

HB566 INTRODUCED



1 HB566
2 4UBWHIR-1
3 By Representative Lee
4 RFD: Transportation, Utilities and Infrastructure
5 First Read: 05-Mar-26



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SYNOPSIS:

Existing law authorizes municipalities to levy a business license on certain businesses operating within their jurisdictions.

This bill would provide for the circumstances when a municipality may levy a business license on certain businesses in the building trade located inside the municipality's jurisdiction.

A BILL
TO BE ENTITLED
AN ACT

Relating to municipalities; to add Section 11-51-133 to the Code of Alabama 1975, to limit municipalities from levying a business license on certain businesses.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 11-51-133 is added to the Code of Alabama 1975, to read as follows:

§11-51-133

(a) As used in this section, the following terms have the following meanings:

(1) CERTIFIED HEATING AND AIR CONDITIONING CONTRACTOR.
The same meaning as provided in Section 34-31-18.



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57 stored on a temporary basis in connection with a construction
58 project or job.

59 (12) RESIDENTIAL HOME BUILDER. The same meaning as
60 provided in Section 34-14A-2, without regard to the monetary
61 thresholds set forth in that section.

62 (13) SUBCONTRACTOR. The same meaning as provided in
63 Section 34-8-1, without regard to the monetary thresholds set
64 forth in that section.

65 (b) (1) A municipality may impose a business license on
66 any of the following businesses that perform work within the
67 municipality but do not maintain a physical business location
68 within the municipality:

- 69 a. A certified heating and air conditioning contractor.
- 70 b. A certified refrigeration contractor.
- 71 c. A concrete provider.
- 72 d. A duct air tightness testing contractor.
- 73 e. An electrical contractor.
- 74 f. A general contractor.
- 75 g. A journeyman electrician.
- 76 h. A master gas fitter.
- 77 i. A master plumber.
- 78 j. An onsite wastewater licensee.
- 79 k. A residential home builder.
- 80 l. A subcontractor.

81 (2) The amount of the business license shall be
82 calculated on the basis of a flat fee or the gross receipts
83 derived from the work performed within the municipality.

84 (c) (1) For the purpose of calculating the amount of a



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85 business license, a municipality shall permit any business
86 listed in subsection (b) to exclude any gross receipts that
87 were used to calculate the amount of a business license paid
88 in another municipality when the business maintains a physical
89 place of business in the municipality where the application
90 for a business license has been filed.

91 (2) A municipality may request any business seeking to
92 exclude gross receipts pursuant to subdivision (1) to submit
93 to the municipality a list of business licenses the business
94 has obtained in other municipalities and any gross receipts
95 reported by the business to obtain those business licenses in
96 order to verify that the receipts should be excluded.

97 (d) A municipality may not require any business listed
98 in subsection (b) to obtain a municipal business license to
99 work on a project on behalf of a county government when that
100 project is located on county property or on a
101 county-maintained road, bridge, right-of-way, or easement.

102 Section 2. This act shall become effective on October
103 1, 2026.