

1 HB371
2 205987-1
3 By Representatives Reynolds, Stringer, Whitt, Robertson and
4 Estes
5 RFD: Ways and Means General Fund
6 First Read: 03-MAR-20

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8 SYNOPSIS: Under current law, the Department of Revenue
9 receives an appropriation from the motor vehicle
10 license taxes and registration fees for the payment
11 of expenses incurred during the collection of said
12 taxes and fees. Additionally, the Department of
13 Revenue handles the administration and distribution
14 of certain taxes and fees.

15 This bill will update the disbursement of
16 these taxes and fees.

17
18 A BILL
19 TO BE ENTITLED
20 AN ACT

21
22 To update the disbursement of certain license taxes
23 and registration fees.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. Section 40-12-270, Code of Alabama 1975
26 is hereby amended to read as follows:

27 "§40-12-270.

1 "(a) The moneys collected each month by the judge of
2 probate from motor vehicle license taxes and registration
3 fees, after deducting therefrom the amounts referred to in
4 subdivisions (1) and (2) of subsection (a) of Section
5 40-12-269, the moneys remaining after making the said
6 deductions being referred to in this section as "the net
7 proceeds," shall be disbursed by the judge of probate as
8 follows:

9 "(1) That portion of the net proceeds that consists
10 of additional amounts paid under the schedule of additional
11 amounts set forth in subsection (b) of Section 40-12-248 shall
12 be remitted by the judge of probate to the State Treasurer who
13 shall distribute said amounts as follows:

14 "a. 64.75 percent of said amounts shall be
15 distributed by the State Treasurer to the State of Alabama;

16 "b. 35.25 percent of said amounts shall be
17 apportioned and distributed by the State Treasurer among the
18 67 counties as follows:

19 "1. A portion of the counties' share of the net tax
20 proceeds that is equal to 42.16 percent of the total net tax
21 proceeds distributed to counties under paragraph (a)(1)b of
22 this section, shall be allocated equally among the 67 counties
23 of the state.

24 "2. The entire residue of the counties' share of the
25 net tax proceeds, being an amount equal to 57.84 percent of
26 the total net tax proceeds distributed to counties under
27 paragraph (a)(1)b of this section, shall be allocated among

1 the 67 counties of the state on the basis of the ratio of the
2 population of each county to the total population of the state
3 according to the then next preceding federal decennial census,
4 or any special federal census heretofore held in any county
5 subsequent to the effective date of the 1980 federal decennial
6 census.

7 "(2) The entire residue of the net proceeds
8 remaining after compliance with subdivision (1) of this
9 subsection shall be distributed as follows:

10 "a. Seventy-two percent of the said residue,
11 referred to in this subdivision, shall be distributed to the
12 State of Alabama and shall be remitted by the judge of probate
13 to the State Treasurer;

14 "b. Twenty-one percent of the said residue, referred
15 to in this subdivision, shall be remitted by the judge of
16 probate to the municipality in which the owner of the motor
17 vehicle resides or with respect to which it is registered as
18 required by law, or, if the said owner does not reside in, or
19 the motor vehicle is not required by law to be registered with
20 respect to, an incorporated municipality, then to the county
21 in which the license tax or registration fee with respect to
22 the said motor vehicle is paid; and

23 "c. Seven percent of the said residue, referred to
24 in this subdivision, shall be remitted by the judge of probate
25 to the State Treasurer and shall be apportioned by the State
26 Treasurer among the several counties of the state in an amount
27 for each county that bears the same relation to, and

1 constitutes the same proportion of, the total of the said
2 seven percent that the total number of motor vehicles
3 registered in such county bears to the total number of motor
4 vehicles registered in the entire state. The amounts so
5 apportioned to each county shall be distributed by the State
6 Treasurer as follows:

7 "1. Ten percent of the amount so apportioned to each
8 county shall be distributed among the municipalities in the
9 county with respect to which the apportionment is made, each
10 such distribution to be on the basis of the ratio of the
11 population of each such municipality to the total population
12 of all municipalities in the applicable county according to
13 the then next preceding federal decennial census; and

14 "2. The remaining portion of the amount so
15 apportioned to each county shall be distributed to the county
16 to which such apportionment is made.

17 "(b) Payment of the amounts herein provided to be
18 distributed by the State Treasurer to counties and
19 municipalities shall be made monthly by state warrant and
20 shall be mailed, in the case of such distribution to a county,
21 to the county treasurer (or other officer or entity having the
22 functions of a county treasurer) of that county and, in the
23 case of a distribution to a municipality, to the treasurer of
24 that municipality.

25 "(c) Any municipality incorporated after September
26 30, 1967, shall not participate in the distribution provided
27 for in this section until the fiscal year next succeeding the

1 fiscal year during which it is incorporated. The population of
2 any municipality incorporated subsequent to the taking of the
3 then next preceding federal decennial census shall, until the
4 effective date of the then next succeeding federal decennial
5 census, be deemed to be the population shown by the census for
6 that municipality taken pursuant to the requirements of
7 Section 11-41-4. For the purposes of this section, each
8 federal decennial census shall be deemed to be effective on
9 October 1 next following the publication of the results of
10 such decennial census.

11 "(d) The amounts remitted to the State Treasurer
12 pursuant to subdivision (2) of subsection (a) of Section
13 40-12-269 and all moneys provided in this section to be
14 distributed to the State of Alabama shall be covered into the
15 Treasury to the credit of the Public Road and Bridge Fund and
16 disbursed as follows:

17 "(1) Paid out of the portion of the motor vehicle
18 license taxes and registration fees that is remitted to the
19 State Treasurer pursuant to subdivision (2) of subsection (a)
20 of Section 40-12-269:

21 "a. One million two hundred thousand (\$1,200,000)
22 shall be distributed to the Alabama Law Enforcement Agency
23 (ALEA) to the credit of the Public Safety Fund to be used for
24 the enforcement of state traffic and motor vehicle laws; and

25 "b. The remaining amounts appropriated by the
26 Legislature out of the motor vehicle license taxes and
27 registration fees for the payment of expenses of the state

1 Department of Revenue in the collection of the said taxes and
2 fees, including salaries, cost of tags and other costs of
3 collection, ~~shall be paid out of the portion of said taxes and~~
4 ~~fees that is remitted to the State Treasurer pursuant to~~
5 ~~subdivision (2) of subsection (a) of Section 40-12-269;~~

6 "(2) So much of the net proceeds distributed to the
7 State of Alabama pursuant to the provisions of this section as
8 shall be necessary for such purpose shall be used for the
9 following purposes in the following order:

10 "a. Payment at their respective maturities of the
11 principal of and interest on bonds, other than refunding
12 bonds, issued by Alabama Highway Authority under the
13 provisions of Acts 1967, Ex. Sess., No. 225, p. 302;

14 "b. Payment at their respective maturities of the
15 principal of and interest on bonds, other than refunding
16 bonds, issued by the said Alabama Highway Authority under the
17 provisions of Acts 1969, No. 781, p. 1398;

18 "c. Payment at their respective maturities of the
19 principal of and interest on bonds, other than refunding
20 bonds, issued by the said Alabama Highway Authority under the
21 provisions of Acts 1971, No. 1416, p. 2414; and

22 "d. Payment at their respective maturities of the
23 principal of and interest on any bonds or other obligations,
24 including refunding obligations, issued after December 1,
25 1977, by a public corporation existing at the time of issuance
26 under the laws of Alabama pursuant to then existing statutory
27 or constitutional authorization, or by the State of Alabama

1 pursuant to authorization, effective at the time of issuance,
2 under the Constitution and laws of the said state, and for
3 which the said net proceeds referred to in this subdivision
4 (2) shall have been appropriated and pledged in a then
5 effective statute or constitutional provision (including any
6 enabling act under a constitutional provision), all in the
7 manner and to the extent and subject to such priorities in
8 rank as may be provided in such statute or constitutional
9 provision or in an authorizing resolution thereunder; and

10 "(3) The balance of the moneys referred to in
11 subdivisions (1) and (2) of this subsection remaining after
12 compliance with the said subdivisions shall be used by the
13 state Department of Transportation for construction and
14 maintenance of public roads and bridges in the state and for
15 any other purpose for which moneys in the Public Road and
16 Bridge Fund may be lawfully used.

17 "(e) (1) All moneys received by a municipality or
18 county under this section, except that portion of the said
19 moneys that constitute collections from additional amounts
20 paid under the schedule of additional amounts set forth in
21 subsection (b) of Section 40-12-248 and distributed under
22 subdivision (a) (1) of this section, shall be used by such
23 municipality or county exclusively for the construction,
24 improvement, and maintenance of public highways or public
25 streets, including administrative expenses in connection
26 therewith and retirement of securities evidencing obligations

1 incurred for payment of costs of such construction,
2 improvement and maintenance.

3 "(2) All moneys received by a county under this
4 section which constitute collections from additional amounts
5 paid under the schedule of additional amounts set forth in
6 subsection (b) of Section 40-12-248 and distributed under
7 subdivision (a)(1) of this section shall be used by such
8 county for the construction, including draining, grading,
9 basing, paving, signing, and erosion items, of certain high
10 density unpaved roads as herein provided and for the
11 construction or reconstruction of bridges on such high density
12 roads. The use may also be for the reconstruction,
13 resurfacing, restoration, and rehabilitation of the paved
14 county roads and bridges or bridge replacement on the county
15 road system. The use may also be for the construction,
16 including draining, grading, basing, and paving of certain
17 unpaved roads, and reconstruction of certain paved roads
18 accessing certain public and private recreational facilities
19 and areas.

20 "There is hereby created a committee to be referred
21 to as the Secondary Road Committee comprised of the Chief of
22 the Bureau of Secondary Roads of the state Department of
23 Transportation, two county engineers appointed by the state
24 Director of Transportation and two county commission members
25 appointed by the Governor. The committee members shall serve
26 at the pleasure of the appointing authority. The committee
27 shall elect one of its members to serve as chairman. A quorum

1 of the committee shall consist of no less than three members.
2 Committee members shall serve without compensation.

3 "The Secondary Road Committee shall develop and
4 publish criteria for the designation of high density roads and
5 bridges and for the designation of eligible recreational
6 access roads. The committee may in its discretion provide
7 different criteria for counties according to population,
8 topography, and road mileage. The committee shall also develop
9 and publish minimum design standards, including allowable cost
10 items, for the construction, reconstruction, surfacing,
11 resurfacing, restoration, and rehabilitation of such high
12 density roads and bridges and recreational access roads.
13 Criteria and standards developed by the committee shall be
14 published by distributing printed copies thereof to the
15 chairman of each county commission in Alabama no later than 90
16 days after June 1, 1984. The committee may from time to time
17 amend the criteria and standards developed provided that at
18 least 60 days' notice is provided in writing to the chairman
19 of each county commission before the effective date of such
20 amendment. The state Department of Transportation shall
21 provide all supplies and clerical help necessary for the
22 committee to execute its responsibilities.

23 "County commissions are hereby required to submit
24 all plans for the use of such proceeds to the Director of
25 Transportation or his designee for approval. The Director of
26 Transportation or his designee shall review all plans and

1 approve them or disapprove them, based on the criteria and
2 standards developed by the committee.

3 "The funds distributed to the counties under this
4 subsection shall not be commingled with other funds of the
5 county except the counties' portion of the inspection fee
6 distributed under Section 8-17-91, and shall be kept and
7 disbursed by such county from a special fund only for the
8 purposes hereinabove provided.

9 "The provisions of this section notwithstanding, any
10 county may at any time deposit all or any portion of such
11 proceeds into the county's special RRR fund as provided for in
12 Section 40-17-224 and may use the proceeds so deposited for
13 any purpose authorized under said section."

14 Section 2. This act shall become effective beginning
15 with fiscal year October 1, 2020 following its passage and
16 approval by the Governor, or upon its otherwise becoming law.