

- 1 SB295
- 2 USUQDGD-1
- 3 By Senator Smitherman
- 4 RFD: Finance and Taxation General Fund
- 5 First Read: 04-Apr-24



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4	SYNOPSIS:
5	This bill provides for an additional license tax
6	and registration fee on motor vehicles and for the
7	distribution of the proceeds to the Alabama Public
8	Transportation Trust Fund.
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11	A BILL
12	TO BE ENTITLED
13	AN ACT
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15	To amend Section 40-12-242, Code of Alabama 1975,
16	relating to license taxes and registration fees; to levy an
17	additional license tax and registration fee; and to provide
18	for the distribution of the proceeds to the Alabama Public
19	Transportation Trust Fund.
20	BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
21	Section 1. Section 40-12-242, Code of Alabama 1975, is
22	amended to read as follows:
23	<b>"</b> §40-12-242
24	(a) The following annual license taxes and registration
25	fees are hereby imposed and shall be charged on each private
26	passenger automobile operated on the public highways of this
27	state and on each motorcycle operated on the public highways:
28	(1) For each private passenger automobile\$13.00



29	(2) For each motorcycle\$7.00
30	No private passenger automobile and no motorcycle shall
31	be used on any public highway in the state unless the proper
32	license tag therefor has been procured and is securely
33	attached to the rear end thereof, the tag to be attached right
34	side up with the number thereof in an upright position and
35	plainly visible.
36	(b)(1) In addition to the annual license taxes and
37	registration fees imposed in subsection (a) and in this
38	article, there is hereby imposed and shall be charged:
39	a. An annual license tax and registration fee of
40	\$200.00 on each battery electric vehicle operated on the
41	public highways of this state; and
42	b. An annual license tax and registration fee of
43	\$100.00 on each plug-in hybrid electric vehicle operated on
44	the public highways of this state.
45	(2)a. A battery electric vehicle is defined as any
46	motor vehicle which draws propulsion energy solely or
47	primarily from onboard sources of stored electric energy from
48	a plug-in rechargeable electric energy storage system and
49	which does not include an internal combustion or heat engine
50	using combustible fuel.
51	b. A plug-in hybrid electric vehicle is defined as any
52	motor vehicle which draws propulsion energy from onboard
53	sources of stored electric energy that can be plugged into an
54	outlet or charging station, and which includes an internal
55	combustion or heat engine using combustible fuel.

(c) Beginning on July 1, 2023 and every fourth year

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- thereafter, the additional license tax and registration fee specified in subsection (b) shall increase by three dollars (\$3).
- 60 (d) The annual battery electric vehicle fee imposed in subdivision (b)(1) shall be reduced by the amount of any 61 62 future additional annual federal surcharge or registration fee 63 placed on a battery electric vehicle, and the annual plug-in 64 hybrid electric vehicle fee imposed in subdivision (b) (1) 65 shall be reduced by the amount of any future annual federal 66 surcharge or registration fee placed on a plug-in hybrid 67 electric vehicle, if the federal surcharge or registration fee is used solely for highway transportation purposes in the 68 69 State of Alabama, but in no case shall the battery electric 70 vehicle fee be reduced to less than \$150 and the plug-in 71 hybrid electric vehicle fee be reduced to less than \$75.
- (e) The Electric Transportation Infrastructure Grant 72 73 Program is created within the State Department of 74 Transportation. The program shall be administered, conducted, 75 and managed, and its funds shall be disbursed by, the State 76 Department of Transportation, which shall have all the powers, 77 authorities, rights, privileges, and titles necessary to 78 enable it to accomplish the purpose of the Electric 79 Transportation Infrastructure Grant Program. The State 80 Department of Transportation is authorized and directed to 81 adopt rules for the Electric Transportation Infrastructure Grant Program including the solicitation, application, 82 evaluation, and selection of grant applicants, the 83 84 distribution of grants for electric vehicle charging



- infrastructure, and the use of grant funds through the Alabama

  Administrative Procedure Act.
- (f) Notwithstanding any other law to the contrary, all proceeds of the annual license taxes and registration fees imposed and charged in subsection (b), after deduction pursuant to Section 40-12-269 (a)(1), shall be distributed as follows:

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- (1) The first one hundred fifty dollars (\$150) collected from the annual license tax and registration fee on each battery electric vehicle and the first seventy-five dollars (\$75) collected from the annual license tax and registration fee on each plug-in hybrid electric vehicle shall be distributed sixty-six and sixty-seven one hundreths percent (66.67%) to the state, twenty-five percent (25%) to counties, and eight and thirty-three one hundreths percent (8.33%) to municipalities.
- (2) The remainder shall be deposited in the Rebuild 101 102 Alabama Fund established in Section 23-8-4, and shall be used 103 by the State Department of Transportation to fund electric 104 vehicle transportation charging infrastructure through the 105 Electric Transportation Infrastructure Grant Program 106 established in subsection (e) until such time as the total 107 annual registrations of battery electric vehicles plus plug-in 108 hybrid electric vehicle exceed four percent (4%) of the total 109 annual registrations of all motor vehicles within the State of Alabama, except trailers and semitrailers, for which an annual 110 license tax and registration fee is paid. Thereafter, the 111 112 annual license taxes and registration fees imposed by

113	subdivision (b)(1) shall be reduced to one hundred fifty
114	dollars (\$150) and seventy-five dollars (\$75), respectively,
115	and after such reduction the receipts shall be deposited into
116	the Rebuild Alabama Fund and distributed sixty-six and
117	sixty-seven one hundreths percent (66.67%) to the state,
118	twenty-five percent (25%) to the counties, and eight and
119	thirty-three one hundreths percent (8.33%) to the
120	municipalities to be used in the construction, reconstruction,
121	maintenance, and repair of public roads, highways, and bridges
122	in the state, and for any other purpose for which moneys in
123	the Rebuild Alabama Fund may be lawfully used. All previously
124	collected but unspent funds dedicated to the Electric
125	Transportation Infrastructure Grant Program shall continue to
126	be used to fund the Electric Transportation Infrastructure
127	Grant Program.
128	(g) The annual license taxes and registration fees
129	pursuant to the Rebuild Alabama Act shall be effective January
130	1, 2020.
131	(h)(1) Effective October 1, 2024, in addition to the
132	annual license taxes and registration fees imposed in
133	subsections (a) and (b) and in this article, there is hereby
134	imposed and charged an annual license tax and registration fee
135	of five dollars (\$5).
136	(2) Notwithstanding any other law to the contrary, all
137	proceeds of the annual license tax and registration fee
138	imposed and charged in subdivision (1) shall be deposited into
139	the Alabama Public Transportation Trust Fund, established in
140	Section 41-23-193, and used by the Alabama Department of



141	Economic and Community Affairs to increase public
142	transportation options across the State of Alabama."
143	Section 2. This act shall become effective on the first
144	day of the third month following its passage and approval by
145	the Governor, or its otherwise becoming law.