

SB122 INTRODUCED



1 Q70B15-1
2 By Senator Shelnuttt
3 RFD: Finance and Taxation General Fund
4 First Read: 22-Mar-23
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SYNOPSIS:

Under existing law, gasoline and other motor fuel taxes levied by the state are restricted in use. Motor fuel taxes levied by municipalities and counties are not restricted in use.

This bill would require a municipal or county that levies a motor fuel tax to use the proceeds for road and bridge construction and maintenance with certain exceptions.

A BILL
TO BE ENACTED
AN ACT

Relating to municipalities and counties; to require the proceeds from motor fuel taxes levied by municipalities and counties to be used for road and bridge construction and maintenance with certain exceptions.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1.(a) Except as provided in subsections (b) and (c), after the effective date of this act, all taxes on motor fuels, as defined in Section 40-17-322, Code of Alabama 1975, whether called an excise tax, license tax, or otherwise, levied by a municipality or county or by local law may be used only for road and bridge construction and maintenance.



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29 (b) If the revenue from a motor fuel tax subject to
30 subsection (a) is used on the effective date of this act for a
31 purpose other than road and bridge construction and
32 maintenance and is pledged to securitize or fund the payment
33 of any bonds or other debt obligation of the municipality or
34 county, the municipality or county may continue to use the
35 revenue for that purpose for up to five years and the
36 municipality or county shall pledge other revenue of the
37 municipality to fully pay the bonded indebtedness after the
38 five-year period. After the five-year period, the revenue from
39 the motor fuel tax may be used only for road and bridge
40 construction and maintenance or shall be repealed.

41 (c) After the effective date of this act, if any
42 portion of a motor fuel tax is used by a municipality or
43 county for a purpose other than road and bridge construction
44 and maintenance, any increase in the motor fuel tax proposed
45 by the municipality or county is not effective unless approved
46 by a referendum election of the municipality or county held
47 prior to the levy.

48 Section 2. All laws or parts of laws which conflict
49 with this act are repealed.

50 Section 3. This act shall become effective on the first
51 day of the third month following its passage and approval by
52 the Governor, or its otherwise becoming law.

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