

SB304 ENROLLED



1 SB304
2 V74A6LP-3
3 By Senator Albritton
4 RFD: County and Municipal Government
5 First Read: 12-Feb-26



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1 Enrolled, An Act,

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4 Relating to municipalities; to add Section 11-51-133 to
5 the Code of Alabama 1975, to further provide for the levying
6 of certain business licenses by municipalities.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

10 §11-51-133

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

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

15 (2) CERTIFIED REFRIGERATION CONTRACTOR. The same
16 meaning as provided in Section 34-31-18.

17 (3) CONCRETE PROVIDER. An individual or business entity
18 engaged in selling concrete, ready mix, or cement that is to
19 be installed at a job site in a municipality, other than a
20 municipality in which the individual or business entity is
21 eligible to obtain a delivery license pursuant to Section
22 11-51-194.

23 (4) DUCT AIR TIGHTNESS TESTING CONTRACTOR. The same
24 meaning as provided in Section 34-31-18.

25 (5) ELECTRICAL CONTRACTOR. The same meaning as provided
26 in Section 34-36-3.

27 (6) GENERAL CONTRACTOR. The same meaning as provided in
28 Section 34-8-1, without regard to the monetary thresholds set



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29 forth in that section.

30 (7) JOURNEYMAN ELECTRICIAN. The same meaning as
31 provided in Section 34-36-3.

32 (8) MASTER GAS FITTER. The same meaning as provided in
33 Section 34-37-1.

34 (9) MASTER PLUMBER. The same meaning as provided in
35 Section 34-37-1.

36 (10) ONSITE WASTEWATER LICENSEE. A qualified individual
37 holding a license issued by the Alabama Onsite Wastewater
38 Board.

39 (11) PHYSICAL BUSINESS LOCATION. A principal business
40 office, branch office, or other office, warehouse, or
41 permanent fixed place of business. The term does not include a
42 temporary job site, job trailer, equipment, or materials
43 stored on a temporary basis in connection with a construction
44 project or job.

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

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

51 (b) (1) A municipality may impose a business license on
52 any of the following businesses that perform work within the
53 municipality but do not maintain a physical business location
54 within the municipality:

55 a. A certified heating and air conditioning contractor.

56 b. A certified refrigeration contractor.



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- 57 c. A concrete provider.
- 58 d. A duct air tightness testing contractor.
- 59 e. An electrical contractor.
- 60 f. A general contractor.
- 61 g. A journeyman electrician.
- 62 h. A master gas fitter.
- 63 i. A master plumber.
- 64 j. An onsite wastewater licensee.
- 65 k. A residential home builder.
- 66 l. A subcontractor.

67 (2) The amount of the business license shall be a flat
68 fee or be calculated on the basis of the gross receipts
69 derived from the work performed within the municipality. Gross
70 receipts derived from construction, contracting, installation,
71 or service activities shall be attributed to the municipality
72 where the job site is located and where the labor, materials,
73 or services are performed, regardless of the business'
74 physical business location.

75 (c) (1) A municipality may impose a business license on
76 any business listed in subdivision (b) (1) that maintains a
77 physical business location in that municipality and performs
78 work within that municipality.

79 (2) The amount of the business license shall be one of
80 the following:

- 81 a. A flat fee not to exceed five hundred dollars
82 (\$500).
- 83 b. A flat fee not to exceed five hundred dollars (\$500)
84 plus a fee calculated on the basis of the gross receipts



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85 derived from the work performed by the business within the
86 municipality.

87 c. A fee calculated on the basis of the gross receipts
88 derived from the work performed by the business within the
89 municipality.

90 (3) This subsection may not be construed to allow a
91 municipality in which a business maintains a physical place of
92 business to use the gross receipts derived from work performed
93 by the business in another jurisdiction to impose a business
94 license on any business listed in subdivision (b)(1).

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

100 Section 2. This act shall become effective on January
101 1, 2027.



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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB304
Senate 17-Mar-26
I hereby certify that the within Act originated in and passed
the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives
Amended and passed: 08-Apr-26

Senate concurred in House amendment 08-Apr-26

By: Senator Albritton