

State of South Dakota

NINETIETH SESSION
LEGISLATIVE ASSEMBLY, 2015

663W0077

SENATE BILL NO.

A

Introduced by: _____

1 FOR AN ACT ENTITLED, An Act to finance improvements on the public highways and
2 bridges by establishing or increasing the motor vehicle excise tax, taxes on fuel, motor
3 vehicle registration fees, and wheel taxes, to provide for the distribution of certain revenue,
4 and to establish certain state and local planning and reporting requirements concerning the
5 condition of public highways and bridges.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

7 Section 1. That § 32-5B-1 be amended to read as follows:

8 32-5B-1. In addition to all other license and registration fees for the use of the highways, a
9 person shall pay an excise tax at the rate of ~~three~~ four percent on the purchase price of any motor
10 vehicle, as defined by § 32-3-1 or 32-5B-21, purchased or acquired for use on the streets and
11 highways of this state and required to be registered under the laws of this state. This tax shall
12 be in lieu of any tax levied by chapters 10-45 and 10-46 on the sales of such vehicles. Failure
13 to pay the full amount of excise tax is a Class 1 misdemeanor.

14 Section 2. That § 32-5B-1.4 be amended to read as follows:

15 32-5B-1.4. A licensed motor vehicle dealer who sells new motor vehicles and has a
16 franchise for that particular motor vehicle may license a new motor vehicle which is part of his



1 the dealer's inventory. If the dealer licenses the motor vehicle, ~~he~~ the dealer's shall title the
2 motor vehicle and pay the ~~three percent~~ excise tax imposed pursuant to § 32-5B-1 on the
3 manufacturer's suggested dealer list price. The next purchaser ~~shall be~~ is exempt from the excise
4 tax.

5 Section 3. That § 10-47B-4 be amended to read as follows:

6 10-47B-4. The fuel excise tax rates for the tax imposed by this chapter are as follows:

- 7 (1) Motor fuel (except ethyl alcohol, methyl alcohol, biodiesel, biodiesel blends, and
8 aviation gasoline)--~~\$.22~~ per gallon as provided pursuant to section 4 of this Act;
- 9 (2) Special fuel (except jet fuel)--~~\$.22~~ per gallon as provided pursuant to section 4 of this
10 Act;
- 11 (3) Aviation gasoline--\$.06 per gallon;
- 12 (4) Jet fuel--\$.04 per gallon;
- 13 (5) Liquid petroleum gas--\$.20 per gallon;
- 14 (6) Compressed natural gas--\$.10 per gallon;
- 15 (7) Ethyl alcohol and methyl alcohol--~~\$.08~~ per gallon as provided pursuant to section 5
16 of this Act;
- 17 (8) Liquid natural gas--\$.14 per gallon;
- 18 (9) Dyed special fuel--\$.07 per gallon;
- 19 (10) Biodiesel and biodiesel blends--as provided pursuant to section 4 of this Act, except
20 when the conditions as provided in section 6 of this Act are met.

21 Section 4. That chapter 10-47B be amended by adding thereto a NEW SECTION to read as
22 follows:

23 The fuel excise tax rate for motor fuel and special fuel is:

- 24 (1) \$.22 per gallon from July 1, 2015, to June 30, 2016, inclusive;

- 1 (2) \$.2255 per gallon from July 1, 2016, to June 30, 2017, inclusive;
- 2 (3) \$.2311 per gallon from July 1, 2017, to June 30, 2018, inclusive;
- 3 (4) \$.2369 per gallon from July 1, 2018, to June 30, 2019, inclusive;
- 4 (5) \$.2428 per gallon from July 1, 2019, to June 30, 2020, inclusive;
- 5 (6) \$.2489 per gallon from July 1, 2020, to June 30, 2021, inclusive;
- 6 (7) \$.2551 per gallon from July 1, 2021, to June 30, 2022, inclusive;
- 7 (8) \$.2615 per gallon from July 1, 2022, to June 30, 2023, inclusive;
- 8 (9) \$.2680 per gallon from July 1, 2023, to June 30, 2024, inclusive;
- 9 (10) \$.2747 per gallon from July 1, 2024, to June 30, 2025, inclusive; and
- 10 (11) \$.2816 per gallon on and after July 1, 2025.

11 Section 5. That chapter 10-47B be amended by adding thereto a NEW SECTION to read as
12 follows:

13 The fuel excise tax rate for ethyl alcohol and methyl alcohol fuel is:

- 14 (1) \$.12 per gallon from July 1, 2015, to June 30, 2016, inclusive;
- 15 (2) \$.14 per gallon from July 1, 2016, to June 30, 2017, inclusive;
- 16 (3) \$.16 per gallon from July 1, 2017, to June 30, 2018, inclusive;
- 17 (4) \$.18 per gallon from July 1, 2018, to June 30, 2019, inclusive;
- 18 (5) \$.20 per gallon from July 1, 2019, to June 30, 2020, inclusive; and
- 19 (6) \$.22 per gallon on and after July 1, 2020.

20 Section 6. The tax imposed by § 10-47B-4 on biodiesel or biodiesel blends shall be reduced
21 by two cents per gallon in the quarter after biodiesel production facilities in South Dakota reach
22 a name plate capacity of at least twenty million gallons per year and fully produce at least ten
23 million gallons of biodiesel within one year as determined by the secretary of revenue. The
24 secretary shall file a certification of the determination with the secretary of state and the

1 Legislative Research Council as the means of determining the reduction in the rate of tax
2 applied by § 10-47B-4. The provisions of this section are repealed in the quarter after thirty-five
3 million gallons of taxed biodiesel and biodiesel blended fuel are sold as determined by the
4 secretary of revenue. The secretary shall file a certification of the determination with the
5 secretary of state and the Legislative Research Council as the means of determining the effective
6 date of the repeal of this section.

7 Section 7. That section 7 of chapter 64 of the 2014 Session Laws, section 12 of chapter 55
8 of the 2009 Session Laws, and sections 3, 5, and 6 of chapter 54 of the 2008 Session Laws be
9 repealed.

10 Section 8. That chapter 10-47B be amended by adding thereto a NEW SECTION to read as
11 follows:

12 In addition to the tax imposed by this chapter at the rates provided in § 10-47B-4, an
13 additional tax is imposed at the rate of three percent of the average wholesale price charged each
14 gallon of fuel, at the time the fuel excise tax is imposed pursuant to this chapter. However, this
15 additional tax does not apply to any aviation gasoline and jet fuel and does not apply to any fuel
16 that is otherwise exempted by this chapter.

17 Section 9. For the purposes of section 8 of this Act, the average wholesale price is two
18 dollars and fifty cents for the tax returns filed from July 1, 2015, to June 30, 2016, inclusive.

19 Section 10. That chapter 10-47B be amended by adding thereto a NEW SECTION to read
20 as follows:

21 For the purposes of section 8 of this Act, beginning on July 1, 2016, and each July first
22 thereafter, the average wholesale price is the average wholesale price of the fuel for the previous
23 calendar year. The average wholesale price shall apply to tax returns from July first to June
24 thirtieth, inclusive.

1 Section 11. That chapter 10-47B be amended by adding thereto a NEW SECTION to read
2 as follows:

3 The average wholesale price shall be determined by the secretary and established by rules
4 promulgated pursuant to chapter 1-26. The average wholesale price shall be determined using
5 data available from the Oil Price Information Service. The average wholesale price shall be a
6 single, statewide average wholesale price per gallon of the type of fuel sold in the state over the
7 previous calendar year, excluding any state and federal excise tax. However, for the purposes
8 of sections 8 and 10 of this Act, the average wholesale price of a gallon of fuel may not be set
9 lower than two dollars and fifty cents.

10 Section 12. That chapter 10-47B be amended by adding thereto a NEW SECTION to read
11 as follows:

12 The tax imposed by section 8 of this Act shall be reported and remitted to the state in the
13 same manner as the fuel excise tax is reported and remitted pursuant to this chapter.

14 Section 13. That § 10-47B-34 be amended to read as follows:

15 10-47B-34. Any supplier, out-of-state supplier, ethanol producer, or ethanol broker who
16 properly remits tax under this chapter shall be allowed to retain an amount not to exceed two
17 and one-fourth percent of the tax required to be paid on each gallon of fuel to this state. The
18 amount to be retained is to help off-set the administrative expenses of timely reporting and
19 payment of tax. This section does not apply to the tax imposed by section 8 of this Act.

20 Section 14. That § 34A-13-20 be amended to read as follows:

21 34A-13-20. A petroleum release compensation and tank inspection fee is imposed upon any
22 petroleum products upon which the fuel excise tax is imposed by §§ 10-47B-5 to 10-47B-10,
23 inclusive, 10-47B-9.1, and 10-47B-13. None of the exemptions from fuel excise tax allowed in
24 § 10-47B-19 apply to this fee. The parties required to pay the fuel excise tax under pursuant to

1 the provisions of §§ 10-47B-21 to 10-47B-26, inclusive, and 10-47B-29 and 10-47B-31 are
 2 liable for payment of the petroleum release and tank inspection fee. In cases where the fuel is
 3 exempt from the fuel excise tax under the provisions of subdivisions 10-47B-19(1), (3), and (5),
 4 the supplier shall pay the fee. Responsibility for payment of the fee ceases if the petroleum
 5 product is sold and delivered by a licensed exporter outside of the state. The amount of the fee
 6 imposed is twenty dollars per one thousand gallons of petroleum. ~~Beginning January 1, 2003,~~
 7 Until June 30, 2020, fifty percent of the revenue collected pursuant to this section shall be
 8 deposited monthly in the ethanol fuel fund ~~and fifty.~~ Beginning on July 1, 2020, fifty percent
 9 of the of the revenue collected pursuant to this section shall be deposited monthly in the state
 10 highway fund. Fifty percent of the revenue collected pursuant to this section shall be distributed
 11 monthly in the following manner:

- 12 (1) ~~Beginning in fiscal year 2000 to December 31, 2002, inclusive, fifty percent shall be~~
 13 ~~deposited in the state capital construction fund created in § 5-27-1. Beginning on~~
 14 ~~January 1, 2003, seventy-eight~~ Seventy-eight and seven-tenths percent shall be
 15 deposited in the state capital construction fund; and
- 16 (2) ~~Beginning April 1, 2002, to December 31, 2002, inclusive, twenty-nine and one-tenth~~
 17 ~~percent shall be deposited in the petroleum release compensation fund and twenty~~
 18 ~~and nine-tenths percent shall be deposited in the state highway fund. Beginning on~~
 19 ~~January 1, 2003, twenty-one~~ Twenty-one and three-tenths percent shall be deposited
 20 in the petroleum release compensation fund.

21 Section 15. That § 32-5-6 be amended to read as follows:

22 32-5-6. License fees and compensation on a noncommercial motor vehicle which is an
 23 automobile, pickup truck, or van as provided by § 32-5-5, shall be determined by the
 24 manufacturer's shipping weight, including accessories, as follows:

- 1 (1) Two thousand pounds or less, inclusive, ~~thirty~~ thirty-three dollars;
- 2 (2) From 2,001 to 4,000 pounds, inclusive, ~~sixty~~ sixty-six dollars;
- 3 (3) From 4,001 to 6,000 pounds, inclusive, ~~ninety~~ ninety-nine dollars;
- 4 (4) Over 6,000 pounds, one hundred ~~twenty~~ thirty-two dollars.

5 Section 16. That § 32-5-6.3 be amended to read as follows:

6 32-5-6.3. License fees on a noncommercial motor vehicle which is not an automobile,
7 pickup truck, or van licensed pursuant to § 32-5-6 shall be determined by the gross weight of
8 the motor vehicle as defined by subdivision 32-9-1(6), and based on the following:

- 9 (1) Eight thousand pounds or less, inclusive, one hundred ~~ten~~ dollars;
- 10 (2) For each additional 2,000 pounds or major fraction thereof from 8,001 to 20,000
11 pounds, inclusive, ~~ten~~ eleven dollars;
- 12 (3) ~~For a vehicle in excess of 20,000~~ From 20,001 to 54,000 pounds, inclusive, the total
13 license fee shall be ~~sixty~~ sixty-six percent of the total license fee established for
14 commercial vehicles of equivalent weight pursuant to § 32-9-15;
- 15 (4) Over 54,000 pounds, the total license fee shall be one hundred percent of the total
16 license fee established for commercial vehicles of equivalent weight pursuant to
17 § 32-9-15.

18 It is a Class 2 misdemeanor for a person to operate a motor vehicle licensed pursuant to this
19 section at a gross weight in excess of the gross weight for which it has been licensed. If the
20 owner chooses to lower the registered weight, the plate shall be returned along with any
21 validation decal and a new plate issued with the correct registered weight.

22 Section 17. That § 32-5-6.1 be amended to read as follows:

23 32-5-6.1. License fees for any noncommercial motor home shall be determined by the
24 manufacturer's shipping weight, including accessories, as follows:

- 1 (1) Six thousand pounds or less, inclusive, ~~ninety~~ ninety-nine dollars;
- 2 (2) From 6,001 to 8,000 pounds, inclusive, one hundred ~~twenty~~ thirty-two dollars;
- 3 (3) From 8,001 to 10,000 pounds, inclusive, one hundred ~~fifty~~ sixty-five dollars;
- 4 (4) For each additional 2,000 pounds or major fraction thereof, in excess of 10,000
- 5 pounds, ~~thirty~~ thirty-three dollars.

6 For the purposes of this section, a motor home is a vehicle designed to provide temporary
 7 living quarters for recreational, camping, or travel use, built on or permanently attached to a
 8 self-propelled motor vehicle chassis or on a chassis cab or van that is an integral part of the
 9 completed vehicle.

10 Section 18. That § 32-5-8 be amended to read as follows:

11 32-5-8. License fees and compensation for any recreational vehicle as defined in § 32-3-1
 12 or for any noncommercial trailer and semitrailer, for use of the highways payable ~~under~~ pursuant
 13 to § 32-5-5 and pulled by a noncommercial motor vehicle on which the license fees were paid
 14 pursuant to § 32-5-6, shall be determined upon the basis of their actual weight as follows:

- 15 (1) One thousand pounds or less, inclusive, ~~fifteen~~ seventeen dollars;
- 16 (2) From 1,001 to 2,000 pounds, inclusive, ~~thirty~~ thirty-three dollars;
- 17 (3) From 2,001 to 3,000 pounds, inclusive, ~~forty-five~~ fifty dollars;
- 18 (4) From 3,001 to 4,000 pounds, inclusive, ~~sixty~~ sixty-six dollars;
- 19 (5) From 4,001 to 5,000 pounds, inclusive, ~~seventy-five~~ eighty-three dollars;
- 20 (6) From 5,001 to 6,000 pounds, inclusive, ~~ninety~~ one hundred dollars;
- 21 (7) From 6,001 to 7,000 pounds, inclusive, one hundred ~~five~~ sixteen dollars;
- 22 (8) From 7,001 to 8,000 pounds, inclusive, one hundred ~~twenty~~ thirty-two dollars;
- 23 (9) From 8,001 to 9,000 pounds, inclusive, one hundred ~~thirty-five~~ fifty dollars;
- 24 (10) From 9,001 to 10,000 pounds, inclusive, one hundred ~~fifty~~ sixty-five dollars;

1 (11) For each additional 1,000 pounds or major fraction thereof, in excess of 10,000
2 pounds, ~~fifteen~~ seventeen dollars.

3 Any trailer or semitrailer licensed pursuant to this section may be pulled by a
4 noncommercial motor vehicle licensed pursuant to § 32-5-8.1 or a commercially licensed motor
5 vehicle if the motor vehicle is registered at a gross weight to cover the weight of the trailer and
6 its load.

7 Section 19. That § 32-5-9 be amended to read as follows:

8 32-5-9. License fees and compensation for use of the highways payable ~~under~~ pursuant to
9 § 32-5-5 shall be: ~~fourteen dollars and fifty cents for motorcycles with a~~ shall be determined
10 by the piston displacement of less than three hundred fifty cubic centimeters and seventeen
11 dollars for motorcycles with a piston displacement of three hundred fifty cubic centimeters or
12 more as follows:

13 (1) Three hundred fifty cubic centimeters or less, fifteen dollars;

14 (2) Three hundred fifty-one to one thousand cubic centimeters, inclusive, eighteen
15 dollars;

16 (3) One thousand one cubic centimeters or more, twenty-one dollars.

17 Section 20. That § 32-6B-21 be amended to read as follows:

18 32-6B-21. The department shall issue metal numerical license plates to licensed dealers
19 upon application and payment of a ~~eighty-four~~ ninety-three dollar yearly fee to be paid at the
20 time of the annual review date for each set desired. The fees shall be distributed in the manner
21 specified in §§ 32-11-2 and 32-11-4.1 to 32-11-9, inclusive. The license plates shall be
22 numbered consecutively and shall bear as a prefix the number 77. The plates may be issued for
23 a multiple year period. If a dealer's license is revoked or canceled or the dealer goes out of
24 business the 77 plates shall be returned to the department. If any person operates a motor vehicle

1 with 77 plates after the dealer license is revoked or canceled or after the dealer goes out of
2 business, or if the person refuses to return the plates, the person is guilty of a Class 2
3 misdemeanor.

4 Section 21. That § 32-6B-23 be amended to read as follows:

5 32-6B-23. The department shall issue to any motorcycle dealer and trailer dealer licensed
6 pursuant to this chapter metal number plates bearing a prefix of the letter "D" and containing
7 a distinguishing identification number of the licensee. The dealer shall make application to the
8 department for the plates and pay a fee of ~~twenty~~ twenty-two dollars for each plate. One license
9 plate shall be displayed on the rear of any motorcycle, or trailer, semitrailer, or travel trailer,
10 owned by the dealer while traveling on a public highway. Any vehicle owned by the licensed
11 dealer and bearing the dealers' metal plate may be operated on the streets and highways of this
12 state for any purpose, including demonstration by a prospective buyer. All money collected
13 pursuant to this section shall be distributed in the manner specified in § 32-11-2 and §§ 32-11-
14 4.1 to 32-11-9, inclusive.

15 Section 22. That § 32-6B-36.3 be amended to read as follows:

16 32-6B-36.3. The department shall issue metal numerical license plates to an auction agency
17 upon application and payment of a ~~eighty-four~~ ninety-three dollar yearly fee to be paid at the
18 time of the annual review date for each set desired. Such fees shall be distributed in the manner
19 specified in §§ 32-11-2 and 32-11-4.1 to 32-11-9, inclusive. The license plates shall be
20 numbered consecutively and shall bear as a prefix the number "99." The plates may be issued
21 for a multiple year period. If an auction agency's license is revoked or canceled or the auction
22 agency goes out of business, the "99" plates shall be returned to the department. If any person
23 operates a motor vehicle with "99" plates after the auction agency's license is revoked or
24 canceled or after the auction agency goes out of business, or if the person refuses to return the

1 plates, the person is guilty of a Class 2 misdemeanor.

2 Section 23. That chapter 32-5 be amended by adding thereto a NEW SECTION to read as
3 follows:

4 In addition to the license fees paid pursuant to the provisions of this chapter for a motor
5 vehicle, the owner of an electric vehicle shall pay a fee in the amount of eighty dollars and a
6 hybrid vehicle shall pay a fee in the amount of forty dollars.

7 For the purposes of this section, the term, electric motor vehicle, means a motor vehicle that
8 is propelled to a significant extent by an electric motor which draws electricity from a battery
9 that is capable of being recharged from an external source of electricity and that may be legally
10 operated on the interstate highways in this state and that is eligible for registration pursuant to
11 the general laws of this state. The electric vehicle shall have been made by a manufacturer
12 primarily for use on public streets, roads, and highways and meets National Highway Traffic
13 Safety Administration standards included in 49 C.F.R. § 571 as of January 1, 2015.

14 For the purposes of this section, the term, hybrid vehicle, means a motor vehicle with a
15 hybrid propulsion system that uses an alternative fuel by operating on both an alternative fuel,
16 including electricity, and a traditional fuel and shall also display such motor vehicle's United
17 States Environmental Protection Agency highway fuel economy rating of fifty miles per gallon
18 or more.

19 Section 24. That § 32-11-34 be amended to read as follows:

20 32-11-34. The local government highway and bridge fund is hereby created and appropriated
21 for the use of counties, municipalities, and townships for the purposes of constructing and
22 maintaining highways, streets, and bridges on their highway and street systems. Beginning on
23 October 1, 2015, before each quarterly disbursement is made pursuant to § 32-11-35, the
24 secretary of revenue shall transfer two million five hundred thousand dollars to the local bridge

1 improvement grant fund created pursuant to section 31 of this Act.

2 Section 25. That § 32-5A-1 be amended to read as follows:

3 32-5A-1. Any county may, by ordinance, impose a wheel tax on all motor vehicles, as
4 defined in § 32-3-1, registered in the county at a rate not to exceed four dollars per vehicle
5 wheel. The tax shall be administered and collected by the county. The total vehicle tax may not
6 exceed ~~sixteen~~ forty-eight dollars per vehicle.

7 Section 26. That § 10-47B-19 be amended to read as follows:

8 10-47B-19. The following are exempt from fuel excise tax imposed by this chapter:

9 (1) Motor fuel or undyed special fuel removed from a terminal in this state at the rack
10 by the federal government or defense fuel supply center for consumption in any
11 federal government motor vehicle, machinery, equipment, or aircraft;

12 (2) Motor fuel or undyed special fuel imported into this state by the federal government
13 or defense fuel supply center for consumption in any federal government motor
14 vehicle, machinery, equipment, or aircraft;

15 ~~(3) Special fuel that has been dyed in accordance with this chapter. The tax liability is~~
16 ~~reestablished if the dyed special fuel is used in the engine fuel supply tank of self-~~
17 ~~propelled machinery and equipment for use in highway construction or repair work~~
18 ~~within the right-of-way within this state;~~

19 ~~(4)~~ Transmix removed from a terminal in this state at the rack by the terminal operator
20 and transferred to another terminal, or to a licensed supplier for refinement and re-
21 introduction into the pipeline system;

22 ~~(5)~~(4) Undyed special fuel and dyed special fuel removed from a terminal in this state at the
23 rack and delivered directly into a railroad locomotive if the railroad company is also
24 the supplier. Undyed special fuel and dyed special fuel transported from the terminal

1 to the locomotive fueling site by truck or railcar is not exempt from the tax;

2 ~~(6)~~(5) Motor fuel or undyed special fuel removed from a terminal in this state by an

3 electrical power company or cooperative and directly used for the generation of

4 electricity. Motor fuel or undyed diesel fuel transported from the terminal to an

5 electrical generation plant by truck or railcar is not exempt from the tax; or

6 ~~(7)~~(6) Motor fuel or special fuel transfers in bulk by pipeline into a terminal or in bulk by

7 pipeline within a terminal. This subdivision does not apply to any transfers of ethyl

8 alcohol or methyl alcohol into a terminal or within a terminal. The subsequent

9 removal of the fuel from the terminal is not exempt from tax.

10 Section 27. That § 10-47B-20 be amended to read as follows:

11 10-47B-20. ~~Special fuel exempted under subdivision 10-47B-19(3)~~ Dyed special fuel shall

12 have dye added to it at or before the time of withdrawal at a terminal or refinery rack. At the

13 option of the supplier, the dye added may be either:

- 14 (1) Dye required to be added pursuant to United States Environmental Protection Agency
- 15 requirements; or
- 16 (2) Dye with specifications and amounts as required by the Internal Revenue Service.

17 Section 28. That § 10-47B-148 be amended to read as follows:

18 10-47B-148. ~~Any~~ Except for the tax on any dyed special fuel, any tax, fee, penalty

19 assessment, and interest assessment collected under pursuant to the provisions of this chapter

20 ~~are to~~ shall be deposited with the state treasurer who shall credit the amount received to the

21 motor fuel tax fund. However, taxes collected ~~under~~ pursuant to the provisions of this chapter

22 on behalf of other jurisdictions under the provisions of an interstate agreement are to be

23 distributed under the provisions of that agreement.

24 Section 29. That chapter 10-47B be amended by adding thereto a NEW SECTION to read

1 as follows:

2 There is hereby created in the state treasury the dyed special fuel tax fund. Any tax collected
3 on dyed special fuel pursuant to the provisions of this chapter shall be deposited with the state
4 treasurer who shall credit the amount received to the dyed special fuel tax fund. At the
5 beginning of each month, the secretary shall distribute any balance in the fund to the special
6 local government bridge fund as created pursuant to section 30 of this Act.

7 Section 30. That chapter 10-47B be amended by adding thereto a NEW SECTION to read
8 as follows:

9 There is hereby created the special local government bridge fund. Interest earned on money
10 in the fund shall be deposited into the fund. Any money in the fund is continuously
11 appropriated. Any money deposited into and distributed from the fund shall be set forth in an
12 informational budget as described in § 4-7-7.2. The secretary of revenue shall monthly distribute
13 the money deposited in the fund as follows:

14 (1) Thirty percent of the fund to the counties, which shall be used for the maintenance
15 and reconstruction of bridges and culverts. The counties' portion shall be distributed
16 among the counties, pro rata, according to the number of bridges, as defined pursuant
17 to § 31-10-1, on the county and township road systems. No county may receive any
18 money pursuant the provisions of this subdivision unless the county has adopted and
19 annually updated its county highway and bridge improvement plan pursuant to the
20 provisions of section 33 of this Act. Any funds not distributed to a county pursuant
21 to this requirement shall be transferred to the local bridge improvement grant fund;
22 and

23 (2) Seventy percent of the fund to the local bridge improvement grant fund created in
24 section 31 of this Act.

1 Section 31. There is hereby created in the state treasury the local bridge improvement grant
2 fund. Interest earned on money in the fund shall be deposited into the fund. Any money in the
3 fund is continuously appropriated to the Department of Transportation. Any money deposited
4 into and distributed from the fund shall be set forth in an informational budget as described in
5 § 4-7-7.2.

6 The Transportation Commission may award grants from the fund to any county to construct,
7 reconstruct, and repair bridges. The Transportation Commission shall consider the need for the
8 project and funding mechanisms available to and utilized by the applicant when making a
9 decision to award a grant. No county may receive a grant from the fund unless such county has
10 adopted and annually updated its county highway and bridge improvement plan pursuant to the
11 provisions of section 33 of this Act and has imposed a county wheel tax pursuant to § 32-5A-1.

12 Section 32. The Transportation Commission shall promulgate rules pursuant to chapter 1-26
13 regarding the application process and timelines, the guidelines and criteria for approval of
14 applications, and the distribution of funds from the local bridge improvement grant fund. The
15 criteria for evaluating the projects may include the proximity of other bridges and culverts,
16 alternative routes available, structural deficiencies, functionality of the bridge or culvert, and
17 project costs.

18 Section 33. The Transportation Commission shall promulgate rules, pursuant to chapter 1-
19 26, to establish the requirements for a county highway and bridge improvement plan that details
20 proposed county highway and bridge improvement projects in a county for the next five years.
21 The rules shall provide for the format of the plan and the time by which an update of the plan
22 must be submitted each year.

23 Section 34. That chapter 31-2 be amended by adding thereto a NEW SECTION to read as
24 follows:

1 The Department of Transportation shall establish performance standards designed to
2 measure the overall condition of the highways and bridges on the state highway system, along
3 with establishing ten-year goals for maintenance of these conditions. When establishing
4 appropriate performance standards, the department may include nationally established standards
5 and measurements required to be reported to the United States Department of Transportation.

6 The department shall, before the fourth Tuesday in January of each year, report to the Senate
7 and House standing committees on transportation on the current and projected condition of the
8 highways and bridges on the state trunk highway system. This report shall include progress on
9 meeting the ten-year goals for condition of the state highway system. If the projections show the
10 ten-year goals will not be met, the department shall report the estimated amount of additional
11 funding needed to achieve the goals. If the goals are not currently being met, the department
12 may not add or build additional miles on the state highway system until such time as the
13 condition of the existing system meets the established goals. This restriction, however, does not
14 prevent the department from adding additional lanes or other expansion when necessary in order
15 to provide for the safety of the existing state highway system.