

1 HB468
2 182565-6
3 By Representative South
4 RFD: Ways and Means General Fund
5 First Read: 06-APR-17

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8 SYNOPSIS: This bill would levy an additional coal
9 severance tax in the amount of \$0.025 per ton on
10 underground mining and \$0.05 per ton on surface
11 mining. The maximum tax to be paid yearly would be
12 based on no more than two million tons per year per
13 person or entity. The bill would earmark the
14 proceeds for the operation of the Surface Mining
15 Commission. The tax would terminate in two years.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT

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21 To levy an additional coal severance tax and provide
22 for the distribution of the proceeds solely for the operation
23 of the Surface Mining Commission; and to provide for
24 termination of the tax.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. The Legislature makes the following
27 findings:

1 (1) The Legislature understands the need to properly
2 fund state agencies in order to match federal funds for
3 enforcement programs.

4 (2) The Surface Mining Commission is the delegated
5 agency in this state authorized to enforce the federal Office
6 of Surface Mining (OSM) programs, with a 50 percent match
7 required in order to access federal funds.

8 (3) Due to very limited General Fund monies
9 available, along with numerous mining companies going out of
10 business over the last eight years which has reduced permit
11 fees and other monies paid to the Surface Mining Commission,
12 there is a need for increased funding from other sources in
13 addition to permit fee increases.

14 Section 2. For the purposes of this act, the
15 following words have the following meanings:

16 (1) AFFILIATE. Any person directly or indirectly
17 controlling greater than a 50 percent interest in any other
18 person.

19 (2) PERSON. Any individual, firm, partnership,
20 corporation, association, or any other legal entity.

21 (3) SEVER. Cutting, mining, stripping, deep mining,
22 or otherwise taking or removing coal or lignite from the soil
23 within the county.

24 (4) TON. A short ton of 2,000 pounds.

25 Section 3. (a) There is levied an additional excise
26 and privilege tax on every person severing coal or lignite in
27 this state in the amount of two and one-half cents (\$.025)

1 per ton of coal or lignite severed by underground mining, and
2 five cents (\$0.05) per ton of coal or lignite severed by
3 surface mining, except the maximum tonnage on which the
4 severance tax is levied against a person and a person's
5 affiliates shall not in the aggregate exceed two million tons
6 per year.

7 (b) The tax levied by this section shall be
8 collected by the State Department of Revenue and shall be
9 deposited in a special fund in the State Treasury to be used
10 exclusively for the operation of the Surface Mining
11 Commission. Monies in the fund are continuously appropriated
12 to the commission and no money in the fund shall revert to the
13 State Treasury at the end of a fiscal year.

14 (c) Any person who fails to comply with this section
15 shall be subject to a civil penalty to be assessed by the
16 State Department of Revenue not to exceed one thousand dollars
17 (\$1,000) for each offense.

18 Section 4. This act is repealed two years from its
19 effective date.

20 Section 5. This act shall become effective on the
21 first day of the third month following its passage and
22 approval by the Governor, or its otherwise becoming law.