

1 SB369
2 136019-1
3 By Senator Bedford
4 RFD: Finance and Taxation General Fund
5 First Read: 28-FEB-12

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8 SYNOPSIS: Currently, the state levies a uniform
9 severance tax on minerals. Revenue from the tax is
10 used for roads in the counties and municipalities,
11 but revenue that is distributed to Franklin County
12 is used exclusively for economic development.

13 This bill would specify that the revenue
14 distributed to Franklin County go to the Franklin
15 County Development Authority for its exclusive use.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT

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21 To amend Section 40-13-58, Code of Alabama 1975,
22 relating to the distribution of the revenue from the state
23 severance tax on minerals, to require that revenue for
24 Franklin County be distributed to the Franklin County
25 Development Authority for its exclusive use.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Section 40-13-58, Code of Alabama 1975,
2 is amended to read as follows:

3 "§40-13-58.

4 "(a) All revenues collected from the tax levied
5 pursuant to this article, less an amount to cover the expenses
6 of administration and collection and one-half of all interest
7 and penalties collected, as provided in subsection (b) of
8 Section 40-13-57, shall be remitted quarterly to the governing
9 body of the county from which the severed material was severed
10 within 60 days following the end of a calendar quarter.

11 Notwithstanding the above, the aggregate amount retained by
12 the department to defray the expenses described herein shall
13 not exceed 1.5 percent of the total revenues collected during
14 such calendar quarter and shall be credited to its current
15 service revenue.

16 "(b) The revenues remitted to a county as provided
17 in subsection (a) shall be deposited into a fund held and
18 dispensed by the county commission and designated as the
19 severed material severance tax fund. At least 75 percent of
20 such funds shall be allocated and utilized by the county for
21 the construction, maintenance, and repair of the county's road
22 system or, if provided by local legislation, for a local
23 economic development authority, public transit, construction
24 and maintenance of county roads and bridges, or the
25 reclamation of lands where natural materials have been
26 severed. Notwithstanding the foregoing, revenues distributed

1 to Franklin County as provided in subsection (a) shall be
2 allocated to the Franklin County Development Authority and
3 utilized exclusively for activities of the economic
4 development authority. Twenty-five percent of the funds
5 distributed to a county as a result of the severance of
6 materials from within the corporate limits of a municipality
7 in the county shall be expended by the county on county roads
8 or other projects authorized by this article within the
9 corporate limits of that municipality.

10 "(c) Revenues collected by the tax imposed by this
11 article shall be remitted back to the county from which the
12 severed material was originally produced based on total tons
13 severed in such county subject to the severance tax multiplied
14 by the rate of tax, less sums due the department, as provided
15 in subsection (a), based on forms submitted to the department
16 from the operator or producer.

17 "(d) Any adjustment of taxes, interest, or penalties
18 which is necessary to adjust any error in the calculation,
19 collection, or disbursement may be made at a subsequent
20 collection or disbursement."

21 Section 2. This act shall become effective
22 immediately following its passage and approval by the
23 Governor, or its otherwise becoming law.