

1 SB401  
2 185761-1  
3 By Senator Dial  
4 RFD: Transportation and Energy  
5 First Read: 27-APR-17

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8 SYNOPSIS: Under existing law, the proceeds from a  
9 municipal excise tax or fee on gasoline or diesel  
10 fuel or a municipal business license fee based on  
11 the gross receipts from the sale of gasoline or  
12 diesel fuel may be expended as provided by the  
13 municipality.

14 This bill would require that the proceeds  
15 only be expended for the purchase or lease of  
16 equipment or purchase of materials essential to  
17 specific road or bridge maintenance, improvement,  
18 replacement, and construction projects within the  
19 jurisdictional limits of a municipality.

20  
21 A BILL  
22 TO BE ENTITLED  
23 AN ACT  
24

25 To limit the purposes for which the proceeds from  
26 any municipal excise tax of fee on gasoline or diesel fuel or

1 any municipal business license fee based on the sale of  
2 gasoline or diesel fuel may be expended.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. (a) Except as authorized in subsection  
5 (b), the proceeds from any existing or future municipal  
6 ordinance which levies any excise tax or fee on gasoline or  
7 diesel fuel and the proceeds from any portion of a municipal  
8 business license fee based upon the gross receipts from the  
9 sale of gasoline or diesel fuel shall be used only for the  
10 maintenance, improvement, replacement, and construction of  
11 roads and bridges within the jurisdictional limits of the  
12 municipality. None of the proceeds from the tax, fee, or  
13 license shall be used for salaries, benefits, or other  
14 compensation for municipal or contract employees or officials.  
15 Proceeds may be used only for the purchase or lease of  
16 equipment or the purchase of materials essential to a specific  
17 road or bridge maintenance, improvement, replacement, or  
18 construction project.

19 (b) All proceeds from a municipal ordinance which  
20 levies an excise tax or fee on gasoline or diesel fuel and the  
21 proceeds from any portion of a municipal business license fee  
22 based upon the gross receipts from the sale of gasoline or  
23 diesel fuel shall be audited by the Examiners of Public  
24 Accounts on an annual basis. The municipality shall be  
25 responsible for the cost of the audit which may be paid from  
26 proceeds of any excise tax or fee on gasoline or diesel fuel

1 or the portion of a municipal business license fee based upon  
2 the gross receipts from the sale of gasoline or diesel fuel.

3 Section 2. This act shall apply to the proceeds from  
4 existing and future municipal ordinances levying an excise tax  
5 or fee on gasoline or diesel fuel or a municipal business  
6 license if any portion of the tax or fee is based on the gross  
7 receipts from the sale of gasoline or diesel fuel. Any  
8 municipality shall have sixty days from the effective date of  
9 this act to implement any changes in its ordinances or  
10 procedures necessary to comply with this act.

11 Section 3. This act shall become effective  
12 immediately following its passage and approval by the  
13 Governor, or its otherwise becoming law.