

S. 523

The subcommittee amended the original bill by striking the language in its entirety and replacing it with the following provisions:

Section 1 - (Pages 1-2) Motor Fuel User Fee

- Increases the motor fuel user fee by 4¢ per year 3 years beginning July 1, 2015.
 - July 1, 2015: 16¢ to 20¢
 - July 1, 2016: 20¢ to 24¢
 - July 1, 2017: 24¢ to 28¢
- Adjusts motor fuel user fee on an annual basis for inflation (averaged over last 10 years), not to exceed 2¢ per year and rounded to the nearest penny.
- Suspends indexing if SC's motor fuel user fee exceeds GA & NC
- Credits new revenue to the State Highway Fund
 - RFA: 2016= \$125.5 M; 2017= \$285.3 M; 2018= \$437.5 M; 2025= \$612.2 M

Section 2 - (Pages 2-3) Driver License Fee

- Increases driver license fee
 - 5-year License: \$12.50 to \$25.00
 - 10-year License: \$25.00 to \$50.00
- Credits new revenue to the State Highway Fund
 - SFC Staff Calculation: FY 2015-16= \$10.65 M (Est. Additional Revenue)

Section 3 - (Pages 3-4) Motor Vehicle Registration Fee

- Increases biennial motor vehicle registration fees by \$16
- Credits new revenue to the State Highway Fund
 - SFC Staff Calculation: FY 2014-15= \$32.4 M (Est. Additional Revenue)

Section 4 - (Page 4) Alternative/Hybrid Vehicles

- Imposes a \$120 biennial road user fee on vehicles powered exclusively by electricity, hydrogen, or any fuel other than motor fuel (Alternative Fuel Vehicle)
- Imposes a \$60 biennial road user fee for vehicles powered by a combination of motor fuel and electricity, hydrogen, or any fuel other than motor fuel (Hybrid Vehicle)
- Directs DMV to collect fee when vehicle is subject to registration fee
- Credits revenue to the State Highway Fund
 - RFA (1/15/14): FY 2014-15= \$2.05 M

Section 5 - (Pages 4-17) Commercial Motor Vehicles

- Imposes a "road use fee" in lieu of property taxes for all commercial motor vehicles over 26,000 pounds operating on SC roadways (including out-of-state trucks)
- Vehicles subject to "road use fee" are exempt from property taxes.
- Fees are based on fair market value of vehicle

- Assessment ratio of 9.5%, and the portion of miles driven in SC as compared to total miles driven (similar to International Registration Program).
- Allows current payment of road fee and registration fees on quarterly basis (as currently authorized).
- Distribution:
 - \$17 million to counties based on ratio of federal and state highway miles within the county to total federal and state highway miles in all counties.
 - Remainder distributed to CTC's for use on roads and bridges in state highway system, revenue may not be used for administrative or personnel expenditures.

Section 6 - (Pages 17-19) Sales Tax on Motor Vehicles

- Retains 5% rate, but increases the \$300 cap to \$600.
- Adjusts sales tax cap on motor vehicles on an annual basis for inflation (averaged over last 10 years), rounded to the nearest dollar.
- Revenue is distributed as follows:
 - First \$21 Million goes to EIA (SC Education Improvement Act Fund)
 - Half of remainder goes to SIB; for projects approved after July 1, 2015
 - Half of remainder goes to State Highway Fund
 - RFA: Estimated Revenue by increasing cap to \$600 = \$82.5 M