**South Carolina General Assembly**

122nd Session, 2017-2018

**S. 600**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Hembree, Campsen, Timmons, Goldfinch, Massey, Turner, Bennett, Gambrell, Shealy and Talley

Document Path: l:\s-res\gh\013tax .kmm.gh.docx

Companion/Similar bill(s): 54, 384, 813, 3516

Introduced in the Senate on March 30, 2017

Currently residing in the Senate Committee on **Finance**

Summary: Ad valorem taxes on large commercial vehicles

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

3/30/2017 Senate Introduced and read first time ([Senate Journal‑page 4](file:///h:\sj\20170330.docx))

3/30/2017 Senate Referred to Committee on **Finance** ([Senate Journal‑page 4](file:///h:\sj\20170330.docx))

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**VERSIONS OF THIS BILL**

[3/30/2017](file:///p:\pprever\2017-18\600_20170330.docx)

**A** **BILL**

TO AMEND SECTIONS 12-6-510 AND 12-6-520 OF THE 1976 CODE, RELATING TO INCOME TAX RATES, TO REDUCE THE NUMBER OF TAX BRACKETS TO THREE AND TO PHASE IN OVER SIX YEARS AN INCREASE OF THE INCOME SUBJECT TO TAXATION WITHIN EACH BRACKET; TO AMEND SECTION 57-11-20(A), RELATING TO THE STATE HIGHWAY FUND, TO ESTABLISH THE INFRASTRUCTURE MAINTENANCE FUND; TO AMEND SECTION 12‑28‑310, RELATING TO THE MOTOR FUEL USER FEE, TO INCREASE THE MOTOR FUEL USER FEE TWO CENTS PER YEAR OVER SIX YEARS FOR A TOTAL OF TWELVE CENTS; TO AMEND SECTIONS 56‑11‑410 AND 56‑11‑450(A), BOTH RELATING TO THE ROAD TAX, TO ADJUST THE AMOUNT DUE TO ACCOUNT FOR THE INCREASE IN THE MOTOR FUEL USER FEE; TO AMEND SECTION 56‑3‑620, RELATING TO MOTOR VEHICLE REGISTRATION FEES, TO INCREASE THE FEES DUE UPON REGISTRATION OF A MOTOR VEHICLE; TO AMEND ARTICLE 5, CHAPTER 3, TITLE 56, RELATING TO MOTOR VEHICLE REGISTRATION AND LICENSING, BY ADDING SECTION 56-3-645, TO IMPOSE A ROAD USE FEE ON ELECTRIC AND HYBRID MOTOR VEHICLES; TO AMEND SECTION 12-36-2110(A), RELATING TO THE MAXIMUM TAX THAT MAY BE IMPOSED ON THE SALE OR LEASE OF CERTAIN ITEMS, TO PHASE IN A THREE HUNDRED DOLLAR INCREASE IN THE MAXIMUM TAX THAT MAY BE IMPOSED AND TO PROVIDE FOR THE DISTRIBUTION OF THE REVENUE GENERATED; TO AMEND SECTION 56-1-140, RELATING TO FEES ASSOCIATED WITH DRIVER’S LICENSES, TO PROVIDE FOR INCREASES IN DRIVER’S LICENSE FEES; TO AMEND ARTICLE 23, CHAPTER 37, TITLE 12, RELATING TO MOTOR CARRIERS, TO DEFINE TERMS, TO PROVIDE THAT THE ARTICLE DOES NOT APPLY TO A SMALL COMMERCIAL VEHICLE, TO PROVIDE THAT CERTAIN VEHICLES ARE ASSESSED AND APPORTIONED BASED ON A ROAD USE FEE INSTEAD OF PROPERTY TAXES, TO PROVIDE THAT THE ROAD USE FEE IS DUE AT THE SAME TIME AS REGISTRATION FEES, TO PROVIDE FOR THE DISTRIBUTION OF THE ROAD USE FEE, AND TO EXEMPT CERTAIN SEMITRAILERS, TRAILERS, LARGE COMMERCIAL MOTOR VEHICLES, AND BUSES FROM AD VALOREM TAXATION; TO AMEND SECTION 56-3-376, RELATING TO THE ESTABLISHMENT OF A SYSTEM OF REGISTRATION OF MOTOR VEHICLES ON A MONTHLY BASIS AND THE ASSIGNMENT OF ANNUAL REGISTRATION PERIODS, TO PROVIDE A CLASSIFICATION AND STAGGERED ANNUAL REGISTRATION FOR LARGE COMMERCIAL MOTOR VEHICLES; TO AMEND SECTION 56-3-120(5), RELATING TO EXEMPTIONS FROM REGISTRATION AND LICENSING REQUIREMENTS, TO PROVIDE THAT TRAILERS OR SEMITRAILERS THAT ARE COMMONLY USED IN COMBINATION WITH LARGE COMMERCIAL MOTOR VEHICLES AND HAVE MET CERTAIN REQUIREMENTS ARE EXEMPT FROM REGISTRATION AND LICENSING UNDER CHAPTER 3, TITLE 56; TO AMEND SECTION 56-3-610, RELATING TO THE BIENNIAL PAYMENT OF REGISTRATION AND LICENSE FEES REQUIRED, TO PROVIDE REGISTRATION AND LICENSING REQUIREMENTS FOR LARGE COMMERCIAL MOTOR VEHICLES OR BUSES; TO AMEND SECTION 56-3-660(A), 56-3-660, AND 56-3-660(E), RELATING TO FEES FOR SELF‑PROPELLED PROPERTY CARRYING VEHICLES, THE DETERMINATION OF VEHICLE GROSS WEIGHT, AND REGISTRATION OF APPORTIONABLE VEHICLES FOR PAYMENT OF ONE‑HALF OF THE STATE'S PORTION OF THE LICENSE FEE, TO PROVIDE REGISTRATION AND LICENSING REQUIREMENTS FOR SMALL COMMERCIAL MOTOR VEHICLES, TO PROVIDE THAT FEES MAY BE CREDITED OR PRORATED AS PRESCRIBED BY THE DEPARTMENT OF MOTOR VEHICLES, AND TO PROVIDE FOR THE REGISTRATION OF LARGE COMMERCIAL MOTOR VEHICLES UPON THE PAYMENT OF CERTAIN LICENSE AND ROAD FEES; TO AMEND SECTION 58-23-620, RELATING TO SITUATIONS IN WHICH LOCAL FEES MAY OR MAY NOT BE IMPOSED, TO PROVIDE A MUNICIPALITY OR COUNTY FEE RATIO FOR THE MOTOR CARRIERS OF PROPERTY THAT OPERATES BOTH WITHIN AND WITHOUT THIS STATE; TO AMEND ARTICLE 21, CHAPTER 37, TITLE 12, RELATING TO THE ASSESSMENT OF PROPERTY TAXES FOR MOTOR VEHICLES, BY ADDING SECTION 12-37-2600, TO PROVIDE THAT MOTOR CARRIERS ARE EXEMPT FROM AD VALOREM TAXES ON LARGE COMMERCIAL MOTOR VEHICLES AND BUSES; TO AMEND SECTION 12-37-2610, RELATING TO TAX YEARS FOR MOTOR VEHICLES, TO PROVIDE THAT LARGE COMMERCIAL MOTOR VEHICLES AND BUSES MUST PAY ROAD USE FEES IN LIEU OF AD VALOREM PROPERTY TAXES; TO AMEND SECTION 12-37-2650, RELATING TO THE ISSUANCE OF TAX NOTICES AND PAID RECEIPTS AND THE DELEGATION OF THE COLLECTION OF TAXES, TO PROVIDE THAT LARGE COMMERCIAL MOTOR VEHICLES AND BUSES MUST PAY ROAD USE FEES IN LIEU OF AD VALOREM PROPERTY TAXES; TO AMEND SECTION 1‑30‑10(B)(1) OF THE 1976 CODE, RELATING TO THE DEPARTMENTS OF STATE GOVERNMENT AND THEIR GOVERNING BODIES, TO DELETE THE DEPARTMENT OF TRANSPORTATION COMMISSION; TO AMEND SECTIONS 57‑1‑10, 57‑1‑20, 57‑1‑40, 57‑1‑90(A), 57‑1‑410, 57‑1‑430, 57‑1‑460, 57‑1‑470, 57‑1‑490, 57‑3‑20, 57‑3‑50, 57-3-210(A), AND 57‑3‑700, RELATING TO THE ESTABLISHMENT OF THE DEPARTMENT OF TRANSPORTATION AND ITS DUTIES AND RESPONSIBILITIES, TO ELIMINATE THE DEPARTMENT OF TRANSPORTATION COMMISSION AND ITS RESPONSIBILITIES; TO REPEAL ARTICLE 3, CHAPTER 1, TITLE 57, RELATING TO THE COMMISSION OF THE DEPARTMENT OF TRANSPORTATION; TO REPEAL ARTICLE 7, CHAPTER 1, TITLE 57, RELATING TO THE JOINT TRANSPORTATION REVIEW COMMITTEE; AND TO REPEAL SECTION 12-36-2647, RELATING TO THE DISTRIBUTION OF TAX REVENUE DERIVED FROM THE SALE, USE, OR TITLING OF A MOTOR VEHICLE REQUIRED TO BE LICENSED AND REGISTERED BY THE SOUTH CAROLINA DEPARTMENT OF MOTOR VEHICLES.

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

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~~.

Not over $3,120 0 percent of taxable income;

Over $3,120 but not over $9,360 3 percent of the excess over $3,120;

Over $9,360 but not over $15,600 $187 plus 5 percent of the excess of $9,360; and

Over $15,600 $499 plus 7 percent of the excess over 15,600.

(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

Over $19,600 $672 plus 7 percent of the excess over $19,600.

(C) For tax year 2019, 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 $4,300 0 percent of taxable income;

Over $4,300 but not over $10,400 3 percent of the excess over $4,300;

Over $10,400 but not over $23,300 $183 plus 5 percent of the excess of $10,400; and

Over $23,300 $828 plus 7 percent of the excess over $23,300.

(D) For tax year 2020, 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 $5,000 0 percent of taxable income;

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.”

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, relating to the distribution of tax revenue derived from the sale, use, or titling of a motor vehicle required to be licensed and registered by the South Carolina Department of Motor Vehicles, is repealed. The department shall identify sufficient non-tax revenue to apply toward service on any outstanding debt obligations incurred pursuant to Section 12-36-2647.

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.

~~(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 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 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 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 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.

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 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.

(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 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.

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