

1 HB145  
2 133484-3  
3 By Representative Roberts  
4 RFD: Ways and Means General Fund  
5 First Read: 07-FEB-12  
6 PFD: 02/02/2012

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8 SYNOPSIS: This bill amends the distribution of coal  
9 severance tax proceeds, and terminates the tax  
10 October 1, 2016.  
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12 A BILL  
13 TO BE ENTITLED  
14 AN ACT  
15

16 To amend Sections 40-13-6 and 40-13-8, Code of  
17 Alabama 1975; relating to the excise and privilege tax on  
18 coal; to provide further for the distribution of tax proceeds,  
19 and to terminate the tax on October 1, 2016, unless extended  
20 by the Legislature.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. Sections 40-13-6 and 40-13-8, Code of  
23 Alabama 1975, are amended to read as follows:

24 "§40-13-6.

25 "(a) In each fiscal year when the funds then on  
26 deposit in the special fund or funds created for retirement of  
27 the bonds equal the amount needed to pay all the principal and

1 interest becoming payable on the bonds within the succeeding  
2 12 months and the funds then on deposit in the reserve fund or  
3 funds created for the bonds equal the maximum principal and  
4 interest becoming due on the bonds in any one year, the  
5 severance tax proceeds remaining in the Alabama State Docks  
6 Bulk Handling Facility Trust Fund, shall be credited ~~to the~~  
7 ~~State General Fund~~ distributed as provided herein; provided  
8 however, that if at the end of any fiscal year of the state,  
9 beginning with the fiscal year ending September 30, 1987, the  
10 Director of the Alabama State Docks Department shall have  
11 notified the Director of Finance in writing, at least five  
12 days prior to the close of the fiscal year, that the revenues  
13 to be derived by the Alabama State Docks Department from the  
14 operations of its coal handling facilities for the then  
15 current fiscal year are anticipated to be insufficient to pay  
16 the aggregate of (1) the expenses (exclusive of depreciation)  
17 incurred in operating and maintaining the facilities during  
18 such fiscal year and (2) principal and interest that came due  
19 during such fiscal year on those bonds of the Alabama State  
20 Docks Department for payment of which the revenues have been  
21 pledged (which notification shall specify the amount of the  
22 expected deficiency), then the remaining severance tax  
23 proceeds shall remain in the Alabama State Docks Bulk Handling  
24 Facility Trust Fund ~~and shall not be transferred to the State~~  
25 ~~General Fund~~. Following the filing of such notification, a  
26 report shall be filed by the Director of the Alabama State  
27 Docks Department with the Director of Finance within 30 days

1 after the close of such fiscal year, supported by such  
2 documentation as may be deemed appropriate by the Director of  
3 Finance and attesting to the amount of the actual deficiency,  
4 computed as described above, incurred in the operation of the  
5 facilities during the immediately preceding fiscal year. Upon  
6 receipt of the report and such other documentation from the  
7 department as the Director of Finance may specify, the  
8 Director of Finance, if satisfied as to the accuracy of the  
9 amount of the actual deficiency as reflected in the report and  
10 accompanying documentation, shall authorize to be transferred,  
11 and to the extent herein provided there is hereby in such  
12 event appropriated, to the Alabama State Docks Department an  
13 amount equal to the lesser of (i) the actual amount of any  
14 deficiency computed as described herein or (ii) the balance  
15 contained in the Alabama State Docks Bulk Handling Facility  
16 Trust Fund as of the immediately preceding September 30.

17 "(b) Beginning with the 1992-93 fiscal year, the  
18 first three hundred thousand dollars (\$300,000) of any moneys  
19 remaining in the Alabama State Docks Bulk Handling Facility  
20 Trust Fund after such transfer to the Alabama State Docks  
21 Department shall be transferred directly to the Alabama Mining  
22 Academy. Of the above amount to the Alabama Mining Academy, a  
23 small portion of the sum shall be used to retrain Alabama coal  
24 miners, who have been terminated from their employment, for  
25 other occupational opportunities.

26 "(c) For the fiscal year 2011-2012, any moneys  
27 remaining in the Alabama State Docks Bulk Handling Facility

1 Trust Fund after such transfers to the Alabama State Docks  
2 Department and the Alabama Mining Academy shall be distributed  
3 as follows:

4           "(1) Five hundred thousand dollars (\$500,000) shall  
5 be transferred to the Tuscaloosa County General Fund; five  
6 hundred thousand dollars (\$500,000) to the Jefferson County  
7 General Fund; and two hundred thousand dollars (\$200,000) to  
8 the Walker County Economic and Industrial Development  
9 Authority ~~and any remaining moneys shall be credited to the~~  
10 ~~State General Fund.~~ The Tuscaloosa County General Fund  
11 allocation shall be distributed as follows: One hundred  
12 thousand dollars (\$100,000) to the Town of Vance; one hundred  
13 thousand dollars (\$100,000) to the Town of Brookwood; one  
14 hundred twenty-five thousand dollars (\$125,000) to the  
15 Tuscaloosa County Public Library; and one hundred seventy-five  
16 thousand dollars (\$175,000) to the Tuscaloosa County Board of  
17 Education. ~~In any year in which~~ If the total amount ~~allocated~~  
18 available for distribution to the Tuscaloosa County General  
19 Fund, the Jefferson County General Fund, and the Walker County  
20 Economic and Industrial Development Authority is insufficient  
21 to provide the total allocations for the three, the amount  
22 that is available shall be prorated among the three in the  
23 same proportion as the designated allocations. In the event  
24 the Tuscaloosa County General Fund receives less than five  
25 hundred thousand dollars (\$500,000), the distributions to the  
26 Town of Vance, the Town of Brookwood, and the Tuscaloosa  
27 County Public Library shall collectively have priority. In the

1 event the allocation to the Tuscaloosa County General Fund is  
2 less than three hundred twenty-five thousand dollars  
3 (\$325,000), the total amount available shall be prorated among  
4 the Town of Vance, the Town of Brookwood, and the Tuscaloosa  
5 County Public Library in the same proportion as the designated  
6 allocations.

7 ~~"(b)(2) In addition to~~ From any moneys remaining  
8 after the above amounts allocations in subsection (c)(1),  
9 ~~beginning with the 2006-07 fiscal year,~~ one hundred thousand  
10 dollars (\$100,000) shall be transferred to the Community  
11 Development Foundation, Inc., one hundred thousand dollars  
12 (\$100,000) shall be transferred to the Marion County Community  
13 Development Association, Inc., one hundred thousand dollars  
14 (\$100,000) shall be transferred to the West Alabama  
15 Development Association of Fayette County, one hundred  
16 thousand dollars (\$100,000) shall be transferred to the  
17 Jackson County Economic Development Association, and one  
18 hundred thousand dollars (\$100,000) shall be transferred to  
19 the West Alabama Economic Development Association. If the  
20 total moneys available for distribution to the Community  
21 Development Foundation, Inc., the Marion County Development  
22 Association, Inc., the West Alabama Development Association of  
23 Fayette County, the Jackson County Economic Development  
24 Association, and the West Alabama Economic Development  
25 Association are insufficient to provide the total allocations  
26 for the five, the amount that is available shall be allocated  
27 equally.

1           "Any foundation or association receiving funds  
2 pursuant to this ~~amendatory act~~ section shall be annually  
3 audited by the Examiners of Public Accounts and such audit  
4 shall be submitted to the Legislature each legislative  
5 session.

6           "(3) Any moneys remaining after the distributions in  
7 subsections (c) (1) and (c) (2) shall be transferred to the  
8 State General Fund.

9           "(4) Any county producing coal that has not  
10 previously received an allocation shall receive an allocation  
11 based upon tonnage produced in their county using 60 percent  
12 of severance tax.

13           "(d) For the fiscal year 2012-2013, any moneys  
14 remaining in the Alabama State Docks Bulk Handling Facility  
15 Trust Fund after any transfers to the Alabama State Docks  
16 Department and the Alabama Mining Academy shall be distributed  
17 as follows:

18           "(1)a. The Tuscaloosa County General Fund, Jefferson  
19 County General Fund, and Walker County Economic and Industrial  
20 Development Authority shall receive 50 percent of the  
21 designated allocations provided in subsection (c) (1), unless  
22 insufficient moneys are available for the distributions; in  
23 which case, a pro rata amount shall be received.

24           "b. However, if 60 percent of the remaining moneys  
25 available for distribution to the Tuscaloosa County General  
26 Fund, Jefferson County General Fund, and Walker County  
27 Economic and Industrial Development Authority exceed 50

1 percent of the designated allocations to the three, as  
2 provided in subsection (c) (1), then the three shall receive  
3 the same proportion of 60 percent of the remaining moneys  
4 available for distribution as provided by the designated  
5 allocations.

6 "(2) Any moneys remaining after the distribution in  
7 subsection (d) (1) shall be allocated equally to the Community  
8 Development Foundation, Inc., the Marion County Development  
9 Association, Inc., the West Alabama Development Association of  
10 Fayette County, the Jackson County Economic Association, and  
11 the West Alabama Economic Development Association, but not in  
12 excess of fifty thousand dollars (\$50,000) each.

13 "(3) Any moneys remaining after the distributions in  
14 subsections (d) (1) and (d) (2) shall be transferred to the  
15 State General Fund.

16 "(e) Beginning with the fiscal year 2013-2014, and  
17 for all fiscal years thereafter, any moneys remaining in the  
18 Alabama State Docks Bulk Handling Facility Trust Fund after  
19 any transfers to the Alabama State Docks Department and the  
20 Alabama Mining Academy shall be distributed as follows:

21 "(1) Forty percent shall be transferred to the State  
22 General Fund.

23 "(2) Sixty percent shall be transferred by the  
24 Department of Revenue to the general fund of the county of  
25 severance based on the ratio of the coal severance tax  
26 collections from within the county to the total coal severance



1 tax collections, except those sent to the Walker County  
2 Economic and Industrial Development Authority.

3 ~~"(c) Of the above amount to the Alabama Mining~~  
4 ~~Academy, a small portion of said sum shall be used to retrain~~  
5 ~~Alabama coal miners, who have been terminated from their~~  
6 ~~employment, for other occupational opportunities.~~

7 "§40-13-8.

8 "(a) The excise and privilege tax imposed by this  
9 article shall terminate on October 1, ~~2011~~ 2016, unless  
10 extended by an act of the Legislature of the State of Alabama.

11 "(b) For fiscal year beginning October 1, 2011, the  
12 tax shall apply to all severance of coal from October 1, 2011,  
13 through the effective date of this act, as well as the  
14 severance of coal after the effective date of this act.

15 "(c) No later than the 20th day of the third month  
16 following the passage of this act and its approval by the  
17 Governor, each producer shall file a report with the  
18 commissioner setting forth the tons of coal severed for each  
19 month from October 2011 through the month ending on the date  
20 immediately prior to the effective date of this act. No later  
21 than the same date, the producer shall remit the full amount  
22 of tax levied by this act for the tons of coal severed during  
23 such months.

24 "(d) Any taxpayer who, prior to the required date,  
25 voluntarily reported the production for the months from  
26 October 2011 until the effective date of this act shall not be  
27 required to make additional reports. Any voluntary payments

1 made by such producer for the months prior to the date  
2 required for making the tax payment, shall be credited to the  
3 producer's tax liability for the periods. No interest or  
4 credits, in excess of the amounts actually paid, shall be  
5 allowed to any such producer who voluntarily paid such taxes  
6 prior to the required due date.

7 "(e) No penalties or interest shall be assessed for  
8 the tax return or payment related to this tax for the periods  
9 from October 2011 through the effective date of this act if  
10 the return is filed and the payment is remitted as required by  
11 the 20th day of the third month following the passage of this  
12 act and is approved by the Governor."

13 Section 2. All laws or parts of laws which conflict  
14 with this act are repealed.

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