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COMMITTEE REPORT

April 8, 2021

**H. 3689**

Introduced by Rep. Allison

S. Printed 4/8/21--S.

Read the first time February 17, 2021.

**THE COMMITTEE ON TRANSPORTATION**

To whom was referred a Bill (H. 3689) to amend Section 56‑3‑190, Code of Laws of South Carolina, 1976, relating to the registration and licensure of vehicles by the Department of Motor Vehicles, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

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

/ SECTION 1. Section 56‑3‑376(A)(1) of the 1976 Code is amended to read:

“(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.”

SECTION 2. Section 56‑3‑660 (C) and (E) of the 1976 Code is amended to read:

“(C) Notwithstanding other provisions of this chapter, the department may enter into agreement with other states in a registration and license reciprocal agreement known as the international registration plan and the registration and license required in this section may be apportioned for vehicles which qualify and are licensed in accordance with the provisions of the plan. For the purpose of registering a vehicle under the international registration plan, a motor carrier selecting South Carolina as its base jurisdiction must own or lease real property used directly in the transportation of freight or persons within the State.

(E) The department may register a large commercial motor vehicle, as defined in Section 12‑37‑2810~~, for the payment of one‑half of this state’s portion of the license and road fee for a vehicle whose portion of the license and road fee owed to this State exceeds four hundred dollars~~ pursuant to the payments provisions outlined in Section 12‑37‑2840. The department may require any information necessary to complete the transaction. A large commercial motor vehicle shall register annually rather than biennially.”

SECTION 3. Section 56‑3‑190 of the 1976 Code is amended to read:

“Section 56‑3‑190. (A) The Department of Motor Vehicles may register and license vehicles as required by this chapter upon application being made therefor by the owner and the required fees paid as provided in this chapter.

(B) If a commercial motor vehicle is registered through the International Registration Plan and is operated under a United States Department of Transportation (USDOT) number assigned to a person other than the vehicle’s owner, then the person to whom the USDOT number is assigned may register the commercial motor vehicle by submitting the appropriate application and fees to the Department of Motor Vehicles.”

SECTION 4.A. Section 56‑3‑195(A) of the 1976 Code is amended to read:

“Section 56‑3‑195. (A) ~~Beginning on July 1, 1994, each~~ Each county shall mail motor vehicle registration and licensing renewal notices to the owners of vehicles in the county as determined by the Department of Motor Vehicles no later than forty‑five days before expiration of the registration. The renewal notices, including the fees upon completion, may be returned to that county which shall transmit the renewal notices to the department for processing and which shall transmit the fees to the appropriate state fund as provided by law within seven days of receipt. The owner of a large commercial motor vehicle, as defined in Section 12‑37‑2810(C), must establish an account with the Department of Motor Vehicles and must remit payment for all fees associated with registration and licensing renewal directly to the Department of Motor Vehicles.”

B. This SECTION takes effect on the first day of the fiscal year that begins twenty-four months after the program is fully funded.

SECTION 5.A. Section 12‑37‑2650 of the 1976 Code is amended to read:

“Section 12‑37‑2650. (A) Each county ~~The~~ auditor shall prepare a tax notice of all vehicles, except for vehicles described in Article 23, Chapter 37, Title 12, owned by the same person and licensed at the same time for each tax year within the two‑year licensing period. A notice must describe the motor vehicle by name, model, and identification number. The notice must set forth the assessed value of the vehicle, the millage, the taxes due on each vehicle, and the license period or tax year. The notice must be delivered to the county treasurer who must collect or receive payment of the taxes. One copy of the notice must be in the form of a bill or statement for the taxes due on the motor vehicle and, when practical, the treasurer shall mail that copy to the owner or person having control of the vehicle. When the tax and all other charges included on the tax bill have been paid, the treasurer shall issue the taxpayer a paid receipt. The receipt or a copy may be delivered by the taxpayer to the Department of Motor Vehicles with the application for the motor vehicle registration. A record of the payment of the tax must be retained by the treasurer. The auditor shall maintain a separate duplicate for motor vehicles. A registration may not be issued by the Department of Motor Vehicles unless the application is accompanied by the receipt, a copy of the notification required by Section 12‑37‑2610 or notice from the county treasurer, by other means satisfactory to the Department of Motor Vehicles, of payment of the tax. Large commercial motor vehicles and buses, as defined in Section 12‑37‑2810, must pay road use fees pursuant to Article 23, Chapter 37, Title 12 in lieu of ad valorem property taxes. The treasurer, tax collector, or other official charged with the collection of ad valorem property taxes in each county may delegate the collection of motor vehicle taxes to banks or banking institutions, if each institution assigns, hypothecates, or pledges to the county, as security for the collection, federal funds or federal, state, or municipal securities in an amount adequate to prevent any loss to the county from any cause. Each institution shall remit the taxes collected daily to the county official charged with the collections. The receipt given to the taxpayer, in addition to the information required in this section and by Section 12‑45‑70, must contain the name and office of the treasurer or tax collector of the county and must also show the name of the banking institution to which payment was made.

(B) The county official charged with the collection of taxes shall send a list of the institutions collecting the taxes to the Department of Motor Vehicles. Each institution shall certify to the Department of Motor Vehicles that the taxes have been paid, and the Department of Motor Vehicles is authorized to accept certification in lieu of the tax receipt given to the taxpayer if certification contains information required by this section.

(C) Tax bills (notices) for county assessed personal property valued in accordance with applicable Department of Revenue regulations must include notification of the taxpayer’s appeal rights, to include a minimum amount of information of how the taxpayer should file his appeal, to whom, and within what time period.

(D) The Department of Motor Vehicles shall mail a notice to registrants of large commercial motor vehicles who no longer receive bills from counties that their road use fee will be due to the department at their next renewal cycle instead of paying taxes or fees to the county in which the vehicle is registered.”

B. This SECTION takes effect on the first day of the fiscal year that begins twenty-four months after the program is fully funded.

SECTION 6. Section 12‑37‑2810(A) of the 1976 Code is amended to read:

“Section 12‑37‑2810. (A) ‘Motor carrier’ means a person or legal entity 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.~~”

SECTION 7.A. Sections 12‑37‑2840 and 12‑37‑2850 of the 1976 Code are amended to read:

“Section 12‑37‑2840. ~~A~~ Notwithstanding another provision of law, a motor carrier registering a large commercial motor vehicle or bus must pay to the Department of Motor Vehicles 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 South Carolina 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. The Department of Motor Vehicles must make quarterly installment payments available to a customer upon the customer’s request provided that each installment payment is made online.

Section 12‑37‑2850. ~~Beginning on January 1, 2019, the~~ The Department of Motor Vehicles shall assess annually the road use fee due on large commercial motor vehicles and buses based on the value determined in Section 12‑37‑2820 and an average millage for all purposes statewide for the preceding calendar year and shall publish the average millage for the preceding year by July first of each year. The Department of Revenue, in consultation with the Revenue and Fiscal Affairs Office, shall calculate the millage to be used to calculate the road use fee by June first of each year for the following calendar year. The road use fee assessed must be paid to the Department of Motor Vehicles, in addition to the registration fees required pursuant to Sections 56‑3‑660 and 56‑3‑670, at the time and in the manner that the registration fees on the vehicle are paid pursuant to Sections 56‑3‑660 and 56‑3‑670. Distribution of the fees paid must be made by the Office of the State Treasurer based on the distribution formula provided in Sections 12‑37‑2865 and 12‑37‑2870.”

B. This SECTION takes effect on the first day of the fiscal year that begins twenty-four months after the program is fully funded.

SECTION 8.A. Section 12‑37‑2860(F) of the 1976 Code is amended to read:

“(F) If the ~~apportioned~~ South Carolina 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~~ assessed, the fees may be remitted to the Department of Motor Vehicles quarterly in installments, provided that each installment is made online. A motor carrier who fails to make a quarterly installment 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.”

B. This SECTION takes effect on the first day of the fiscal year that begins twenty-four months after the program is fully funded.

SECTION 9.A. Section 12‑37‑2880 of the 1976 Code is amended to read:

“Section 12‑37‑2880. (A) In addition to the property tax exemptions allowed pursuant to Section 12‑37‑220, one hundred percent of the fair market value of all large commercial motor vehicles and buses registered for use in this State ~~under the International Registration Plan or otherwise pursuant to Section 56‑3‑190,~~ is exempt from property tax and is instead subject to the road use fee imposed pursuant to this article.

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

(C) Counties shall mail bills for road use fees and registration to large commercial motor vehicles operating intrastate until the effective date of Section 12‑37‑2860(F).”

B. This SECTION is effective the first day of the new fiscal year after approval by the Governor.

SECTION 10. Section 56‑3‑240(5) of the 1976 Code is amended to read:

“(5) In addition to other registration requirements the department shall collect a federal employer identification number or social security number when a vehicle is registered with a gross vehicle weight of more than twenty six thousand pounds or as a bus common carrier.

Additionally, for a commercial motor vehicle with a gross weight of more than twenty six thousand pounds that operates with an apportioned license plate, the department may determine the manner, including the standard for measuring distance, such as miles or kilometers, application process, and filing deadlines for applications under the International Registration Plan, and must be provided:

(a) the United States Department of Transportation Number of the ~~registrant and~~ motor carrier responsible for safety, as defined by the Federal Motor Carrier Safety Administration; and

(b) a ~~completed~~ current MCS 150 form ~~from the registrant~~ for the motor carrier responsible for safety, as defined by the Federal Motor Carrier Safety Administration. This form also must be on file with the Federal Motor Carrier Safety Administration. Except where the International Registration Plan permits an applicant to use average per‑vehicle distance, an application may contain the actual distance that the fleet being registered was operated during the report period. In accordance with the International Registration Plan, if the fleet did not accrue any actual distance during the reporting period, an applicant may use average per‑vehicle distance. The expiration date of apportioned registration for all apportioned vehicles in a fleet must be the same date.”

SECTION 11.A. Section 56‑3‑355 of the 1976 Code is amended to read:

“Section 56‑3‑355. (A) The Department of Motor Vehicles must suspend, revoke, or not issue a registration card and license plate to a person for a commercial motor vehicle greater than twenty‑six thousand pounds which operates with an apportioned license plate if the commercial motor carrier who is responsible for the safety of the vehicle has been prohibited from operating by a federal agency or if it is determined that the registrant has:

(1) made a material misrepresentation or false statement on the application or fails to disclose material information required pursuant to Section 56‑3‑240 or the International Registration Plan, if applicable;

(2) used or permitted the use of plates contrary to law;

(3) been found guilty of fraud, fraudulent practices, or subterfuge for the real party in interest who has been issued a Federal out‑of‑service order;

(4) operated or owned a business managed, or otherwise controlled or affiliated, with a person who is ineligible for registration, including the registrant entity, a relative, family member, corporate officer, or shareholder; or

(5) failed to comply with any of the regulations of the department for the enforcement of this article.

(B) The registrant must promptly surrender to the department any item suspended or revoked under this section. If the registrant unlawfully refuses to surrender the suspended or revoked items as required under this section, the department, through its designated agents or by request to a county or municipal law enforcement agency, shall take possession of the suspended or revoked license plate and registration card. A registration card or license plate may not be reissued for that vehicle until the motor carrier has been allowed to operate by a federal agency or the vehicle is properly transferred to a motor carrier that is not prohibited from operating by a federal agency. Before a suspended vehicle registration card can be reinstated, the department shall receive a signed copy of any inspection report for each suspended registration card and a fee of fifty dollars for each registration card suspension which must be paid to the department. The fifty dollar fee must be placed in the State Highway Fund as established by Section 57‑11‑20, to be distributed as provided in Section 11‑43‑167 by the Comptroller General.”

B. This SECTION takes effect at the start of the fiscal year immediately following approval by the Governor.

SECTION 12. This act takes effect upon approval by the Governor unless otherwise indicated. /

Renumber sections to conform.

Amend title to conform.

LAWRENCE K. GROOMS for Committee.

**A** **BILL**

TO AMEND SECTION 56‑3‑190, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE REGISTRATION AND LICENSURE OF VEHICLES BY THE DEPARTMENT OF MOTOR VEHICLES, SO AS TO PROVIDE THAT IF A COMMERCIAL MOTOR VEHICLE IS REGISTERED THROUGH THE INTERNATIONAL REGISTRATION PLAN AND IS OPERATED UNDER A UNITED STATES DEPARTMENT OF TRANSPORTATION (USDOT) NUMBER ASSIGNED TO A PERSON OTHER THAN THE VEHICLE’S OWNER, THEN THE PERSON TO WHOM THE USDOT NUMBER IS ASSIGNED MAY REGISTER THE COMMERCIAL MOTOR VEHICLE BY SUBMITTING THE APPROPRIATE APPLICATION AND FEES TO THE DEPARTMENT OF MOTOR VEHICLES.

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

SECTION 1. Section 56‑3‑190 of the 1976 Code is amended to read:

“Section 56‑3‑190. (A) The Department of Motor Vehicles may register and license vehicles as required by this chapter upon application being made therefor by the owner and the required fees paid as provided in this chapter.

(B) If a commercial motor vehicle is registered through the International Registration Plan and is operated under a United States Department of Transportation (USDOT) number assigned to a person other than the vehicle’s owner, then the person to whom the USDOT number is assigned may register the commercial motor vehicle by submitting the appropriate application and fees to the Department of Motor Vehicles.”

SECTION 2. This act takes effect upon approval by the Governor.

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