

STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

SOUTH CAROLINA COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funds:

- Counties receive a portion of state user fees on gasoline in proportion to its land area, its population and the total length of its rural roads. Counties must use the revenues for the execution of a countywide transportation plan that includes local road and bridge projects as well as construction and maintenance of state highways.
- Counties receive a portion of state sales and use taxes or tolls for transportation facilities used to finance specific projects, for a specific time period (not to exceed 25 years or the length of payment for each project, whichever is shorter) and for a limited amount of revenue.
- Counties may apply for funding from the State Transportation Infrastructure Bank (SCTIB). The SCTIB is funded through truck registration fees, a portion of auto registration fees, one penny of the user fee on gasoline, local matching funds and various other sources. Counties are required to pledge local matching dollars for major transportation projects that are financed through the SCTIB, primarily through the issuance of revenue bonds.
- Counties may receive funds from the C-Fund (controlled by 46 separate County Transportation Committees), which is funded through 2.66 cents of the user fee on gasoline plus an annual transfer of \$9.5 million from the State Highway Fund (SHF) to those counties contributing more to the C-Fund than they receive by formula ("donor" counties). Up to 75 percent of each county's C-Fund allocation may be used for the construction and maintenance of local (non-state) roads.

From County Funds:

- Counties may levy a transportation authority sales tax. The county must establish a transportation authority and the transportation sales tax or a toll must be approved by referendum. Voters in three counties approved a transportation authority sales tax for highways, streets and bridges.
- The Capital Project Sales Tax Act gave counties authority to impose a one cent sales tax within the county area for a specific purpose(s) and for a limited time, as a means for financing large projects, particularly road improvements. The sales tax must be approved by referendum.
- A county cannot impose more than one of the following taxes at a given time: capital projects sales tax, transportation sales tax, or a sales tax enacted by special act of the general assembly.

Share of County Owned Road Miles Out of Public Roads Statewide	31%
Share of County Owned Bridges Out of Public Bridges Statewide	8%
Share of Structurally Deficient Bridges Out of County Owned Bridges	23%

COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	The state limits increases in the millage counties can levy to the total of CPI plus the rate of population growth. County assessment increases are also limited to 15% per 5 year reassessment cycle.
Levy Personal Property Taxes	X	Counties levy personal property taxes on motor vehicles, boats and airplanes.
Levy Local Option Sales Taxes	X	This authority extends to sales and use taxes on roads.
Levy a Local Gas Tax		
Charge a Motor Vehicle License or Registration Fee	X	Counties may levy a flat per vehicle fee to pay for road maintenance.
Form Special Districts for Transportation		

- The County Public Works Improvement Act authorizes a county to acquire, construct, maintain and sell or lease an improvement and to finance it by imposing assessments and through the issuance of special district bonds, general obligation bonds, revenue bonds or any combination.

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- As communities across South Carolina grow, many counties are faced with increasing stress on public infrastructure and an accelerated new demand for airports, roads, and bridges.
- Counties don't have authority to impose local option motor fuel user fees.
- Counties are limited in their ability to increase revenues from property taxes and raise their own funds for road projects. Act 388 passed by the state in 2006 limited increases in the millage counties levy for operation purposes to the total of the CPI plus the rate of population growth. the act also limits assessment growth to 15% for each 5-year reassessment cycle, except upon transfer of ownership.
- Based on the State Aid to Subdivisions Act, counties have experienced reductions in funds from the state to support county services, limiting a county's ability to fund road projects.

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- County transportation committees are created to replace the role of the legislative delegation in setting priorities, changing the way state monies are spent locally on roads.
- Horry County recently passed the Riding on a Penny (Capital Project Sales Tax Horry County). The county is slated to receive \$425,539,087 over the seven-year life of the Capital Projects Sales Tax. The tax went into effect on May 1, 2007 and increased the level of sales tax in Horry County by an additional penny on all retail sales, accommodations and prepared food and beverage.
- In May 2013, Richland County's new Transportation Penny tax took effect, and county officials estimate the one percent tax increase will make the county about 50 million dollars a year for transportation improvement.
- Allendale and Bamberg Counties offer cost-effective public transportation to residents by utilizing unoccupied seats on local human service agency vehicle. For a small fee, residents can reserve a ride on the Allendale County Scooter or the Bamberg Handy Ride. Participating agencies allow non-agency clients to use unoccupied seats if they live within five miles of an established route. The county pays the agency a per mile fee to offset the cost of the ride. The partnership has received recognition for offering cost-effective solutions for rural transit issues.
- If enacted, S.616 would allow and impose several tax hikes. Counties could impose an additional one percent sales tax increase, which would be matched by the state in many instances to fund county road and bridge projects. Vehicle registration fees would be increased across the board by an average of \$12.
- If enacted, H.3412 would require that all funds collected from sales, use and excise taxes required from the sale or titling of a vehicle would go into the State Non-Federal Aid Highway Fund (SNFAHF). Currently, these funds are divided between the General Fund and the Education Improvement Act Fund (EIF).