

Overview of SCDOT Modernization Legislation (H5071/S831)

Sections 1-2: Secretary of Transportation Appointment/Governance Changes

Transfers authority to appoint the Secretary of Transportation from the Transportation Commission to the Governor, with Senate confirmation. The Secretary serves at the Governor's pleasure. Removes references to the Commission being a "governing" body and updates statute to reflect the Secretary as head of the Department. Establishes the Secretary of Transportation as governing authority of SCDOT effective July 1, 2027.

Sections 3-4: At-Large Commissioners

Abolishes the at-large positions on the Commission so membership is solely based on Congressional Districts.

Section 5: Internal Audit Functions

Strengthens SCDOT's internal audit function. The Chief Internal Auditor must hold professional credentials (CPA, CIA, or CFE). Audits cover all departmental operations, contracts, assets, and financial activities. Maintains requirements that reports must follow professional standards, be submitted to legislative oversight leaders, and published for transparency. Makes SCDOT responsible for developing the long-range Statewide Transportation Plan instead of the Commission.

Section 6: Deputy Secretary Roles

Defines responsibilities for Deputy Secretaries to align with current responsibilities. Revisions specifically address finance and administration, engineering, intermodal and freight programs, and planning. Establishes a Deputy Secretary for Planning who will coordinate the long-range Statewide Transportation Plan as well as statewide plans with regional and local transportation planning organizations.

Section 7: Public-Private Partnerships

Creates a statutory framework for SCDOT to enter public-private partnerships for certain projects. Contracts may include design-build, finance, operations, maintenance, performance-based payments, and toll or usage fee arrangements. Provides the Joint Bond Review Committee with oversight and comment of solicitations prior to advertisements, requires annual review/reporting to the JBRC, and establishes public filing requirements for P3 agreements with the Secretary of State. Establishes that SCDOT may promulgate regulations to govern P3 implementation.

Section 8: Toll Authority

Limits tolling existing highways unless allowed by federal law and sanctioned by specific legislative approval. Defines when tolling may be used for transportation projects and expands the use to new lane capacity.

Section 9: NEPA Assignment

Allow the Secretary of Transportation to assign, and the State to assume, responsibilities under NEPA standards (environmental decisions) for projects.

Section 10: Reciprocal Tolling Agreements/P3s

Authorizes reciprocal agreements with other states/jurisdictions to enforce unpaid toll violations through vehicle registration restrictions. Establishes criteria for public-private partnership agreements.



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Section 11: SCDOT/DMV Coordination for Tolling

Require SCDMV to remit toll-related data (vehicle/registration information, etc.) to the SCDOT monthly to ensure accurate billing and enforcement of tolls. Also requires both agencies to enter into a memorandum of understanding to ensure secure transactions regarding data and provide confidentiality and protection for vehicle owners.

Section 12: Devolution of Roads to Local Governments

Requires SCDOT to compile a list non-essential roads that can be transferred to local governments, this list is subject to the SCDOT Commission approval. Also Creates the System Realignment Fund which can be funded by general funds or transfers from the State Highway Fund to assist local governments with the roads and provides flexibility for funding:

- **Counties:** Removes the requirement that a percentage of C-Funds be spent on state roads, allows for an additional sales tax referendum to go to voters for approval, and allows for an additional millage to be imposed.
- **Cities:** Allows for additional millage to be imposed.

Section 13: Municipal Consent

Establishes a 180-day deadline for municipalities to consent or decline work performed by SCDOT on state highways within the municipality. A decision to disapprove of the work shall result in the cancellation of the project, unless the project is determined to be in the best interest of the state. Failure to provide consent and approval shall be deemed acceptance of the work. Municipalities shall not conditionally approve the work to be performed by SCDOT and cannot use municipal review to delay a project. Allows financial responsibility to be assigned to municipalities for unreasonable project delays.

Sections 14-16: Turnpike & Bonding Revisions

Makes technical changes to turnpike statutes by expanding funding sources, requiring feasibility studies, updating bond issuance procedures, removing bearer bond provisions, and permitting reliance on third-party financial analyses. Also includes technical changes to update statutes to reflect the electronic transmission of toll collections and enforcement.

Section 17: Project Delivery Methods

Adds authority for phased design-build and Construction Manager/General Contractor project delivery methods.

Section 18: Restrictions for Roads Transferred to Local Governments

Requires that any speed limits or size/weight restrictions must be approved by the SCDOT before they can be imposed on any highways that have been transferred to local governments after July 2026.

Section 19: Infrastructure Bank Board

Designates the Secretary of Transportation as an ex officio member of the Infrastructure Bank Board. (Currently, this position is held by the SCDOT Commission Chairman, which results in a new representative on the Bank board each year.)

Section 20: Procurement Exemptions

Provides SCDOT limited exemption from state procurement code for transportation planning, financing, operation, and other right of way improvements. Also provides exemption for information technology, purchasing, and management.



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Section 21: County Transportation Committees

Updates gasoline user fee distribution to CTCs to reflect the existing 3.99 cents allocation and requirement that counties use 33% on roads in the state system. Also clarifies authority and procedures to increase transparency for CTCs as it relates to memberships, meetings, and transportation planning.

- Prohibits a county council from serving as a County Transportation Committee and allows legislative delegations to appoint CTC members. Requires that all members of a CTC be residents of the County. CTC membership lists must be published online.
- Requires countywide transportation plans to include project selection criteria, be updated every four years, and approved by the Coordinating Council.
- Requires regional transportation plans to be updated every four years.
- Requires CTCs to meet at least twice per year, and they must follow requirements governing public meetings.
- Establishes ethical standards for CTC members and entities doing business on a CTC's behalf.

Section 22: Toll Revenue Usage

Clarifies permitted uses of toll-derived revenues to ensure that toll revenues are dedicated to transportation-related purposes, including operation and maintenance costs.

Section 23: Pothole Mitigation Program

Requires SCDOT to establish a means for the public to report potholes and for potholes to be permanently repaired within seven days. (Temporary repairs are allowed if conditions do not allow for permanent repairs to take place.) SCDOT would use \$15 million from the IMTF to use on full-depth patching for repetitive potholes.

Section 24: Alternative Fuel Fee Definitions

Updates statutes to define "alternative fuel fees" to include biennial registration fees and presumption that fuel delivered to motor vehicle fuel supply tank is used in this State.

Section 25: Electric and Hybrid Vehicle Registration Fees

Increases the biennial registration fees for electric vehicles to \$400, and hybrid vehicles to \$200. Includes provisions that vehicles over 11,000lbs. pay an additional 10% based on the respective registration fee associated with their weight classification. Vehicles operating in interstate commerce and registered through IRP and IFTA are exempt. These registration fees would then be indexed to inflation every four years, beginning in 2030.

Section 26: One Subject

States that the bill constitutes one subject as required by the Constitution as each subject relates to improving the state's transportation system.

Section 27: Severability Clause

Severability clause.

Section 28: Effective Date

The bill takes effect upon approval by the Governor. Legislative delegations have 90 days from the effective date to comply with the provisions of the CTC appointments.

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