

**SB351 INTRODUCED**



1 E53892-1  
2 By Senators Coleman-Madison, Coleman, Smitherman, Hatcher,  
3 Stewart, Gudger, Singleton  
4 RFD: Finance and Taxation General Fund  
5 First Read: 24-May-23  
6 2023 Regular Session



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SYNOPSIS:

This bill provides for an additional license tax and registration fee on motor vehicles and for the distribution of the proceeds to the Alabama Public Transportation Trust Fund.

A BILL  
TO BE ENTITLED  
AN ACT

To amend Section 40-12-242, Code of Alabama 1975, relating to license taxes and registration fees; to levy an additional license tax and registration fee on motor vehicles as defined in Section 40-12-240, Code of Alabama 1975; and to provide for the distribution of the proceeds to the Alabama Public Transportation Trust Fund.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-12-242, Code of Alabama 1975, is amended to read as follows:

"§40-12-242

(a) The following annual license taxes and registration fees are hereby imposed and shall be charged on each private passenger automobile operated on the public highways of this state and on each motorcycle operated on the public highways:



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29 (1) For each private passenger automobile.....\$13.00

30 (2) For each motorcycle.....\$7.00

31 No private passenger automobile and no motorcycle shall  
32 be used on any public highway in the state unless the proper  
33 license tag therefor has been procured and is securely  
34 attached to the rear end thereof, the tag to be attached right  
35 side up with the number thereof in an upright position and  
36 plainly visible.

37 (b) (1) In addition to the annual license taxes and  
38 registration fees imposed in subsection (a) and in this  
39 article, there is hereby imposed and shall be charged:

40 a. An annual license tax and registration fee of  
41 \$200.00 on each battery electric vehicle operated on the  
42 public highways of this state; and

43 b. An annual license tax and registration fee of  
44 \$100.00 on each plug-in hybrid electric vehicle operated on  
45 the public highways of this state.

46 (2)a. A battery electric vehicle is defined as any  
47 motor vehicle which draws propulsion energy solely or  
48 primarily from onboard sources of stored electric energy from  
49 a plug-in rechargeable electric energy storage system and  
50 which does not include an internal combustion or heat engine  
51 using combustible fuel.

52 b. A plug-in hybrid electric vehicle is defined as any  
53 motor vehicle which draws propulsion energy from onboard  
54 sources of stored electric energy that can be plugged into an  
55 outlet or charging station, and which includes an internal  
56 combustion or heat engine using combustible fuel.



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57 (c) Beginning on July 1, 2023 and every fourth year  
58 thereafter, the additional license tax and registration fee  
59 specified in subsection (b) shall increase by three dollars  
60 (\$3).

61 (d) The annual battery electric vehicle fee imposed in  
62 subdivision (b)(1) shall be reduced by the amount of any  
63 future additional annual federal surcharge or registration fee  
64 placed on a battery electric vehicle, and the annual plug-in  
65 hybrid electric vehicle fee imposed in subdivision (b)(1)  
66 shall be reduced by the amount of any future annual federal  
67 surcharge or registration fee placed on a plug-in hybrid  
68 electric vehicle, if the federal surcharge or registration fee  
69 is used solely for highway transportation purposes in the  
70 State of Alabama, but in no case shall the battery electric  
71 vehicle fee be reduced to less than \$150 and the plug-in  
72 hybrid electric vehicle fee be reduced to less than \$75.

73 (e) The Electric Transportation Infrastructure Grant  
74 Program is created within the State Department of  
75 Transportation. The program shall be administered, conducted,  
76 and managed, and its funds shall be disbursed by, the State  
77 Department of Transportation, which shall have all the powers,  
78 authorities, rights, privileges, and titles necessary to  
79 enable it to accomplish the purpose of the Electric  
80 Transportation Infrastructure Grant Program. The State  
81 Department of Transportation is authorized and directed to  
82 adopt rules for the Electric Transportation Infrastructure  
83 Grant Program including the solicitation, application,  
84 evaluation, and selection of grant applicants, the



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85 distribution of grants for electric vehicle charging  
86 infrastructure, and the use of grant funds through the Alabama  
87 Administrative Procedure Act.

88 (f) Notwithstanding any other law to the contrary, all  
89 proceeds of the annual license taxes and registration fees  
90 imposed and charged in subsection (b), after deduction  
91 pursuant to Section 40-12-269 (a)(1), shall be distributed as  
92 follows:

93 (1) The first one hundred fifty dollars (\$150)  
94 collected from the annual license tax and registration fee on  
95 each battery electric vehicle and the first seventy-five  
96 dollars (\$75) collected from the annual license tax and  
97 registration fee on each plug-in hybrid electric vehicle shall  
98 be distributed sixty-six and sixty-seven one hundredths percent  
99 (66.67%) to the state, twenty-five percent (25%) to counties,  
100 and eight and thirty-three one hundredths percent (8.33%) to  
101 municipalities.

102 (2) The remainder shall be deposited in the Rebuild  
103 Alabama Fund established in Section 23-8-4, and shall be used  
104 by the State Department of Transportation to fund electric  
105 vehicle transportation charging infrastructure through the  
106 Electric Transportation Infrastructure Grant Program  
107 established in subsection (e) until such time as the total  
108 annual registrations of battery electric vehicles plus plug-in  
109 hybrid electric vehicle exceed four percent (4%) of the total  
110 annual registrations of all motor vehicles within the State of  
111 Alabama, except trailers and semitrailers, for which an annual  
112 license tax and registration fee is paid. Thereafter, the



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113 annual license taxes and registration fees imposed by  
114 subdivision (b) (1) shall be reduced to one hundred fifty  
115 dollars (\$150) and seventy-five dollars (\$75), respectively,  
116 and after such reduction the receipts shall be deposited into  
117 the Rebuild Alabama Fund and distributed sixty-six and  
118 sixty-seven one hundredths percent (66.67%) to the state,  
119 twenty-five percent (25%) to the counties, and eight and  
120 thirty-three one hundredths percent (8.33%) to the  
121 municipalities to be used in the construction, reconstruction,  
122 maintenance, and repair of public roads, highways, and bridges  
123 in the state, and for any other purpose for which moneys in  
124 the Rebuild Alabama Fund may be lawfully used. All previously  
125 collected but unspent funds dedicated to the Electric  
126 Transportation Infrastructure Grant Program shall continue to  
127 be used to fund the Electric Transportation Infrastructure  
128 Grant Program.

129 (g) The annual license taxes and registration fees  
130 pursuant to the Rebuild Alabama Act shall be effective January  
131 1, 2020.

132 (h) (1) Beginning January 1, 2024, in addition to the  
133 annual license taxes and registration fees imposed in  
134 subsections (a) and (b) and in this article, there is hereby  
135 imposed and charged an annual license tax and registration fee  
136 of five dollars (\$5) on each motor vehicle, as defined in  
137 Section 40-12-240, operated on the public highways of this  
138 state.

139 (2) Notwithstanding any other law to the contrary, all  
140 proceeds of the annual license tax and registration fee



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141 imposed and charged in subdivision (1) shall be deposited into  
142 the Alabama Public Transportation Trust Fund, established in  
143 Section 41-23-193, and used by the Alabama Department of  
144 Economic and Community Affairs to increase public  
145 transportation options across the State of Alabama."

146           Section 2. This act shall become effective on the first  
147 day of the third month following its passage and approval by  
148 the Governor, or its otherwise becoming law.