to the Department of Revenue. The provisions of this subsection no longer apply once the tax brackets and rates in subsection (E) are applicable.

(2) For purposes of this subsection, the percentage increase in general funds must be determined by the Revenue and Fiscal Affairs Office by comparing the current fiscal year's recurring general fund expenditure base with the Board of Economic Advisors' February fifteenth forecast of recurring general fund revenue for the upcoming fiscal year. The February fifteenth forecast is considered the final forecast for purposes of making the growth determination. The Revenue and Fiscal Affairs Office shall determine the current fiscal year's recurring general fund expenditure base, and determine any projected increase in general fund revenues.

(3) For purposes of this subsection:

(a) 'Recurring general fund revenue' means the forecast of recurring general fund revenues pursuant to Section 11-9-880 after the amount apportioned to the Trust Fund for Tax Relief, as required in Section 11-11-150, is deducted, and after any projected revenue loss resulting from amendments to Sections 12-6-510 and 12-37-220(B)(52)(a) contained within the South Carolina Infrastructure and Economic Development Reform Act is deducted.

(b) 'Recurring general fund expenditure base' means the total recurring general fund appropriations authorized in the current general appropriations act less any reduced appropriations mandated by the General Assembly or the Executive Budget Office pursuant to Section 11-9-890B, and less any projected revenue loss resulting from amendments to Sections 12-6-510 and 12-37-220(B)(52)(a) contained within the South Carolina Infrastructure and Economic Development Reform Act.

(H) The department may prescribe tax tables consistent with the rates set pursuant to subsection (A) this section."

B. Notwithstanding Section 12-6-520, the Department of Revenue shall not adjust the income tax brackets for any year in which new

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income tax brackets and rates, pursuant to Section 12-6-510, are first applicable.

SECTION ___. A. Section 12-6-520 of the 1976 Code is amended to read:

“Section 12-6-520. (A) Each December 15, the department shall cumulatively adjust the brackets in Section 12-6-510 in the same manner that brackets are adjusted in Internal Revenue Code Section (1)(f). However, the adjustment ~~is limited to one half of the adjustment determined by Internal Revenue Code Section (1)(f)~~, may not exceed four percent a year, and the rounding amount provided in (1)(f)(6) is ten dollars. The brackets, as adjusted, apply in lieu of those provided in Section 12-6-510 for taxable years beginning in the succeeding calendar year. Inflation adjustments must be made cumulatively to the income tax brackets.

(B) Notwithstanding the provisions of subsection (A), for tax years beginning after 2020, or tax years after which income tax brackets and rates set forth in Section 12-6-510(E) become applicable, whichever occurs later, the department shall make the adjustment required by this section using the tax year 2020 brackets as the base year.”

B. This SECTION takes effect upon approval by the Governor and applies to tax years beginning after 2016.

SECTION ___. A. Section 12-6-1140(6) of the 1976 Code is amended to read:

“(6) a subsistence allowance of ~~eight~~ nine dollars a day for federal, state, and local law enforcement officers paid by a political subdivision of this State, the government of this State, or the federal government, for each regular work day in a taxable year and full-time firefighters and emergency medical service personnel may deduct as a subsistence allowance eight dollars a day for each regular work day in a taxable year;”

B. This SECTION takes effect upon approval by the Governor and applies to tax years beginning after 2016.

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

“(1) ~~thirty~~ forty-five thousand dollars; or”

B. This SECTION takes effect upon approval by the Governor and applies to tax years beginning after 2016.

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

“(A)(1) A student is allowed a refundable individual income tax credit equal to twenty-five percent, not to exceed ~~eight hundred fifty one thousand five hundred~~ dollars in the case of both four-year institutions and ~~twenty five percent, not to exceed three hundred fifty dollars in the ease of~~ 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. This SECTION takes effect upon approval by the Governor and applies to tax years beginning after 2016.

SECTION ___. 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 three and one-half percent of the earned income tax credit (EITC) allowed the taxpayer pursuant to Internal Revenue Code Section 32.”

B. This SECTION takes effect upon approval by the Governor and applies to tax years beginning after 2016.

SECTION ___. A. Section 12-37-220(B) of the 1976 Code, as last amended by Act 23 of 2015, is further amended by adding an item at the end to read:

“(52)(a) Nineteen and five one-hundredths 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, when the exemption is applied to real property, 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) Nine and one-half percent of the property tax value of business personal property required to be reported and returned annually to the Department of Revenue or county auditors assessed for property tax purposes pursuant to Section 12-43-220(f).

(c) 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. 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.

(d) Notwithstanding any other provision of law, property exempted from property tax 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.(A) Notwithstanding the exemption amount allowed pursuant to item (52)(a) added pursuant to subsection A of this SECTION, the percentage exemption amount is phased in in two equal and cumulative percentage installments, pursuant to subsection (B), applicable for property tax years beginning after 2017.

(B)(1) Notwithstanding any other provision of this SECTION, beginning with the February 15, 2018, forecast by the Board of Economic Advisors of annual general fund revenue for the upcoming fiscal year, and annually thereafter, the scheduled percentage exemption, set forth in subsection (A), shall take effect only if general fund revenues are projected to increase by at least one percent. The next scheduled percentage exemption shall not take effect until the February fifteenth forecast meets the requirements for an exemption, *mutatis mutandis*. If the February fifteenth forecast meets the requirement for an exemption, the Executive Director of the Revenue and Fiscal Affairs Office, or his designee, promptly shall certify this result in writing to the Department of Revenue. Once both installments required by subsection (A) have been made, the provisions of this item no longer apply.

(2) For purposes of this subsection, the percentage increase in general funds must be determined by the Revenue and Fiscal Affairs Office by comparing the current fiscal year's recurring general fund expenditure base with the Board of Economic Advisors' February fifteenth forecast of recurring general fund revenue for the upcoming fiscal year. The February fifteenth forecast is considered the final forecast for purposes of making the growth determination. The Revenue and Fiscal Affairs Office shall determine the current fiscal year's recurring general fund expenditure base, and determine any projected increase in general fund revenues.

(3) For purposes of this subsection:

(a) 'Recurring general fund revenue' means the forecast of recurring general fund revenues pursuant to Section 11-9-880 after the amount apportioned to the Trust Fund for Tax Relief, as required in Section 11-11-150, is deducted, and after any projected revenue loss resulting from amendments to Sections 12-6-510 and

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12-37-220(B)(52)(a) contained within the South Carolina Infrastructure and Economic Development Reform Act is deducted.

(b) 'Recurring general fund expenditure base' means the total recurring general fund appropriations authorized in the current general appropriations act less any reduced appropriations mandated by the General Assembly or the Executive Budget Office pursuant to Section 11-9-890B, and less any projected revenue loss resulting from amendments to Sections 12-6-510 and 12-37-220(B)(52)(a) contained within this act.

C. This SECTION takes effect upon approval by the Governor and for purposes of item (52)(b) first applies to property tax years beginning after 2016, and for purposes of item (52)(a) first applies to property tax years beginning after 2017. /

Renumber sections to conform.

Amend title to conform.

Senator BENNETT spoke on the amendment.

Motion Adopted

On motion of Senator LEATHERMAN, with unanimous consent and with Senator BENNETT retaining the floor, the Senate receded until 1:30 P.M.

RECESS

At 12:47 P.M., on motion of Senator LEATHERMAN, the Senate receded from business until 1:30 P.M.

At 1:35 P.M., the Senate resumed.

Point of Quorum

At 1:36 P.M., Senator MALLOY made the point that a quorum was not present. It was ascertained that a quorum was not present.

Call of the Senate

Senator LEATHERMAN moved that a Call of the Senate be made. The following Senators answered the Call:

| | | |
|-----------|----------|-----------|
| Alexander | Allen | Bennett |
| Campbell | Campsen | Climer |
| Corbin | Cromer | Davis |
| Fanning | Gambrell | Goldfinch |

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| | | |
|----------|------------|-------------------------|
| Gregory | Grooms | Hembree |
| Hutto | Jackson | Johnson |
| Kimpson | Leatherman | Malloy |
| Martin | Massey | <i>Matthews, Margie</i> |
| McElveen | McLeod | Nicholson |
| Peeler | Rice | Sabb |
| Scott | Senn | Setzler |
| Shealy | Talley | Timmons |
| Turner | Williams | Young |

A quorum being present, the Senate resumed.

RATIFICATION OF ACTS

Pursuant to an invitation the Honorable Speaker and House of Representatives appeared in the Senate Chamber on April 19, 2017, at 2:15 P.M. and the following Acts were ratified:

(R18, S. 354) -- Senators Alexander and Verdin: AN ACT TO AMEND SECTION 44-7-130, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS FOR THE STATE CERTIFICATION OF NEED AND HEALTH FACILITY LICENSURE ACT, SO AS TO DEFINE "CRISIS STABILIZATION UNIT FACILITY"; TO AMEND SECTION 44-7-170, AS AMENDED, RELATING TO THE REQUIREMENT FOR A CERTIFICATE OF NEED REVIEW, SO AS TO EXEMPT CRISIS STABILIZATION UNIT FACILITIES; AND TO AMEND SECTION 44-7-260, AS AMENDED, RELATING TO REQUIREMENTS FOR LICENSURE FOR HEALTH FACILITIES, SO AS TO REQUIRE CRISIS STABILIZATION UNIT FACILITIES TO OBTAIN A LICENSE FROM THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL.

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(R19, S. 568) -- Senator Sabb: AN ACT TO AMEND ACT 471 OF 2002, RELATING TO THE COMPOSITION OF THE WILLIAMSBURG COUNTY SCHOOL DISTRICT BOARD OF TRUSTEES, SO AS TO PROVIDE THAT THE BOARD SHALL INCLUDE TWO MEMBERS FROM THE COUNTY AT-LARGE, TO PROVIDE FOR THE MANNER OF INITIAL APPOINTMENT OF THE TWO AT-LARGE MEMBERS, TO PROVIDE FOR STAGGERED TERMS OF THE TWO AT-LARGE MEMBERS, AND

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TO CONFORM THE ADDITION OF TWO AT-LARGE MEMBERS
TO THE ELECTION OF MEMBERS TO THE BOARD AND
FILLING VACANCIES ON THE BOARD.

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(R20, H. 3438) -- Reps. Henderson, G.M. Smith, Sandifer, Hiott, Loftis and Robinson-Simpson: AN ACT TO AMEND SECTION 39-24-20, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS IN THE DRUG PRODUCT SELECTION ACT, SO AS TO CHANGE THE DEFINITION OF "SUBSTITUTE" TO INCLUDE INTERCHANGEABLE BIOLOGICAL PRODUCTS; TO AMEND SECTION 39-24-30, RELATING TO THE SUBSTITUTION OF EQUIVALENT DRUGS, SO AS TO ALLOW A PHARMACIST TO SUBSTITUTE AN INTERCHANGEABLE BIOLOGICAL PRODUCT FOR A SPECIFIC BIOLOGICAL PRODUCT; TO AMEND SECTION 39-24-40, AS AMENDED, RELATING TO THE SUBSTITUTION OF PRESCRIPTIONS BY PHARMACISTS, SO AS TO ALLOW PHARMACISTS TO SUBSTITUTE INTERCHANGEABLE BIOLOGICAL PRODUCTS WHEN APPROPRIATE; TO AMEND SECTION 40-43-30, RELATING TO DEFINITIONS IN THE PHARMACY PRACTICE ACT, SO AS TO ADD DEFINITIONS FOR "BIOLOGICAL PRODUCT" AND "INTERCHANGEABLE BIOLOGICAL PRODUCT"; AND TO AMEND SECTION 40-43-86, RELATING IN PART TO LABEL REQUIREMENTS FOR PRESCRIPTIONS, SO AS TO ADDRESS LABELING, PRESCRIBER NOTIFICATION, AND OTHER REQUIREMENTS APPLICABLE TO INTERCHANGEABLE BIOLOGICAL PRODUCTS.

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(R21, H. 3517) -- Reps. Hiott, Kirby, Duckworth, Forrest, Hixon, Hewitt, Davis and Martin: AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 50-9-750 SO AS TO PROVIDE THAT THE DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES MAY ISSUE SPECIAL AUTHORIZATION FOR HUNTING AND FISHING TO ANY PERSON WHO IS NOT MORE THAN TWENTY-ONE YEARS OLD WHO HAS BEEN DIAGNOSED WITH A TERMINAL OR LIFE THREATENING ILLNESS OR INJURY WHO IS SPONSORED BY CERTAIN NONPROFIT CHARITABLE ORGANIZATIONS, TO

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PROVIDE THAT LICENSE, TAG, AND FEE REQUIREMENTS FOR HUNTING AND FISHING ARE WAIVED, AND TO ALLOW THE DIRECTOR TO DETERMINE THE PERIOD OF TIME IN WHICH THE SPECIAL AUTHORIZATION IS VALID.

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(R22, H. 3726) -- Reps. Herbkersman, Cobb-Hunter, Anthony, Whitmire, Stringer, Bradley, Lucas and White: AN ACT TO AMEND SECTION 9-1-1085, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE SOUTH CAROLINA RETIREMENT SYSTEM EMPLOYER AND EMPLOYEE CONTRIBUTION RATES, SO AS TO CHANGE FUTURE EMPLOYER AND EMPLOYEE CONTRIBUTION RATES AND TO REQUIRE THAT THE UNFUNDED LIABILITIES OF THE SYSTEM MUST BE ON A CERTAIN AMORTIZATION SCHEDULE; TO AMEND SECTION 9-11-225, RELATING TO THE POLICE OFFICERS RETIREMENT SYSTEM EMPLOYER AND EMPLOYEE CONTRIBUTION RATES, SO AS TO CHANGE FUTURE EMPLOYER AND EMPLOYEE CONTRIBUTION RATES AND TO REQUIRE THAT THE UNFUNDED LIABILITIES OF THE SYSTEM MUST BE ON A CERTAIN AMORTIZATION SCHEDULE; TO AMEND SECTION 9-16-335, RELATING TO THE ASSUMED RATE OF RETURN, SO AS TO CHANGE THE ASSUMED RATE OF RETURN TO SEVEN AND ONE QUARTER PERCENT AND TO PROVIDE THAT THE ASSUMED RATE OF RETURN EXPIRES EVERY FOUR YEARS; TO AMEND SECTION 9-4-10, RELATING TO THE TERM OF MEMBERS OF THE BOARD OF DIRECTORS OF THE SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY (PEBA), SO AS TO CHANGE THE TERM FROM TWO TO FOUR YEARS AND TO REQUIRE THE BOARD TO EMPLOY AN EXECUTIVE DIRECTOR; TO AMEND SECTION 9-4-40, RELATING TO THE AUDIT OF PEBA, SO AS TO REQUIRE PEBA TO BE AUDITED EVERY FOUR YEARS; TO AMEND SECTION 9-1-240, RELATING TO THE APPOINTMENT AND DUTIES OF THE ACTUARY, SO AS TO PROVIDE THAT THE STATE FISCAL ACCOUNTABILITY AUTHORITY SHALL APPROVE THE ACTUARY AND TO PROVIDE THAT THE RETIREMENT SYSTEM INVESTMENT COMMISSION IS A THIRD-PARTY BENEFICIARY OF THE CONTRACT WITH THE ACTUARY; TO AMEND SECTION 9-16-10, AS AMENDED, RELATING TO RETIREMENT SYSTEM

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FUNDS’ “FIDUCIARY” DEFINITION, SO AS TO ADD THE COMMISSION’S “CHIEF EXECUTIVE OFFICER” TO THE DEFINITION; TO AMEND SECTION 9-16-30, AS AMENDED, RELATING TO THE DELEGATION OF FUNCTIONS BY THE COMMISSION, SO AS TO PROVIDE THAT THE COMMISSION SHALL CAST CERTAIN SHAREHOLDER PROXY VOTES; TO AMEND SECTION 9-16-90, AS AMENDED, RELATING TO CERTAIN INVESTMENT REPORTS, SO AS TO PROVIDE THAT CERTAIN REPORTS MUST CONTAIN A SCHEDULE OF NET MANAGER FEES AND EXPENSES; TO AMEND SECTION 9-16-315, AS AMENDED, RELATING TO THE RETIREMENT SYSTEM INVESTMENT COMMISSION, SO AS TO CHANGE CERTAIN MEMBERS OF THE COMMISSION, TO ADD QUALIFICATIONS, AND TO REQUIRE THE COMMISSION TO EMPLOY A CHIEF EXECUTIVE OFFICER; TO AMEND SECTION 9-16-330, AS AMENDED, RELATING TO CERTAIN STATEMENTS OF ACTUARIAL ASSUMPTIONS AND INVESTMENT OBJECTIVES, SO AS TO ALLOW FOR CERTAIN DELEGATIONS TO THE CHIEF INVESTMENT OFFICER, AND TO REQUIRE THE INVESTMENT PLAN TO INCLUDE THE FINAL AUTHORITY TO INVEST BE MADE BY THE COMMISSION; TO AMEND SECTION 9-16-380, RELATING TO THE AUDIT OF THE RETIREMENT SYSTEM INVESTMENT COMMISSION, SO AS TO PROVIDE THAT THE RETIREMENT SYSTEM INVESTMENT COMMISSION BE AUDITED EVERY FOUR YEARS; BY ADDING SECTION 9-16-100 SO AS TO PLACE CERTAIN RESTRICTIONS ON LOBBYISTS AND TO PROHIBIT THE COMMISSION FROM MAKING CERTAIN INVESTMENTS; TO AMEND SECTION 9-1-1310, AS AMENDED, RELATING TO THE TRUSTEES OF THE RETIREMENT SYSTEM, SO AS TO CHANGE A TRUSTEE FROM THE STATE FISCAL ACCOUNTABILITY AUTHORITY TO THE RETIREMENT SYSTEM INVESTMENT COMMISSION; TO AMEND SECTION 9-1-1320, RELATING TO THE CUSTODY OF THE ASSETS OF THE RETIREMENT SYSTEM, SO AS TO CHANGE THE CUSTODIAN OF THE ASSETS FROM THE STATE TREASURER TO THE BOARD OF DIRECTORS OF PEBA; TO AMEND SECTION 1-3-240, AS AMENDED, RELATING TO THE REMOVAL OF OFFICERS BY THE GOVERNOR, SO AS TO ADD THE SOUTH CAROLINA RETIREMENT INVESTMENT COMMISSION MEMBERS AND THE SOUTH CAROLINA PUBLIC

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BENEFIT AUTHORITY MEMBERS; AND TO REPEAL SECTIONS 9-4-45, 9-8-170, 9-9-160, 9-10-80, AND 9-11-250 RELATING TO POLICY DETERMINATIONS AND THE CUSTODY OF FUNDS FOR THE RETIREMENT SYSTEM FOR JUDGES AND SOLICITORS, THE RETIREMENT SYSTEM FOR MEMBERS OF THE GENERAL ASSEMBLY, THE NATIONAL GUARD RETIREMENT SYSTEM, AND THE POLICE OFFICERS RETIREMENT SYSTEM.

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(R23, H. 3793) -- Reps. Crawford, Clemons, Jordan, Johnson, Fry, Hardee, Bennett, Anderson, Alexander, Atkinson, Kirby, Crosby, Arrington, Sottile, McCoy, Daning, Duckworth, Hayes, Lowe, S. Rivers, Stavrinakis, Knight, Ryhal, Hewitt, Davis, Yow and Whipper: AN ACT TO AMEND SECTION 59-103-15, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE MISSION AND GOALS OF INSTITUTIONS OF HIGHER LEARNING, SO AS TO AUTHORIZE CERTAIN DEGREE PROGRAMS SO LONG AS STATE GENERAL FUNDS ARE NOT APPROPRIATED FOR THE OPERATIONS OF THE DEGREE PROGRAM.

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(R24, H. 4067) -- Rep. Kirby: AN ACT TO AMEND ACT 84 OF 2011, AS AMENDED, RELATING TO THE BOARD OF TRUSTEES OF FLORENCE COUNTY SCHOOL DISTRICT NUMBER THREE, SO AS TO EXTEND THE TERMS OF THE MEMBERS OF THE BOARD OF TRUSTEES OF FLORENCE COUNTY SCHOOL DISTRICT NUMBER THREE TO FOUR YEARS, TO STAGGER THE TERMS OF THE MEMBERS, TO REQUIRE THAT THE MEMBERS BE ELECTED AT A GENERAL ELECTION HELD IN AN EVEN-NUMBERED YEAR, AND TO PROVIDE THE PROCESS BY WHICH A VACANCY IS FILLED.

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Senator BENNETT resumed speaking on the Amendment No. 1.

Point of Order

Senator MALLOY raised a Point of Order that the amendment was out of order inasmuch as the amendment violates Article III, Section 17 of the Constitution.

[SJ]

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Senator MASSEY spoke on the Point of Order.
Senator CAMPSEN spoke on the Point of Order.
Senator SCOTT spoke on the Point of Order.

The PRESIDENT took the Point of Order under advisement and subsequently overruled the Point of Order.

Senator BENNETT resumed speaking on the amendment.
Senator SCOTT spoke on the amendment.
Senator SHEHEEN spoke on the amendment.
Senator MALLOY spoke on the amendment.
Senator SETZLER spoke on the amendment.

Remarks to be Printed

On motion of Senator FANNING, with unanimous consent, the remarks of Senators MALLOY and SETZLER, when reduced to writing and made available to the Desk, would be printed in the Journal.

Senator MASSEY moved to carry over the amendment.

Senator MALLOY moved to table the motion to carry over the amendment.

On motion of Senator MALLOY, with unanimous consent, the motion to table was withdrawn.

The amendment was carried over.

Amendment No. 2B

Senator BENNETT proposed the following amendment (3516R071.SP.ASM), which was tabled:

Amend the bill, as and if amended, by striking SECTION 2 and inserting:

/ SECTION 2. A. Section 12-28-310 of the 1976 Code is amended by adding subsections 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.

(E)(1) The department shall increase the amount of the motor fuel user fee imposed pursuant to subsections (A) and (D) on an annual basis by an inflation factor equal to the annual average percentage adjustment over the last ten completed calendar years of the Consumer Price Index for all urban consumers as published by the United States Department of Labor, Bureau of Labor Statistics, but not to exceed two percent. Upon determining the increase, the department shall round the price to the nearest one-tenth of a cent. If the increase is exactly between two-tenths of a cent, the department must round the price up to the higher of the two. The department determines the increase in the motor fuel user fee by March thirty-first of each year, and the increase takes effect the following July first. The department must notify affected taxpayers of the motor fuel user fee to be in effect for the coming July first to June thirtieth period.

(2) The provisions of item (E)(1) must be suspended by the Director of the Department of Revenue if they result in the motor fuel user fee exceeding the same in North Carolina and the Georgia county with the highest cumulative motor fuel user fee. The suspension must remain in place until such time the motor fuel user fees in North Carolina and the Georgia county with the highest cumulative motor fuel user fee are greater than or equal to that of South Carolina.

(F)(1) Notwithstanding any other provision of this section, beginning with the February 15, 2018, forecast by the Board of Economic Advisors of annual general fund revenue for the upcoming fiscal year, and annually thereafter, the scheduled July first user fee increase provided in subsection (D) takes effect only if general fund revenues are projected to increase by at least one percent. The next scheduled increase does not take effect until the February fifteenth forecast meets the requirements for an increase, *mutatis mutandis*. If the February fifteenth forecast meets the requirement for an increase, the Executive Director of the Revenue and Fiscal Affairs Office, or his designee, promptly shall certify this result in writing to the Department of Revenue. On the July first that the increase required by this subsection is fully implemented, the provisions of this item no longer apply.

(2) For purposes of this subsection, the percentage increase in general funds must be determined by the Revenue and Fiscal Affairs Office by comparing the current fiscal year's recurring general fund expenditure base with the Board of Economic Advisors' February

fifteenth forecast of recurring general fund revenue for the upcoming fiscal year. The February fifteenth forecast is considered the final forecast for purposes of making the growth determination. The Revenue and Fiscal Affairs Office determines the current fiscal year's recurring general fund expenditure base, and determine any projected increase in general fund revenues.

(3) For purposes of this subsection:

(a) 'Recurring general fund revenue' means the forecast of recurring general fund revenues pursuant to Section 11-9-880 after the amount apportioned to the Trust Fund for Tax Relief, as required in Section 11-11-150, is deducted, and after any projected revenue loss resulting from amendments to Sections 12-6-510 and 12-37-220(B)(52)(a) contained within the South Carolina Infrastructure and Economic Development Reform Act is deducted.

(b) 'Recurring general fund expenditure base' means the total recurring general fund appropriations authorized in the current general appropriations act less any reduced appropriations mandated by the General Assembly or the Executive Budget Office pursuant to Section 11-9-890B, and less any projected revenue loss resulting from amendments to Sections 12-6-510 and 12-37-220(B)(52)(a) contained within the South Carolina Infrastructure and Economic Development Reform Act."

B. The first CPI adjustment made pursuant to this SECTION takes effect July 1, 2020, or the July first after the provisions of Section 12-28-310(D) are fully implemented, whichever occurs later./

Amend the bill further, as and if amended, by inserting appropriately numbered new SECTIONS to read:

/ SECTION __. A. Section 12-6-510 of the 1976 Code is amended to read:

"Section 12-6-510. (A) For taxable years beginning after 1994, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520:

| | |
|------------------------------------|---|
| Not over \$2,220 | 2.5 percent of taxable income |
| Over \$2,220 but not over \$4,440 | \$56 plus 3 percent of the excess over \$2,220; |
| Over \$4,440 but not over \$6,660 | \$123 plus 4 percent of the excess over \$4,440; |
| Over \$6,660 but not over \$8,880 | \$212 plus 5 percent of the excess of \$6,660; |
| Over \$8,880 but not over \$11,100 | \$323 plus 6 percent of the excess over \$8,880; |
| Over \$11,100 | \$456 plus 7 percent of the excess over \$11,100; |

(B) Notwithstanding subsection (A), for tax year 2018, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520:

| <u>BUT NOT</u> | | |
|----------------|-----------------|--|
| <u>OVER</u> | <u>OVER</u> | <u>-0-</u> |
| <u>\$ 0</u> | <u>\$ 3,610</u> | <u>0.00% Times the amount</u> |
| <u>3,610</u> | <u>7,220</u> | <u>2.90% Times the amount less \$105</u> |
| <u>7,220</u> | <u>10,830</u> | <u>4.00% Times the amount less \$184</u> |
| <u>10,830</u> | <u>14,440</u> | <u>5.00% Times the amount less \$292</u> |
| <u>14,440</u> | <u>18,050</u> | <u>6.00% Times the amount less \$437</u> |
| <u>18,050</u> | | <u>6.90% Times the amount less \$599</u> |

(C) Notwithstanding subsection (A), and subject to subsection (F), for tax year 2019, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520:

| <u>BUT NOT</u> | | |
|----------------|-----------------|--|
| <u>OVER</u> | <u>OVER</u> | <u>-0-</u> |
| <u>\$ 0</u> | <u>\$ 3,680</u> | <u>0.00% Times the amount</u> |
| <u>3,680</u> | <u>7,360</u> | <u>2.90% Times the amount less \$107</u> |
| <u>7,360</u> | <u>11,040</u> | <u>4.00% Times the amount less \$188</u> |
| <u>11,040</u> | <u>14,720</u> | <u>5.00% Times the amount less \$298</u> |
| <u>14,720</u> | <u>18,400</u> | <u>6.00% Times the amount less \$445</u> |
| <u>18,400</u> | | <u>6.90% Times the amount less \$611</u> |

(D) Notwithstanding subsection (A), and subject to subsection (F), for tax year 2020, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520:

| <u>BUT NOT</u> | | |
|----------------|-----------------|--|
| <u>OVER</u> | <u>OVER</u> | <u>-0-</u> |
| <u>\$ 0</u> | <u>\$ 3,750</u> | <u>0.00% Times the amount</u> |
| <u>3,750</u> | <u>7,500</u> | <u>2.90% Times the amount less \$109</u> |
| <u>7,500</u> | <u>11,250</u> | <u>4.00% Times the amount less \$191</u> |
| <u>11,250</u> | <u>15,000</u> | <u>5.00% Times the amount less \$304</u> |
| <u>15,000</u> | <u>18,750</u> | <u>6.00% Times the amount less \$454</u> |
| <u>18,750</u> | | <u>6.90% Times the amount less \$622</u> |

(E) Notwithstanding subsection (A), and subject to subsection (F), for taxable years beginning after 2020, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other

entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520:

| <u>BUT NOT</u> | | |
|----------------|-----------------|--|
| <u>OVER</u> | <u>OVER</u> | <u>--</u> |
| <u>\$ 0</u> | <u>\$ 4,150</u> | <u>0.00% Times the amount</u> |
| <u>4,150</u> | <u>8,300</u> | <u>2.90% Times the amount less \$120</u> |
| <u>8,300</u> | <u>12,450</u> | <u>4.00% Times the amount less \$212</u> |
| <u>12,450</u> | <u>16,600</u> | <u>5.00% Times the amount less \$336</u> |
| <u>16,600</u> | <u>20,750</u> | <u>6.00% Times the amount less \$502</u> |
| <u>20,750</u> | | <u>6.90% Times the amount less \$689</u> |

(F)(1) Notwithstanding any other provision of this section, the provisions of subsection (C) shall not apply until forecasted general fund growth meets the requirements of subsection (G), the provisions of subsection (D) shall not apply until forecasted general fund growth meets the requirements of subsection (G) twice, and the provisions of subsection (E) shall not apply until forecasted general fund growth meets the requirements of subsection (G) three times.

(2) Once income tax brackets and rates are applicable in a tax year, the same brackets and rates shall continue to apply until general fund growth meets the requirements of this subsection (G) causing new tax brackets and rates to be applicable. In any tax year in which new tax brackets and rates are not applicable, the department shall adjust the income tax brackets in accordance with Section 12-6-520. In the first year income tax brackets and rates become applicable, the income tax brackets must be at least as large as the previous tax year.

(3) The provisions of this subsection no longer apply once the provisions of subsection (E) are applicable; however, an amended return must use the applicable tax brackets and rates of the year for which the return was filed.

(G)(1) Forecasted general fund growth meets the requirements of this section if, beginning with the February 15, 2019 forecast by the Board of Economic Advisors of annual general fund revenue for the upcoming fiscal year, and annually thereafter, general fund revenues are projected to increase by at least one percent. If the February fifteenth forecast meets the requirement, the Executive Director of the Revenue and Fiscal Affairs Office, or his designee, promptly shall certify this result in writing to the Department of Revenue. The provisions of this subsection no longer apply once the tax brackets and rates in subsection (E) are applicable.

(2) For purposes of this subsection, the percentage increase in general funds must be determined by the Revenue and Fiscal Affairs

Office by comparing the current fiscal year's recurring general fund expenditure base with the Board of Economic Advisors' February fifteenth forecast of recurring general fund revenue for the upcoming fiscal year. The February fifteenth forecast is considered the final forecast for purposes of making the growth determination. The Revenue and Fiscal Affairs Office shall determine the current fiscal year's recurring general fund expenditure base, and determine any projected increase in general fund revenues.

(3) For purposes of this subsection:

(a) 'Recurring general fund revenue' means the forecast of recurring general fund revenues pursuant to Section 11-9-880 after the amount apportioned to the Trust Fund for Tax Relief, as required in Section 11-11-150, is deducted, and after any projected revenue loss resulting from amendments to Sections 12-6-510 and 12-37-220(B)(52)(a) contained within the South Carolina Infrastructure and Economic Development Reform Act is deducted.

(b) 'Recurring general fund expenditure base' means the total recurring general fund appropriations authorized in the current general appropriations act less any reduced appropriations mandated by the General Assembly or the Executive Budget Office pursuant to Section 11-9-890B, and less any projected revenue loss resulting from amendments to Sections 12-6-510 and 12-37-220(B)(52)(a) contained within the South Carolina Infrastructure and Economic Development Reform Act.

(H) The department may prescribe tax tables consistent with the rates set pursuant to subsection (A) this section."

B. Notwithstanding Section 12-6-520, the Department of Revenue shall not adjust the income tax brackets for any year in which new income tax brackets and rates, pursuant to Section 12-6-510, are first applicable.

SECTION ___. A. Section 12-6-520 of the 1976 Code is amended to read:

“Section 12-6-520. (A) Each December 15, the department shall cumulatively adjust the brackets in Section 12-6-510 in the same manner that brackets are adjusted in Internal Revenue Code Section (1)(f). However, the adjustment is limited to one half of the adjustment determined by Internal Revenue Code Section (1)(f), may not exceed four percent a year, and the rounding amount provided in (1)(f)(6) is ten dollars. The brackets, as adjusted, apply in lieu of those provided in Section 12-6-510 for taxable years beginning in the succeeding calendar

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year. Inflation adjustments must be made cumulatively to the income tax brackets.

(B) Notwithstanding the provisions of subsection (A), for tax years beginning after 2021, or tax years after which income tax brackets and rates set forth in Section 12-6-510(E) become applicable, whichever occurs later, the department shall make the adjustment required by this section using the tax year 2021 brackets as the base year.”

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

SECTION __. A. Section 12-6-1140(6) of the 1976 Code is amended to read:

“(6) a subsistence allowance of ~~eight~~ nine dollars a day for federal, state, and local law enforcement officers paid by a political subdivision of this State, the government of this State, or the federal government, for each regular work day in a taxable year and full-time firefighters and emergency medical service personnel may deduct as a subsistence allowance eight dollars a day for each regular work day in a taxable year;”

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

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

“(1) ~~thirty~~ forty-five thousand dollars; or”

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

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

“(A)(1) A student is allowed a refundable individual income tax credit equal to twenty-five percent, not to exceed ~~eight hundred fifty one thousand five hundred~~ dollars in the case of ~~both~~ four-year institutions and ~~twenty five percent, not to exceed three hundred fifty dollars in the case of~~ two-year institutions for tuition paid at 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. This SECTION takes effect upon approval by the Governor and applies to tax years beginning after 2017.

SECTION __. 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 and twenty percent of the earned income tax credit (EITC) allowed the taxpayer pursuant to Internal Revenue Code Section 32.”

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

SECTION ___. A. Section 12-37-220(B) of the 1976 Code, as last amended by Act 23 of 2015, is further amended by adding an item at the end to read:

“(52)(a) Nineteen and five one-hundredths 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, when the exemption is applied to real property, 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) Nine and one-half percent of the property tax value of business personal property required to be reported and returned annually to the Department of Revenue or county auditors assessed for property tax purposes pursuant to Section 12-43-220(f).

(c) 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. 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.

(d) Notwithstanding any other provision of law, property exempted from property tax 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.(A) Notwithstanding the exemption amount allowed pursuant to item (52)(a) added pursuant to subsection A of this SECTION, the percentage exemption amount is phased in in two equal and cumulative percentage installments, pursuant to subsection (B), applicable for property tax years beginning after 2018.

(B)(1) Notwithstanding any other provision of this SECTION, beginning with the February 15, 2019, forecast by the Board of Economic Advisors of annual general fund revenue for the upcoming

fiscal year, and annually thereafter, the scheduled percentage exemption, set forth in subsection (A), shall take effect only if general fund revenues are projected to increase by at least one percent. The next scheduled percentage exemption shall not take effect until the February fifteenth forecast meets the requirements for an exemption, mutatis mutandis. If the February fifteenth forecast meets the requirement for an exemption, the Executive Director of the Revenue and Fiscal Affairs Office, or his designee, promptly shall certify this result in writing to the Department of Revenue. Once both installments required by subsection (A) have been made, the provisions of this item no longer apply.

(2) For purposes of this subsection, the percentage increase in general funds must be determined by the Revenue and Fiscal Affairs Office by comparing the current fiscal year's recurring general fund expenditure base with the Board of Economic Advisors' February fifteenth forecast of recurring general fund revenue for the upcoming fiscal year. The February fifteenth forecast is considered the final forecast for purposes of making the growth determination. The Revenue and Fiscal Affairs Office shall determine the current fiscal year's recurring general fund expenditure base, and determine any projected increase in general fund revenues.

(3) For purposes of this subsection:

(a) 'Recurring general fund revenue' means the forecast of recurring general fund revenues pursuant to Section 11-9-880 after the amount apportioned to the Trust Fund for Tax Relief, as required in Section 11-11-150, is deducted, and after any projected revenue loss resulting from amendments to Sections 12-6-510 and 12-37-220(B)(52)(a) contained within the South Carolina Infrastructure and Economic Development Reform Act is deducted.

(b) 'Recurring general fund expenditure base' means the total recurring general fund appropriations authorized in the current general appropriations act less any reduced appropriations mandated by the General Assembly or the Executive Budget Office pursuant to Section 11-9-890B, and less any projected revenue loss resulting from amendments to Sections 12-6-510 and 12-37-220(B)(52)(a) contained within the South Carolina Infrastructure and Economic Development Reform Act.

C. This SECTION takes effect upon approval by the Governor and for purposes of item (52)(b) first applies to property tax years beginning after 2017, and for purposes of item (52)(a) first applies to property tax years beginning after 2018./

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Renumber sections to conform.
Amend title to conform.

Senator BENNETT spoke on the amendment.
Senator SHEHEEN spoke on the amendment.

Senator SHEHEEN moved to lay the amendment on the table.

The "ayes" and "nays" were demanded and taken, resulting as follows:

Ayes 22; Nays 20

AYES

| | | |
|------------|---------|-------------------------|
| Alexander | Allen | Campbell |
| Cromer | Fanning | Gregory |
| Hutto | Jackson | Johnson |
| Leatherman | Malloy | <i>Matthews, Margie</i> |
| McElveen | McLeod | Nicholson |
| Rankin | Reese | Sabb |
| Scott | Setzler | Sheheen |
| Williams | | |

Total--22

NAYS

| | | |
|-----------|---------|----------|
| Bennett | Campsen | Climer |
| Corbin | Davis | Gambrell |
| Goldfinch | Grooms | Hembree |
| Martin | Massey | Peeler |
| Rice | Senn | Shealy |
| Talley | Timmons | Turner |
| Verdin | Young | |

Total--20

The amendment was laid on the table.

Amendment No. 3

Senators SCOTT and SABB proposed the following amendment (SA\\3516C001.DKA.SA17), which was not adopted:

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Amend the bill, and if amended, by adding an appropriately numbered SECTION to read:

/ SECTION _. Section 12-28-2930 of the 1976 Code is amended to read:

“Section 12-28-2930. (A)(1) Of total state source highway funds, including revenues generated by Section 12-28-2740, expended in a fiscal year on contractors or consultants for highway, bridge, and building construction and maintenance, and building renovation contracts, the Department of Transportation and counties shall ensure that not less than:

(a) five percent are expended through direct contracts with estimated values of two hundred fifty five hundred thousand dollars or less, or subcontracts with small business concerns owned and controlled by socially and economically disadvantaged ethnic minorities (MBEs);

(b) five percent are expended through direct contracts with estimated values of two hundred fifty five hundred thousand dollars or less, or subcontracts with firms owned and controlled by disadvantaged females (WBEs).

(2) The two hundred fifty five hundred thousand dollars value limits may be raised in the discretion of the department as MBEs/WBEs are able to provide bondability.

(3) The Department of Transportation and counties are authorized to set MBE and WBE subcontracting goals on individual contracts where the participation is feasible and to require prime contractors to show good faith efforts to meet the subcontracting goals.

(B) The department shall certify eligible firms under this section and shall give at least thirty days' notice to certified firms of contracts to be let. The department shall take into consideration the location and availability of MBE or WBE firms in the State when designating projects to be set aside. No A certified MBE or WBE may not participate after June 30, 1999, or nine years from the date of the firm's first contract, whichever is later, if that firm performed at least three million dollars in highway contracts for four consecutive years while certified as a WBE or MBE. Firms performing less than three million dollars in highway contracts for four consecutive years may be recertified for additional five-year periods based upon recertification reviews by the department. MBE or WBE firms must be certified in their area of work before advertisement for letting of a project upon which the MBE or WBE bids.

(C) To achieve the set-asides set forth in subsection (A), the department shall advertise a number of highway construction projects at

each regularly scheduled highway letting to be bid exclusively by MBEs and WBEs. The total annual value of those projects awarded must equal at least ten percent of total state source highway funds expended in each fiscal year, or otherwise documented as described in subsection (D). Projects must be awarded when the lowest responsive and responsible bidder submits a bid within ten percent of the official engineer's estimate. If the lowest responsive bid exceeds the engineer's estimate by more than ten percent, the department may enter into negotiation with the low bidder making reasonable changes in the plans and specifications as necessary to bring the contract price within the ten percent range. If the low bidder agrees to the changes and the revised contract price, the contract must be awarded to the low bidder at the revised price. If the low bidder can show just cause for his bid exceeding the ten percent range, the department may award the contract without making any changes in the plans and specifications or the contract price. If the department fails to award any advertised project, that project may be readvertised through the normal bid process and must not be readvertised for the purpose of achieving the set-asides.

(D) If no MBE or WBE firms certified pursuant to this section are available to perform a contract, the department shall verify and record this fact, and the verification must be preserved in department records.

(E) To facilitate implementation of this section, the department may waive bonding requirements for contracts let pursuant to this section with estimated construction costs not exceeding ~~two hundred fifty five hundred~~ thousand dollars a contract, and any contract set aside and awarded to any MBE or WBE contractor without bonding shall provide expressly that termination of the contract for default of the contractor renders the contractor ineligible for any further department nonbonded contracts for a minimum period of two years from the date of the notice. The department shall act as bonding company when bonding requirements have been waived. Any claims brought by subcontractors or suppliers in connection with nonbonded projects must be heard by the Department Claims Committee and all legitimate claims must be paid by the department. The committee shall take into account circumstances such as unsettled payments and disputes with the department or other circumstances that are beyond the MBE/WBEs control. Claims resulting in monetary settlements shall render the MBE/WBEs ineligible for any further department nonbonded projects until the MBE/WBE has reimbursed or has made acceptable arrangements to reimburse the department for the amount due as a result of the settlement.

(F) In awarding any contract pursuant to this section, preference must be given to an otherwise eligible South Carolina contractor submitting a responsible bid not exceeding an otherwise eligible out-of-state contractor's low bid by two and one-half percent.

(G) The department shall establish written guidelines to be used in the selection and design of projects awarded under this section. Those guidelines shall outline the types of projects best suited for this program and other related criteria.

(H) When a MBE or WBE receives a contract, the department shall furnish a letter, upon request, stating the dollar value and duration of, and other information about the contract, which may be used by the MBE or WBE in negotiating lines of credit with lending institutions.

(I) The department shall issue an annual report listing all contracts awarded pursuant to this section. That report must also include a listing of all contracts and subcontracts awarded pursuant to Section 106(C) of the Federal Surface Transportation Act of 1987 (STAA-1987; P.L. 100-17, Section 106(c)). The listings must be both chronological and by name of participating firms. Entries must include file numbers, locations, and dollar amounts. The report also must also contain information relating to canceled contracts and subcontracts, subcontractor substitutions, and final payments to MBE/WBEs.

(J) ~~Any MBE or WBE acting as a prime contractor shall perform at least thirty percent of the work with his own forces. If thirty percent of the work is performed with his own forces, the total amount of the contract is counted toward the MBE/WBE set asides. If less than thirty percent is performed by the MBE/WBE, then only that portion performed by the MBE/WBE is counted toward the set asides. The department shall specify the minimum percentage of work that a prime contractor must perform with its own forces, excluding specialty items. The percentage of this work must be set by the department between twenty and thirty percent, based on the project's risk to the public.~~

(K) The department shall make available technical assistance for MBEs and WBEs for not less than three hundred thousand dollars. Any of these funds awarded to small consulting firms owned and controlled by MBEs or WBEs may count toward the set-asides established in subsection (A) of this section. The selected firms must be South Carolina based and experienced in assisting with the development of minority firms.

(L) Technical assistance provided under subsection (K) must include written and verbal instruction on competitive bidding, management

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techniques, and general business operations. Firms certified under this section must be represented by a company officer in at least twenty hours of continuing education a year in order to remain certified. The department shall implement a system that will designate a lead engineer to work with MBE/WBEs. This engineer shall work with the office of compliance, the supportive services contractor, and with the department's engineers to provide early technical assistance to MBE/WBEs with contracts in each highway district. The support must include professional and technical assistance aimed toward meeting the standards, the specifications, the timing, quality, and other requirements of their contracts. The department also shall endeavor to utilize the expertise of established highway, bridge, and building contractors when providing technical and support services.

(M) Any contracts awarded through the normal bid process to certified MBEs or WBEs may count toward the set-asides goals. Subcontracts entered into between prime contractors and certified MBE/WBEs without regard to these provisions may be counted toward the set-asides goals outlined in subsection (A) of this section if these subcontracts are verified through the department records.

(N) If any part or provision of this section is declared to be unconstitutional or unenforceable by a court of competent jurisdiction of this State, the court's decision, nevertheless, has no effect on the constitutionality, validity, and enforceability of the other parts and provisions of this section which are considered severable.

(O) Within one hundred twenty days of the effective date of this section the department shall promulgate and implement regulations to administer the provisions of this section." /

Renumber sections to conform.

Amend title to conform.

Senator SCOTT spoke on the amendment.

The question then was the adoption of the amendment.

The "ayes" and "nays" were demanded and taken, resulting as follows:

Ayes 16; Nays 26

AYES

| | | |
|---------|---------|--------|
| Allen | Fanning | Hutto |
| Jackson | Johnson | Malloy |

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| | | |
|-------------------------|----------|---------|
| <i>Matthews, Margie</i> | McElveen | McLeod |
| Nicholson | Reese | Sabb |
| Scott | Setzler | Sheheen |
| Williams | | |

Total--16

NAYS

| | | |
|-----------|------------|----------|
| Alexander | Bennett | Campbell |
| Campsen | Climer | Corbin |
| Cromer | Davis | Gambrell |
| Goldfinch | Gregory | Grooms |
| Hembree | Leatherman | Martin |
| Massey | Peeler | Rankin |
| Rice | Senn | Shealy |
| Talley | Timmons | Turner |
| Verdin | Young | |

Total--26

Having failed to receive the necessary votes, the amendment was not adopted.

Amendment No. P1-4A

Senators HEMBREE and CAMPSEN proposed the following amendment (3516R064.SP.GH), which was tabled:

Amend the amendment bearing the filepath L:\S-RES\AMEND\3516R067.KM.GH.DOCX, as and if amended, SECTION 7A, by striking Section 12-36-2110(A)(4)(b) and inserting:

/ (b) one hundred percent of any amount collected above three hundred dollars must be credited to the Infrastructure Maintenance Trust Fund.”/

Renumber sections to conform.

Amend title to conform.

Senator HEMBREE spoke on the amendment.

Senator SHEHEEN spoke on the amendment.

Senator SHEHEEN moved to lay the amendment on the table.

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The "ayes" and "nays" were demanded and taken, resulting as follows:

Ayes 23; Nays 19

AYES

| | | |
|-------------------------|------------|----------|
| Alexander | Allen | Campbell |
| Cromer | Fanning | Gambrell |
| Gregory | Hutto | Jackson |
| Johnson | Leatherman | Malloy |
| <i>Matthews, Margie</i> | McElveen | McLeod |
| Nicholson | Rankin | Reese |
| Sabb | Scott | Setzler |
| Sheheen | Williams | |

Total--23

NAYS

| | | |
|---------|---------|-----------|
| Bennett | Campsen | Climer |
| Corbin | Davis | Goldfinch |
| Grooms | Hembree | Martin |
| Massey | Peeler | Rice |
| Senn | Shealy | Talley |
| Timmons | Turner | Verdin |
| Young | | |

Total--19

The amendment was laid on the table.

Amendment No. 4A

Senator HEMBREE proposed the following amendment (3516R067.KM.GH), which was tabled:

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

/ SECTION 1. A. Section 12-6-510 of the 1976 Code is amended to read:

~~"Section 12-6-510. (A) For taxable years beginning after 1994, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with~~

Section 12-6-520: For tax year 2017, a tax is imposed on the South Carolina taxable income of individuals, estates, trusts, and any other entities except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates:

| | |
|------------------------------------|---|
| Not over \$2,220 | 2.5 percent of taxable income |
| Over \$2,220 but not over \$4,440 | \$56 plus 3 percent of the excess over \$2,220; |
| Over \$4,440 but not over \$6,660 | \$123 plus 4 percent of the excess over \$4,440; |
| Over \$6,660 but not over \$8,880 | \$212 plus 5 percent of the excess of \$6,660; |
| Over \$8,880 but not over \$11,100 | \$323 plus 6 percent of the excess over \$8,880; |
| Over \$11,100 | \$456 plus 7 percent of the excess over \$11,100. |

| | |
|---|--|
| <u>Not over \$3,120</u> | <u>0 percent of taxable income;</u> |
| <u>Over \$3,120 but not over \$9,360</u> | <u>3 percent of the excess over \$3,120;</u> |
| <u>Over \$9,360 but not over \$15,600</u> | <u>\$187 plus 5 percent of the excess of \$9,360;</u> |
| and | |
| <u>Over \$15,600</u> | <u>\$499 plus 7 percent of the excess over 15,600.</u> |

(B) For tax year 2018, a tax is imposed on the South Carolina taxable income of individuals, estates, trusts, and any other entities except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates:

Not over \$3,700 0 percent of taxable income;
Over \$3,700 but not over \$9,800 3 percent of the excess over \$3,700;
Over \$9,800 but not over \$19,600 \$182 plus 5 percent of the excess of \$9,800;
and

| | |
|--|--|
| <u>Not over \$4,300</u> | <u>0 percent of taxable income;</u> |
| <u>Over \$4,300 but not over \$10,400</u> | <u>3 percent of the excess over \$4,300;</u> |
| <u>Over \$10,400 but not over \$23,300</u> | <u>\$183 plus 5 percent of the excess of \$10,400;</u> |

Not over \$5,000 0 percent of taxable income;

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Over \$5,000 but not over \$11,000 3 percent of the excess over \$5,000;
Over \$11,000 but not over \$27,000 \$180 plus 5 percent of the excess of \$11,000;

and

Over \$27,000 \$980 plus 7 percent of the excess over \$27,000.

(E) For tax year 2021, a tax is imposed on the South Carolina taxable income of individuals, estates, trusts, and any other entities except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates:

Not over \$5,400 0 percent of taxable income;
Over \$5,400 but not over \$11,400 3 percent of the excess over \$5,400;
Over \$11,400 but not over \$31,800 \$180 plus 5 percent of the excess of \$11,400;

and

Over \$31,800 \$1,200 plus 7 percent of the excess over \$31,800.

(F) For tax year 2022 and each tax year thereafter, a tax is imposed on the South Carolina taxable income of individuals, estates, trusts, and any other entities except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520 for tax years after tax year 2022:

Not over \$6,000 0 percent of taxable income;
Over \$6,000 but not over \$12,000 3 percent of the excess over \$6,000;
Over \$12,000 but not over \$36,000 \$180 plus 5 percent of the excess of \$12,000;

and

Over \$36,000 \$1,380 plus 7 percent of the excess over \$36,000.

(B)(G) The department may prescribe tax tables consistent with the rates set pursuant to subsection (A) this section.”

B. Section 12-6-520 of the 1976 Code is amended to read:

“Section 12-6-520. Each December 15, the department shall cumulatively adjust the brackets in Section 12-6-510 in the same manner that brackets are adjusted in Internal Revenue Code Section (1)(f). However, the adjustment is limited to one half of the adjustment determined by Internal Revenue Code Section (1)(f), may not exceed four percent a year, and the rounding amount provided in (1)(f)(6) is ten dollars. The brackets, as adjusted, apply in lieu of those provided in Section 12-6-510 for taxable years beginning in taxable year 2023 and succeeding calendar years the succeeding calendar year. Inflation adjustments must be made cumulatively to the income tax brackets.”

SECTION 2. Section 57-11-20(A) of the 1976 Code is amended to read:

“Section 57-11-20. (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,’ or the ‘State Non-Federal Aid Highway Fund,’ or the ‘Infrastructure Maintenance Trust Fund.’ Both

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 Article X, Section 13 of the South Carolina Constitution 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 repairs, maintenance, and improvements to the existing transportation system.”

SECTION 3. A. Section 12-28-310 of the 1976 Code is amended by adding subsections 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.

(E) The department shall increase the amount of the motor fuel user fee imposed pursuant to subsections (A) and (D) on an annual basis by an inflation factor equal to the annual average percentage adjustment over the last ten completed calendar years of the Consumer Price Index for all urban consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, but not to exceed two percent. Upon determining the increase, the department shall round the price to the nearest one-tenth of a cent. If the increase is exactly between two-tenths of a cent, the department must round the price up to the higher of the two. The department shall determine the increase in the motor fuel user fee by March thirty-first of each year, and the increase shall take effect the following July first. The department must notify affected taxpayers of the motor fuel user fee to be in effect for the coming July first to June thirtieth period.”

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B. The first CPI adjustment made pursuant to this SECTION takes effect July 1, 2023.

SECTION 4. 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 ~~sixteen cents a gallon~~ 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:

“56-11-450.(A) Every motor carrier subject to the tax imposed under this chapter is entitled to a credit on the tax equivalent to ~~sixteen cents per gallon~~ 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.”

SECTION 5. A. Section 56-3-620 of the 1976 Code 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 ~~twenty~~ thirty-six dollars.

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

SECTION 6. A. Article 5, 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 that the vehicle subject to the fee is registered.”

B. This SECTION takes effect January 1, 2018.

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

“Section 12-36-2110. (A)(1) The maximum tax imposed by this chapter is ~~three hundred dollars for each the sale made after June 30, 1984, or lease executed after August 31, 1985, of each item identified in~~ item (A)(2) is:

(a) four hundred dollars beginning on July 1, 2017 and ending on June 30, 2018;

(b) five hundred dollars beginning on July 1, 2018 and ending on June 30, 2019; and

(c) six hundred dollars beginning on July 1, 2019 and thereafter.

(1)(2) The maximum tax imposed pursuant to item (A)(1) shall be imposed on the sale or lease executed 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;

(2)(b) motor vehicle;

(3)(c) motorcycle;

(4)(d) boat;

(5)(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;

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

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

(3) In the case of a lease, the total tax rate required by ~~law this section~~ applies on each payment until the total tax paid equals ~~three hundred dollars the tax imposed by this subsection~~. 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.

(4) Of the revenue collected pursuant to the maximum tax imposed by this subsection:

(a) twenty percent of the first three hundred dollars must be credited to the South Carolina Education Improvement Act of 1984 Fund, and the remaining eighty percent must be credited to the general fund of this State; and

(b) twenty percent of any amount collected above three hundred dollars must be distributed to the school districts in this State pursuant to the formula contained in the Education Finance Act of 1977, and the remaining eighty percent must be credited to the Infrastructure Maintenance Trust Fund.”

B. Section 12-36-2647(A) of the 1976 Code is amended to read:

“Section 12-36-2647. (A) Notwithstanding the provisions of Section 59-21-1010, the revenues of sales, use, and casual excise taxes derived pursuant to Sections 12-36-2620(1) and 12-36-2640(1) on the sale, use, or titling of a motor vehicle required to be licensed and registered by the

South Carolina Department of Motor Vehicles, otherwise required to be credited as provided pursuant to Section 59-21-1010, instead must be credited to the State Highway Fund as established by Section 57-11-20, to be distributed as provided in this section. The credit to the state highway fund during 2017 shall be equal to five-sixths of the revenues of the sales, use, and casual excise taxes derived pursuant to Sections 12-36-2620(1) and 12-36-2640(1). Each year thereafter, until 2023, an additional one-sixth of the revenue collected shall be deducted from the credit to the State Highway Fund, until none of the revenue collected is credited to the State Highway Fund.

SECTION 8. Section 56-1-140 of the 1976 Code is amended to read:

“Section 56-1-140. (A) Upon payment of a fee of twelve twenty-five dollars ~~and fifty cents~~ for a license that is valid for five years, or ~~twenty five~~ fifty dollars for a license that is valid for ten years, the Department of Motor Vehicles shall issue to every qualified applicant a driver’s license as applied for by law. The license must bear on it a distinguishing number assigned to the licensee, the full name, date of birth, residence address, a brief description and laminated colored photograph of the licensee, and a facsimile of the signature of the licensee, or a space upon which the licensee shall write his usual signature with pen and ink immediately upon receipt of the license. ~~No~~ A license is not valid until it has been ~~so~~ signed by the licensee. The license authorizes the licensee to operate only those classifications of vehicles as indicated on the license.

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

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

(2) payment of a one dollar fee that must be collected by the department and placed by the Comptroller General into the State Highway Fund as established by Section 57-11-20, to be distributed as provided in Section 11-43-167.

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

(C) The fees collected pursuant to this section must be credited to the ~~Department of Transportation State Non Federal Aid Highway Fund~~. All of the fees collected pursuant to this section must be credited to the Infrastructure Maintenance Trust Fund."

SECTION 9. 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 ~~Motor~~ vehicle' means a motor propelled vehicle used for the transportation of property on a public highway ~~with a gross vehicle weight of greater than twenty-six thousand pounds, except for farm vehicles using FM tags as allowed by the Department of Motor Vehicles.~~

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

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

(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.

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

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

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

Section 12-37-2815. The provisions contained in this article do not apply to small commercial motor vehicles that must be licensed and registered and pay ad valorem taxes as otherwise provided by law.

Section 12-37-2820. (A) The Department of Revenue Motor Vehicles annually shall assess, equalize, and apportion the valuation of all large commercial motor vehicles and buses of motor carriers registered for use in this State under the International Registration Plan or otherwise pursuant to Section 56-3-190. The valuation must be based on fair market value for the motor vehicles and an assessment ratio of nine and one-half percent as provided by Section 12-43-220(g). Fair market value is determined by depreciating the gross capitalized cost of each motor carrier's large commercial motor 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 property taxes road use fees in this State must be determined ~~based on the ratio of total mileage operated within this State during the preceding calendar year to the total mileage of its fleet operated within and without this State during the same preceding calendar year according to the South Carolina apportionment factor for the fleet of which the commercial vehicle is a part.~~

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

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

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

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

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

(E) ~~If the motor carrier fails to remit the tax due within thirty days of receipt of the proposed assessment and the taxpayer fails to appeal the proposed assessment as provided in subsection (B), the department shall assess the tax. Tax due pursuant to this section is subject to the collection procedures provided in Chapter 54 of this title, except that the penalty provisions of Section 12-54-43 do not apply. A motor carrier registering a large commercial motor vehicle or bus must pay the road use fee due on the vehicle at the time and in the manner that 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 12-37-2842. (A) The Department of Motor Vehicles, at the time of first registration by a motor carrier as defined in this article, shall notify the registrant of the Department of Revenue's registration and filing requirements and supply the required registration forms.~~

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

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

~~Section 12-37-2850. Beginning on January 1, 2019, the The Department of Revenue Motor Vehicles shall assess annually the taxes road use fee due on large commercial motor vehicles and buses based on the value determined in Section 12-37-2820 and an average millage for all purposes statewide for the preceding calendar year and shall publish the average millage for the preceding year by June 4 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 taxes road use fee assessed must be paid to the Department of Revenue no later than December 31 of each year and may be made in~~

~~two equal installments Motor Vehicles, in addition to the registration fees required pursuant to 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 taxes fees paid must be made by the State Treasurer's Office of the State Treasurer based on the distribution formula contained provided in Section 12-37-2870 Sections 12-37-2865 and 12-37-2870.~~

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

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

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

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

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

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

(F) ~~If the apportioned registration fees of a large commercial motor vehicle or bus and the road use fees for large commercial motor vehicles~~

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

Section 12-37-2880. (A) In addition to the property tax exemptions allowed pursuant to Section 12-37-220, one hundred percent of the fair

market value of all large commercial motor vehicles and buses registered for use in this State under the International Registration Plan or otherwise, pursuant to Section 56-3-190, is exempt from property tax and is instead subject to the road use fee imposed pursuant to this article.

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

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

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

- ~~(1) for a first offense a fine not to exceed fifty dollars;~~
- ~~(2) for a second offense a fine not to exceed two hundred fifty dollars; and~~
- ~~(3) for a third or subsequent offense under this section, the penalty is a fine not to exceed five hundred dollars or imprisonment not to exceed thirty days, or both.~~

~~(C) Notwithstanding the provisions of subsections (A) and (B) of this section or the provisions of Section 56-1-460, a charge of driving under~~

~~suspension issued solely as a result of this section must be dismissed if the taxpayer provides proof on the taxpayer's court date that the personal property taxes on the vehicle which resulted in the charge being issued have been paid.~~

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

B. Section 56-3-376 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 classifications~~ (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 ~~of a motor carrier commonly used in combination with a large commercial motor vehicle~~, as defined in Section 12-37-2810, for which ~~trailer or semitrailer the fee in lieu of taxes and registration requirements has been paid fee imposed pursuant to Section 12-37-2860~~ has been paid; applicable registration requirements provided pursuant to Article 23, Chapter 37, Title 12 have been 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 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 for 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 ~~vehicle of this classification~~ small commercial motor vehicle, as defined in Section 12-37-2810, for which the biennial registration and license fee is one-hundred and sixty dollars or more for an annual or one-year period beginning on April first and ending on March thirty-first of the next year upon application to the department by the owner and the payment of one-half the specified biennial fee or for a semiannual or one-half year beginning on April first and ending on September thirtieth of the same year upon application to the department by the owner and the payment of the appropriate fees. The registration and license fee for small commercial motor vehicles ~~in this classification~~ which are registered for the remaining twenty-four months or less of the twenty-four month biennial period or for the eleven months or less of the twelve-month year ending on March thirty-first or the remaining five months or less for the one-half period ending on September thirtieth is the proportionate part of the specified biennial fee for the remainder of the twenty-four month period or year or one-half year based on one twenty-fourth of the specified twenty-four-month fee for each month or part of a month remaining in the biennial registration period or license year or one-half year. ~~No~~ 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 ~~an apportionable~~ a large commercial motor vehicle, as defined in Section 12-37-2810, for the payment of one-half of this State's portion of the license and road fee for a vehicle whose portion of the license and road fee owed to this State exceeds ~~eight~~ four hundred dollars. The department may require any information necessary to complete the transaction."

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

"Section 58-23-620. ~~(A) No~~ city, town, A municipality or county in this State ~~shall~~ may not impose a license fee or license tax upon a holder

of a certificate A or a certificate B, and ~~no city, town, a municipality~~ or county ~~shall~~ may not impose a license fee or license tax on the holder of a certificate E or a certificate F, Certificate of Compliance, or a common or contract motor carrier of property, except the ~~city or town~~ municipality of ~~such~~ the carrier's residence or the location of ~~his~~ the carrier's principal place of business. However, the fee required of a holder of a certificate C is in addition to any license tax or license fee charged by a municipality.

(B) If a municipality or county imposes a license fee or license tax pursuant to subsection (A), the fee or tax in the case of any certificate holder or common or contract motor carrier of property that 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. ~~No~~ 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. ~~Motor vehicles registered under the International Registration Plan may pay ad valorem property taxes on a semiannual basis~~ Large commercial motor vehicles and buses, as defined in Section 12-37-2810, must pay road use fees pursuant to Article 23, Chapter 37, Title 12 in lieu of ad valorem property taxes. The provisions of this section do not apply to 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. ~~No 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. ~~Motor vehicles registered under the International Registration Plan may pay ad valorem property taxes on a semiannual basis, and a proportional receipt must be issued by the treasurer subject to penalties in Section 12-37-2730. Large commercial motor vehicles and buses, as defined in Section 12-37-2810, must pay road use fees pursuant to Article 23, Chapter 37, Title 12 in lieu of ad valorem property taxes.~~ The treasurer, tax collector, or other official charged with the collection of ad valorem property taxes in each county may delegate the collection of motor vehicle taxes to banks or banking institutions, if each institution assigns, hypothecates, or pledges to the county, as security for the collection, federal funds or federal, state, or municipal securities in an amount

adequate to prevent any loss to the county from any cause. Each institution shall remit the taxes collected daily to the county official charged with the collections. The receipt given to the taxpayer, in addition to the information required in this section and by Section 12-45-70, must contain the name and office of the treasurer or tax collector of the county and must also show the name of the banking institution to which payment was made.”

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.

SECTION 10. Section 1-30-10(B)(1) of the 1976 Code is amended to read:

“(B)(1) The governing authority of each department shall be:

(i) a director or a secretary, who must be appointed by the Governor with the advice and consent of the Senate, subject to removal from office by the Governor pursuant to provisions of Section 1-3-240(B); or

(ii) a board to be appointed and constituted in a manner provided for by law; or

(iii) in the case of the Department of Agriculture and the Department of Education, the State Commissioner of Agriculture and the State Superintendent of Education, respectively, elected to office under the Constitution of this State; or

(iv) in the case of the Department of Transportation, ~~a seven member commission constituted in a manner provided by law, and a~~

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Secretary of Transportation appointed by and serving at the pleasure of the Governor.”

SECTION 11. Section 57-1-10 of the 1976 Code is amended to read:

“Section 57-1-10. For the purposes of this title, the following words, phrases, and terms are defined as follows:

~~(1) ‘Commission’ means the administrative and governing authority of the Department of Transportation.~~

~~(2) (1) ‘Department’ means the Department of Transportation (DOT).~~

~~(3) (2) ‘Secretary of Transportation’ means the Chief Administrative Officer of the Department of Transportation appointed by the Governor as provided in Section 1-30-10(B)(1)(i).”~~

SECTION 12. Section 57-1-20 of the 1976 Code is amended to read:

“Section 57-1-20. The Department of Transportation is established as an administrative agency of state government which is comprised of ~~a~~ the Division of Intermodal and Freight Programs, ~~a~~ the Division of Construction Engineering and Planning, ~~and~~ a the Division of Finance and Administration, ~~and~~ other divisions established by the Secretary pursuant to Section 57-3-10(B). Each division of the Department of Transportation shall have such functions and powers as provided for by law.”

SECTION 13. Section 57-1-40 of the 1976 Code is amended to read:

“Section 57-1-40. (A) It is unlawful for ~~a member of the commission or~~ an engineer, agent, or other employee, acting for or on behalf of the department ~~or commission~~, to accept or agree to accept, receive or agree to receive, or ask or solicit, either directly or indirectly, with the intent to have his decision or action on any question, matter, cause, or proceeding which at the time may be pending or which by law may be brought before him in his official capacity or in his place of trust or profit influenced, any:

(1) money;

(2) contract, promise, undertaking, obligation, gratuity, or security for the payment of money or for the delivery or conveyance of anything of value;

(3) political appointment or influence, present, or reward;

(4) employment; or

(5) other thing of value.

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A person violating the provisions of subsection (A) is guilty of a felony and, upon conviction, must be imprisoned not more than five years and is disqualified forever from holding any office of trust or profit under the Constitution or laws of this State.

(B) It is unlawful for a person to give or offer to give, promise, or cause or procure to be promised, offered, or given, either directly or indirectly, to ~~a member of the commission or~~ an engineer, agent, or other employee acting for or on behalf of the ~~commission or~~ department with the intent to have his decision or action on any question, matter, cause, or proceeding which at the time may be pending or which by law may be brought before him in his official capacity or in his place of trust or profit influenced, any:

- (1) money;
- (2) contract, promise, undertaking, obligation, gratuity, or security for the payment of money or for the delivery or conveyance of anything of value;
- (3) political appointment or influence, present, or reward;
- (4) employment; or
- (5) other thing of value.

A person violating the provisions of subsection (B) is guilty of a felony and, upon conviction, must be imprisoned not more than five years and is disqualified forever from holding any office of trust or profit under the Constitution or laws of this State.

(C) The ~~members and department's~~ employees ~~of the commission and employees of the department~~ are subject to the provisions of Chapter 13, Title 8, the State Ethics Act, and the provisions of Chapter 78, Title 15, the South Carolina Tort Claims Act.”

SECTION 14. Section 57-1-90(A) of the 1976 Code is amended to read:

“Section 57-1-90. (A) In formulating transportation policy, promulgating regulations, allocating funds, and planning, designing, constructing, equipping, operating and maintaining transportation facilities, no action ~~of the South Carolina Transportation Commission, or the South Carolina Department of Transportation taken by the department~~ shall have the effect of discriminating against motorcycles, motorcycle operators, or motorcycle passengers. No regulation or action of the ~~commission, or~~ department shall have the effect of enacting a prohibition or imposing a requirement that applies only to motorcycles or motorcyclists, and the principal purpose of which is to restrict or

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inhibit access or motorcycles and motorcyclists to any highway, bridge, tunnel, or other transportation facility.”

SECTION 15. Article 3, Chapter 1, Title 57, relating to the Commission of the Department of Transportation, is repealed.

SECTION 16. Section 57-1-410 of the 1976 Code is amended to read:

“Section 57-1-410. The ~~commission~~ Governor shall appoint, with the advice and consent of the Senate, a Secretary of Transportation who shall serve at the pleasure of the ~~commission~~ Governor. A person appointed to this position shall possess practical and successful business and executive ability and be knowledgeable in the field of transportation. The Secretary of Transportation shall receive such compensation as may be established under the provisions of Section 8-11-160 and for which funds have been authorized in the general appropriations act.”

SECTION 17. Section 57-1-430 of the 1976 Code is amended to read:

“Section 57-1-430. (A) The secretary ~~is charged with the affirmative duty to carry out the policies of the commission, to~~ must administer the day-to-day affairs of the department, ~~to~~ direct the development and 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; ~~and ensure that the department's functions and purposes as provided by law are carried out in a timely, efficient manner.~~ 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~~ General Assembly 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.”

SECTION 18. Section 57-1-460 of the 1976 Code is amended to read:

“Section 57-1-460. (A)(1) For purposes of this section ‘routine operation and maintenance’ includes, but is not limited to, ~~signage of routes, pavement marking, replacement and installation of guard rails, repair and installation of signals, ‘chip seal’ of existing roads, enhancement projects such as streetscaping, adopt an interchange, bike~~

~~lanes, curb cuts, installation of overhead message boards and cameras, research projects funded with federal aid, and pavement management system mapping.~~

(2) For purposes of this section 'emergency repairs' means, but is not limited to, unforeseen deterioration of roads, bridges, or equipment due to accidents, natural disasters, or other causes that could not have been expected or that pose an immediate danger to the public.

(B) The secretary is charged with evaluating and approving the routine operation and maintenance requests or emergency repairs that are needed for existing roads and bridges that are not included in the Statewide Transportation Improvement Program. However, requests made for resurfacing, installation of new signals, curb cuts on primary roads, bike lanes, or construction projects under ten million dollars must be approved by the commission pursuant to Section 57.1-370(N).

(A) The State Auditor shall employ an individual to serve as the chief internal auditor of the department and other professional, administrative, technical, and clerical personnel as the State Auditor determines to be necessary. The State Auditor also must provide professional, administrative, technical, and clerical personnel, as the State Auditor determines to be necessary, in order for the chief internal auditor to properly discharge his duties and responsibilities authorized by the State Auditor or provided by law. Except as otherwise provided, any employees hired pursuant to this section shall serve at the pleasure of the State Auditor.

(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 produce all books, papers, correspondence, memoranda, and other records considered necessary in connection with an internal audit in a timely manner. All final audit reports must be submitted to the Governor, 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.

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

(C) The department, at its own expense, must provide appropriate office space within its headquarters, building, and facility service, including janitorial, utility and telephone services, computer and technology services, and related supplies, for the chief internal auditor and his support staff.”

SECTION 19. Section 57-1-470 of the 1976 Code is amended to read:

~~“Section 57-1-470. (A) At each commission meeting the secretary must provide a detailed written report of all:~~

~~(1) requests that he has received since the last commission meeting for routine operation and maintenance or emergency repairs, his decision concerning those requests, and a status report on all approved requests; and~~

~~(2) pending projects approved by the commission pursuant to Section 57-1-370(N) and the status of those projects, if there has been any material change in the status since the last commission meeting.~~

~~(B) The commission must review the report and make findings as to whether the requests approved by the secretary meet the needs of the public based upon objective and quantifiable factors.~~

~~(C) The commission may question the secretary concerning the approval or denial of any request and the process the secretary employed to reach his decision. The commission also may request additional information concerning any request and further investigate any request, approval, or denial of a project by the secretary. The secretary must fully cooperate with any request made of him or his office by the commission regarding any further investigation undertaken by the commission.~~

~~(D) The text of the secretary's written report and the findings made by the commission must be included in the commission meeting minutes. A list of all projects approved by the commission at its last meeting, together with its explanation of the objective and quantifiable factors used to justify its approval, also must be included in the commission meeting minutes.~~

(A) The department must develop the long-range Statewide Transportation Plan, with a minimum twenty-year forecast period at the time of adoption, which provides for the development and implementation of the multimodal transportation system for the State.

The plan must be developed in a manner consistent with all federal laws or regulations and in consultation with all interested parties, particularly the metropolitan planning organizations and the nonmetropolitan planning organization area local officials. The plan may be revised from time to time as permitted by and in the manner required by federal laws or regulations.

(B) Concerning the development, content, and implementation of the Statewide Transportation Improvement Program, the department must:

(1) develop a process for consulting with nonmetropolitan local officials, with responsibility for transportation, that provides an opportunity for their participation in the development of the long-range Statewide Transportation Plan and the Statewide Transportation Improvement Program;

(2) approve the Statewide Transportation Improvement Program and ensure that it is developed pursuant to federal laws and regulations and approve an updated Statewide Transportation Improvement Program from time to time as permitted by and in the manner required by federal laws or regulations;

(3) develop and revise the transportation plan for inclusion in the Statewide Transportation Improvement Program for each nonmetropolitan planning area in consultation with local officials with responsibility for transportation;

(4) work in consultation with each metropolitan planning organization to develop and revise a transportation improvement program for each metropolitan planning area;

(5) select from the approved Statewide Transportation Improvement Program the transportation projects undertaken in nonmetropolitan areas in consultation with the affected nonmetropolitan local officials with responsibility for transportation;

(6) select projects to be undertaken, in consultation with each metropolitan planning organization, from the metropolitan planning organization's approved transportation improvement plan in metropolitan areas not designated as a transportation management area;

(7) consult with each metropolitan planning organization, in metropolitan areas designated as transportation management areas, concerning the projects selected to be undertaken from the approved transportation improvement program and in accordance with the priorities approved by the transportation improvement program; and

(8) when selecting projects to be undertaken from nontransportation management area metropolitan planning

organizations' transportation improvement programs, or selecting the nonmetropolitan area projects to be undertaken that are included in the Statewide Transportation Improvement Program, and when consulting with metropolitan planning organizations designated as transportation management areas, the department shall establish a priority list of projects to the extent permitted by federal laws or regulations, taking into consideration at least the following criteria:

- (a) financial viability including a life cycle analysis of estimated maintenance and repair costs over the expected life of the project;
- (b) public safety;
- (c) potential for economic development;
- (d) traffic volume and congestion;
- (e) truck traffic;
- (f) the pavement quality index;
- (g) environmental impact;
- (h) alternative transportation solutions; and
- (i) consistency with local land use plans.

(C)(1) To the extent that state funds are available to address the needs of the state highway system, the department must develop a comprehensive plan specifying objectives and performance measures for the preservation and improvement of the existing system. The projects included in this plan must be supported solely by state funds including the Non-Federal Aid Highway Fund or other state revenue source. When developing the plan required by this subsection, the department must consider, but is not limited to considering, the criteria in subsection (B)(8).

(2) When state funding is programmed for a project selected from the plan to be undertaken, the department may use federal law, regulations, or guidelines relevant to the type of project being undertaken in order to be eligible for federal matching funds.”

SECTION 20. Section 57-1-490 of the 1976 Code is amended to read:

“Section 57-1-490. (A) The department shall be audited by a certified public accountant or firm of certified public accountants once each year to be designated by the State Auditor. The designated accountant or firm of accountants shall issue audited financial statements in accordance with generally accepted accounting principles, and such financial statements must be made available annually by October fifteenth to the General Assembly. The costs and expenses of the audit must be paid by the department out of its funds.

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(B) The Materials Management Office of the State Fiscal Accountability Authority annually must audit the department's internal procurement operation to ensure that the department has acted properly with regard to the department's exemptions contained in Section 11-35-710. The audit must be performed in accordance with applicable state law, including, but not limited to, administrative penalties for violations found as a result of the audit. The results of the audit must be made available by October fifteenth to the Department of Transportation Secretary Commission, the State Auditor, the Governor, the Chairmen of the Senate Finance and Transportation Committees, and the Chairmen of the House of Representatives Ways and Means and Education and Public Works Committees. The costs and expenses of the audit must be paid by the department out of its funds.

(C) The Legislative Audit Council shall contract for an independent performance and compliance audit of the department's finance and administration division, mass transit division, and construction engineering and planning division. This audit must be completed by January 15, 2010. The Legislative Audit Council may contract for follow-up audits or conduct follow-up audits as needed based upon the audit's initial findings. The costs of these audits, including related administrative and management expenses of the Legislative Audit Council, are an operating expense of the department. The department shall pay directly to the Legislative Audit Council the cost of the audits.

(D) Copies of every audit conducted pursuant to this section must be made available to the ~~Department of Transportation Commission~~ secretary, the State Auditor, the Governor, the Chairmen of the Senate Finance and Transportation Committees, and the Chairmen of the House of Representatives Ways and Means and Education and Public Works Committees."

SECTION 21. Article 7, Chapter 1, Title 57, relating to the Joint Transportation Review Committee, is repealed.

SECTION 22. Section 57-3-20 of the 1976 Code is amended to read:

“Section 57-3-20. The responsibilities and duties of the following division deputy directors must include, but not be limited to, the following:

- (1) division deputy director for finance and administration:
 - (a) financial planning and management;

(b) accounting systems necessary to comply with all federal and/or state laws and/or regulations as well as all policies established by the Comptroller General; and

(c) administrative functions, including ~~recording proceedings of the commission and~~ developing policy and procedures to ensure compliance with these policies and procedures;

(2) division deputy director for construction, engineering, and planning:

(a) develop statewide strategic highway plans; and

(b) direct highway engineering activities, including construction, design, construction oversight, and maintenance of state highways;

(3) division deputy director for intermodal and freight programs:

(a) develop a statewide public transit system;

(b) coordinate the preservation and revitalization of existing rail corridors;

(c) develop and coordinate a statewide passenger and freight rail system, including the development of a comprehensive state rail plan for passenger and freight railroads and rail infrastructure services;

(d) plan, develop, and coordinate a comprehensive intermodal transportation program for the movement of passengers and freight through integrated highway, railroad, port, airport, and other transit systems;

(e) financial management of funding from federal, state, and local transit, rail, and other intermodal sources; and

(f) manage the Office of Railroads and the Office of Public Transit.”

SECTION 23. Section 57-3-50 of the 1976 Code is amended to read:

“Section 57-3-50. The ~~commission department~~ may establish such highway districts as in its opinion shall be necessary for the proper and efficient performance of its duties. The ~~commission department~~, every ten years, must review the number of highway districts and the territory embraced within the districts and make such changes as may be necessary for the proper and efficient operation of the districts.”

SECTION 24. Section 57-3-210(A) of the 1976 Code is amended to read:

“Section 57-3-210. (A) The department is authorized to utilize public transit funds to contract directly with private operators of public transit systems to provide service to the general public, provided that the private operators have established a plan of service that has been approved by

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the local governmental entity that has jurisdiction over the area to be served, the department, ~~the commission~~, and the federal government.”

SECTION 25. Section 57-3-700 of the 1976 Code is amended to read:

“Section 57-3-700. With the approval of the ~~commission~~ department, the county officials may designate the department, acting through its agents and employees, as agents of the county in securing necessary rights-of-way and other lands.”

SECTION 26. The Code Commissioner is directed to change or correct all references to the “Commission,” “Department of Transportation Commission,” or the like in the 1976 Code to “Department of Transportation,” “Secretary,” or “Secretary of Transportation,” as appropriate, to reflect that the Commission’s authority is devolved upon the Secretary of Transportation unless otherwise provided. References to the Commission in the 1976 Code or other provisions of law are considered to be and must be construed to mean the Secretary unless otherwise provided.

SECTION 27. Unless otherwise provided for in this act, this act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

Senator HEMBREE explained the amendment.

Senator SHEHEEN moved to lay the amendment on the table.

The "ayes" and "nays" were demanded and taken, resulting as follows:

Ayes 23; Nays 19

AYES

| | | |
|-------------------------|------------|----------|
| Alexander | Allen | Campbell |
| Cromer | Fanning | Gambrell |
| Gregory | Hutto | Jackson |
| Johnson | Leatherman | Malloy |
| <i>Matthews, Margie</i> | McElveen | McLeod |
| Nicholson | Rankin | Reese |
| Sabb | Scott | Setzler |
| Sheheen | Williams | |

Total--23

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NAYS

| | | |
|---------|---------|-----------|
| Bennett | Campsen | Climer |
| Corbin | Davis | Goldfinch |
| Grooms | Hembree | Martin |
| Massey | Peeler | Rice |
| Senn | Shealy | Talley |
| Timmons | Turner | Verdin |
| Young | | |

Total--19

The amendment was laid on the table.

Debate was interrupted by adjournment.

LOCAL APPOINTMENT

Confirmation

Having received a favorable report from the Senate, the following appointment was confirmed in open session:

Initial Appointment, Charleston County Magistrate, with the term to commence April 30, 2015, and to expire April 30, 2019

Amy Mikell, 247 Ashley Avenue, Charleston, SC 29403 *VICE* David Wilson Coker

Motion Adopted

On motion of Senator LEATHERMAN, the Senate agreed to stand adjourned.

MOTION ADOPTED

On motion of Senator SETZLER, ALEXANDER, ALLEN, BENNETT, CAMPBELL, CAMPSEN, CLIMER, CORBIN, CROMER, DAVIS, FANNING, GAMBRELL, GOLDFINCH, GREGORY, GROOMS, HEMBREE, HUTTO, JACKSON, JOHNSON, KIMPSON, LEATHERMAN, MALLOY, MARTIN, MASSEY, JOHN MATTHEWS, MARGIE BRIGHT MATTHEWS, McELVEEN, McLEOD, NICHOLSON, PEELER, RANKIN, REESE, RICE, SABB, SCOTT, SENN, SHEALY, SHEHEEN, TALLEY, TIMMONS, TURNER, VERDIN and YOUNG, with unanimous consent, the Senate stood adjourned out of respect to the memory of Ms. Thelma H. Williams of Marion, S.C. Ms. Williams was the mother of our beloved Senator KENT WILLIAMS. Ms. Williams had eleven siblings and grew up on a farm in Marion where she worked hard and gained invaluable knowledge that later helped her run the Williams family farm. Thelma lived a long and fulfilling life with great commitment to her family, church and community. Ms. Williams was a loving mother and devoted grandmother who will be dearly missed.

and

MOTION ADOPTED

On motion of Senators SENN, MALLOY and KIMPSON, with unanimous consent, the Senate stood adjourned out of respect to the memory of Mr. James “Jim” Leventis of Columbia, S.C. Jim was a graduate of Brookland-Cayce High School and the University of South Carolina School of Law. He was a partner at Leventis and Ransom Law Firm and a member of Holy Trinity Greek Orthodox Cathedral. Jim was an avid Gamecock fan and enjoyed riding his bike, visiting his mother, attending his children’s sports and vacationing with his family. Jim was a loving son, devoted father and special friend who will be dearly missed.

ADJOURNMENT

At 6:56 P.M., on motion of Senator LEATHERMAN, the Senate adjourned to meet tomorrow at 10:00 A.M.

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