

1 HB81
2 197451-1
3 By Representative Poole
4 RFD: Transportation, Utilities and Infrastructure
5 First Read: 05-MAR-19
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8 SYNOPSIS: This bill would enact the Rebuild Alabama
9 Act, to levy an additional excise tax on gasoline
10 and diesel fuel and provide for the distribution of
11 the proceeds for state, county, municipal and State
12 Port Authority transportation infrastructure
13 purposes.

14 This bill also amends Section 40-12-242 to
15 provide for an additional registration fee for
16 certain motor vehicles and the distribution of the
17 proceeds of the additional fee.

18
19 A BILL
20 TO BE ENTITLED
21 AN ACT
22

23 To levy an additional excise tax on gasoline and
24 diesel fuel; to provide for the distribution of the proceeds
25 from the additional excise tax for state, county, municipal
26 and Alabama State Port Authority transportation infrastructure
27 purposes; to amend Section 40-12-242 to levy an additional

1 registration fee for certain motor vehicles and provide for
2 the distribution of the proceeds from the additional
3 registration fee to the Rebuild Alabama Fund; and to amend
4 Sections 40-17-331 and 40-17-335, Code of Alabama 1975.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. This act shall be known and may be cited
7 as the Rebuild Alabama Act.

8 Section 2. The Legislature finds all of the
9 following:

10 (a) That consistent with the constitutional mandate
11 that navigable waterways are public highways, the Legislature
12 hereby finds as a fact that a portion of the gasoline and
13 diesel fuel sold in this state is used for marine purposes to
14 propel vessels on coastal and inland waterways of this state.

15 (b) That it is the policy of this state to use a
16 portion of the funds derived from the additional excise tax
17 levied by this act on each net gallon of gasoline and diesel
18 fuel for the programs and activities of the Alabama State Port
19 Authority.

20 (c) That the development and growth of electric
21 vehicle transportation infrastructure are considerations in
22 the construction, reconstruction, maintenance, and repair of a
23 modern-day public road, highway, and bridge system in this
24 state.

25 (d) That the State Department of Transportation is
26 the appropriate agency to initiate the comprehensive planning
27 and administrative duties associated with the development of

1 electric vehicle transportation infrastructure as a part of
2 its regular duties.

3 (e) That the development of electric vehicle
4 transportation infrastructure is a cost of construction,
5 reconstruction, maintenance, and repair of public roads,
6 highways, and bridges in this state and that the moneys of the
7 Rebuild Alabama Fund may be lawfully used for such purpose.

8 (f) It is the intention of the Legislature to
9 authorize the creation of, and to hereby create, the Electric
10 Transportation Charging Infrastructure Grant Program as a
11 program of the State Department of Transportation for the
12 purpose of providing grants, funds, and support for the
13 construction, reconstruction, maintenance, and repair of the
14 public roads, highways, and bridges in this state through the
15 procurement, installation, and implementation of electric
16 vehicle transportation infrastructure.

17 Section 3. Sections 40-12-242, 40-17-331 and
18 40-17-335, Code of Alabama 1975, are amended to read as
19 follows:

20 "§40-12-242.

21 "(a) The following annual license taxes and regis-
22 tration fees are hereby imposed and shall be charged on each
23 private passenger automobile operated on the public highways
24 of this state and on each motorcycle operated on the said pub-
25 lic highways:

- 1 (1) For each private passenger automobile \$13.00
- 2 (2) For each motorcycle \$7.00

3 " No private passenger automobile and no motorcycle

4 shall be used on any public highway in the state unless the

5 proper license tag therefor has been procured and is securely

6 attached to the rear end thereof, such tag to be so attached

7 right side up with the number thereof in an upright position

8 and plainly visible.

9 "(b) In addition to the annual license taxes and

10 registration fees imposed in subsection (a) above and

11 elsewhere in Article 5 of Chapter 12 of Title 40, there is

12 hereby imposed and shall be charged;

13 "(1) an annual license tax and registration fee of

14 \$250.00 on each electric private passenger automobile operated

15 on the public highways of this state, and

16 "(2) an annual license tax and registration fee of

17 \$125.00 on each hybrid-electric private passenger automobile

18 operated on the public highways of this state.

19 "An electric private passenger automobile is

20 defined as any motor vehicle which draws propulsion energy

21 solely or primarily from onboard sources of stored energy,

22 including sourced from a plug-in rechargeable electric energy

23 storage system. A hybrid-electric private passenger automobile

24 is defined as any motor vehicle which draws propulsion energy

25 from onboard sources of stored energy including sourced from a

1 plug-in rechargeable electric energy storage system, and which
2 includes an internal combustion or heat engine using
3 combustible fuel.

4 "(c) Beginning on July 1, 2023 and every fourth year
5 thereafter, the additional license tax and registration fee
6 specified in this act shall increase by five dollars (\$5).

7 "(d) The annual electric private passenger
8 automobile fees in this section shall be reduced by the amount
9 of any future additional annual federal surcharge or
10 registration fee placed on an electric private vehicle, and
11 the annual hybrid-electric private passenger automobile fee
12 shall be reduced by the amount of any future annual federal
13 surcharge or registration fee placed on an hybrid-electric
14 private passenger automobile, if the federal surcharge or
15 registration fee is used solely for highway transportation
16 purposes in the state of Alabama, but in no case shall the
17 electric private passenger automobile fee be reduced to less
18 than \$150.00 and the hybrid-electric private passenger
19 automobile fee be reduced to less than \$75.

20 "(e) The Electric Transportation Infrastructure
21 Grant Program is created within the State Department of
22 Transportation. The program shall be administered, conducted,
23 and managed, and its funds shall be dispersed by, the State
24 Department of Transportation, which shall have all the powers,
25 authorities, rights, privileges, and titles necessary to
26 enable it to accomplish the purpose of the Electric
27 Transportation Infrastructure Grant Program. The State

1 Department of Transportation is authorized and directed to
2 promulgate rules for the Electric Transportation
3 Infrastructure Grant Program including the solicitation,
4 application, evaluation, and selection of grant applicants,
5 the distribution of grants for charging infrastructure, and
6 the use of grant funds through the Alabama Administrative
7 Procedures Act.

8 "(f) Notwithstanding any other statute or law to the
9 contrary, all proceeds of the annual license taxes and
10 registration fees imposed and charged in subsection (b) above,
11 after deduction pursuant to Section 40-12-269, Code of Alabama
12 1975, shall be distributed as follows:

13 "(1) Of the first \$150 collected from the annual
14 license tax and registration fee on each electric private
15 passenger automobile and of the first \$75 collected from the
16 annual license tax and registration fee on each
17 hybrid-electric private passenger automobile shall be
18 distributed sixty-six and sixty-seven one hundredths percent
19 (66.67%) to the state, twenty-five percent (25%) to counties,
20 and eight and thirty-three one hundredths percent (8.33%) to
21 cities.

22 "(2) The remainder shall be deposited in the Rebuild
23 Alabama Fund established pursuant to the provisions of this
24 act, and shall be used by the State Department of
25 Transportation to fund electric vehicle transportation
26 charging infrastructure through the Electric Transportation
27 Infrastructure Grant Program established in this act until

1 such time as the total annual registrations of electric
2 private passenger automobiles plus hybrid-electric private
3 passenger automobiles exceed two percent (2%) of the total
4 annual registrations of all private passenger automobiles as
5 defined in Section 40-12-240, Code of Alabama 1975, within the
6 state of Alabama, except trailers and semitrailers, for which
7 an annual license tax and registration fee is paid. Thereafter
8 the receipts shall be deposited into the Rebuild Alabama Fund
9 and distributed sixty-six and sixty-seven one hundredths
10 percent (66.67%) to the state, twenty-five percent (25%) to
11 the counties, and eight and thirty-three one hundredths percent
12 (8.33%) to the cities to be used in the construction,
13 reconstruction, maintenance, and repair of public roads,
14 highways, and bridges in the state, and for any other purpose
15 for which moneys in the Rebuild Alabama Fund may be lawfully
16 used.

17 "(g) The annual license taxes and registration fees
18 pursuant to this act shall be effective January 1, 2020.

19 "§40-17-331.

20 ~~"(a) There is hereby imposed a floor-stocks tax on~~
21 ~~motor fuel held in inventory outside of the bulk~~
22 ~~transfer/terminal system on October 1, 2012, if:~~

23 ~~"(1) No tax was imposed on the motor fuel under~~
24 ~~Sections 40-17-2, 40-17-31, and 40-17-220, as of September 30,~~
25 ~~2012; and~~

1 ~~"(2) The tax would have been imposed on the motor~~
2 ~~fuel by this article had it been in effect for the periods~~
3 ~~prior to October 1, 2012.~~

4 ~~"(b) The rate of the tax imposed by this section~~
5 ~~shall be the amount of tax imposed under Sections 40-17-2,~~
6 ~~40-17-31, and 40-17-220, on September 30, 2012.~~

7 ~~"(c) Any person owning motor fuel on October 1,~~
8 ~~2012, to which the tax imposed by this section applies, shall~~
9 ~~be liable for the tax. The tax imposed by this section shall~~
10 ~~be paid on or before December 31, 2012, and shall be paid in~~
11 ~~the manner prescribed by the department.~~

12 "(a) There is hereby imposed a floor-stocks tax on
13 motor fuel held in inventory outside of the bulk
14 transfer/terminal system on the effective date of the tax
15 increase and on the date of each subsequent tax increase
16 levied by the amendatory language of this act.

17 "(b) Each rate of the tax imposed by this section
18 shall be the incremental amount of tax imposed under the
19 amendatory language of this act.

20 "(c) Any wholesale distributor holding motor fuel in
21 inventory outside of the bulk transfer/terminal system on the
22 effective date of each tax increase levied by the amendatory
23 language of this act.

24 "(d) The tax imposed by the amendatory language of
25 this act shall be paid on or before the last day of the third
26 month following each tax increase and shall be paid in the
27 manner prescribed by the department.

1 "§40-17-335.

2 "(a) Upon approval of the application by the
3 department, the applicant shall file with the department a
4 surety bond as herein provided:

5 "(1) Except as provided under subdivision (3), the
6 bond amount for an applicant for a license as a supplier,
7 permissive supplier, or terminal operator shall be in the
8 approximate amount of twice the average monthly tax liability,
9 not to exceed ~~two million dollars (\$2,000,000)~~ three million
10 dollars (\$3,000,000).

11 "(2) Except as provided under subdivision (3), the
12 bond amount for an applicant for a license as an exporter,
13 blender, importer, or distributor shall be a minimum of two
14 thousand dollars (\$2,000) or the approximate amount of twice
15 the average monthly tax liability, whichever is greater.

16 "(3) The bond for distributors, suppliers, and
17 permissive suppliers who are licensed with the department on
18 October 1, 2012, shall remain at the amount that is filed with
19 the department on that date, except as provided under
20 subsection (b).

21 "(4) For an applicant for a license only as a motor
22 fuel transporter or aviation fuel purchaser, there shall be no
23 bond.

24 "(5) Only one bond shall be required of an applicant
25 for multiple licenses. Except as provided under subdivision
26 (3), the bond amount shall be based on the highest average

1 monthly tax liability of the separate licenses, but shall
2 cover all licenses.

3 "(b) The commissioner may require an additional
4 surety bond from any licensee if: (1) the commissioner
5 determines that the surety on an existing bond is
6 unsatisfactory; (2) a surety notifies the department that it
7 intends to cancel a bond as provided in subsection (d); or (3)
8 the commissioner, after reviewing the financial condition of
9 the licensee, determines that the existing bond of the
10 licensee is insufficient in an amount to insure the prompt
11 payment of all excise taxes that are due or may become due the
12 state by the licensee upon the sale or withdrawal of motor
13 fuel. However, in no case shall a new or additional bond be
14 more than two months of average excise tax owed by the
15 licensee.

16 "(c) The department shall notify a licensee at his
17 or her last known address by first class U.S. mail or, at the
18 option of the department, certified mail, return receipt
19 requested, that it is requiring such new or additional bond
20 for any reason as provided above, and the licensee, within 30
21 days from the date such notice is mailed by the department,
22 shall either (1) file the new or additional bond as requested
23 by the department, or (2) file a notice of appeal with the
24 Alabama Tax Tribunal as allowed in Chapter 2B of this title.
25 The department may immediately cancel the licensee's license
26 upon the expiration of the 30-day period set out above if the
27 licensee fails to either provide the new or additional bond

1 requested by the department or timely appeal to the Alabama
2 Tax Tribunal.

3 "(d) Any surety on an existing bond furnished by a
4 licensee may notify the department in writing of its intent to
5 cancel the bond. The department shall immediately notify the
6 licensee of the intent of the surety to cancel and the
7 licensee shall have 30 days from the date the notice is mailed
8 by the department to provide a sufficient replacement bond as
9 requested by the department. The department may immediately
10 cancel the licensee's license upon expiration of the 30-day
11 period set out above if the licensee fails to either provide a
12 new replacement bond as requested by the department or appeal
13 the proposed revocation to the Alabama Tax Tribunal within the
14 30 days as allowed by Chapter 2B of this title. The surety
15 requesting to be released shall remain liable for any
16 liability already accrued or which shall accrue during the
17 30-day period set out above, but shall not be responsible for
18 any liability which accrues after the 30-day period.

19 "(e) A surety providing a bond must be authorized to
20 engage in business within this state. The surety bonds are
21 conditioned upon faithful compliance with the provisions of
22 this article, including the filing of returns and the payment
23 of all tax prescribed herein. The surety bonds shall be
24 approved by the commissioner as to sufficiency and form, and
25 shall indemnify the state against any loss arising from the
26 failure of the licensee to pay, for any cause, the motor fuel
27 excise tax levied by this article."

1 Section 4. Definitions. When used in this act, the
2 following words and phrases shall have the following
3 respective meanings unless the context clearly indicates
4 otherwise:

5 (1) ALDOT. The Alabama State Department of
6 Transportation provided for in Section 23-1-20, Code of
7 Alabama 1975, as amended.

8 (2) ATRIP-II COMMITTEE. The Alabama Transportation
9 Rehabilitation and Improvement Program Committee-II
10 established pursuant to this act.

11 (3) ATRIP-II PROJECTS. Those Road and Bridge
12 Rehabilitation and Improvement Projects submitted to and
13 received by the ATRIP-II Committee for funding in accordance
14 with the provisions of this act.

15 (4) COSTS. As applied to any road and bridge
16 project, all costs of construction or acquisition of any part
17 thereof, including, but without limitation to, the costs of
18 supervising, inspecting and constructing any such project and
19 all costs and expenses incidental thereto, the costs of
20 locating, surveying and mapping, development of engineering
21 plans and specifications, resurfacing, restoration and
22 rehabilitation, acquisition of rights-of-way, utility
23 relocation, and improvements which directly facilitate and
24 control traffic flow, including grade separation of
25 intersections, widening of lanes, channelization of traffic,
26 and traffic-control systems.

27 (5) LEGISLATURE. The Legislature of Alabama.

1 (6) SPECIAL TAXES. (a) The excise taxes levied under
2 subdivisions (1), (2) and (3) of subsection (a) of Section
3 40-17-325, as amended hereby, with the exception of those
4 portions of those taxes levied on aviation fuel and marine
5 gasoline, and;

6 (b) the additional annual registration fees imposed
7 pursuant to Section 40-12-275, as herein provided.

8 (7) STATE. The State of Alabama.

9 Section 5. There is hereby created the Rebuild
10 Alabama Fund in the State Treasury. All proceeds from the
11 revenues designated to the fund pursuant to this act less the
12 cost of collection authorized by law shall be deposited into
13 the fund to be expended only as provided in this act.

14 Section 6. (a) Effective for tax periods beginning
15 after August 31, 2019, an additional excise tax of six cents
16 (\$.06) is imposed on each net gallon of gasoline and diesel
17 fuel.

18 (b) Effective October 1, 2020, this additional
19 excise tax is increased by two cents (\$.02) to eight cents
20 (\$.08) on each net gallon of gasoline and diesel fuel.

21 (c) Effective October 1, 2021, this additional
22 excise tax is increased by two cents (\$.02) to ten cents
23 (\$.10) on each net gallon of gasoline and diesel fuel.

24 (d) Beginning October 1, 2023, and on June 1 of
25 every other year thereafter, the excise tax rate provided in
26 this section shall be adjusted by the percentage change in the
27 yearly average of the National Highway Construction Cost Index

1 (NHCCI) issued by the U. S. Federal Highway Administration
2 (FHWA) for the most recent 12-month period ending December 31,
3 compared to the base year average, which is the average for
4 the 12-month period ending December 31, 2021 and rounded to
5 the nearest whole cent. The maximum annual amount of increase
6 or decrease in the excise tax rate shall not exceed \$.01 per
7 net gallon of gasoline or diesel fuel. The Department of
8 Revenue shall notify each terminal supplier, position holder,
9 licensed distributors, and importer of the tax rate applicable
10 under this paragraph for the 12-month period beginning March
11 1.

12 (e) This additional excise tax shall be levied,
13 administered, and collected in accordance with the provisions
14 of Article 12 of Chapter 17 of Title 40 of the Code of Alabama
15 1975, provided that the due date for payment and filing of
16 returns for all motor fuel taxes, including the additional
17 amounts levied in this act, shall be the 20th day of the month
18 following the month in which the tax accrues. The net tax
19 proceeds, after the cost of collection and distribution to the
20 Alabama State Port Authority authorized by this act shall be
21 distributed to the state and to each county and municipality
22 for transportation infrastructure purposes in accordance with
23 the provisions this act.

24 Section 7. (a) The Alabama Department of Revenue
25 shall retain one-quarter of one percent (0.25%) of the tax
26 proceeds, less any refunds, from this additional excise tax on
27 gasoline and diesel fuel for its cost of collection. The

1 department is authorized to adopt rules and such forms as may
2 be necessary for the administration of the excise tax provided
3 for in this act.

4 (b) Each month, prior to the remaining payments
5 provided in this act, up to \$650,000 of the tax proceeds from
6 the additional excise tax on gasoline and up to \$200,000 of
7 the tax proceeds from the additional excise tax on diesel fuel
8 shall be distributed first to the Alabama Highway Finance
9 Corporation for the payment of the principal of and interest
10 on bonds to be issued by it as provided in this act to finance
11 improvements to the ship channel providing access to the
12 facilities of the Alabama State Docks, to the extent necessary
13 for such purpose. The amount distributed pursuant to this
14 section may be pledged as security for any loan or debt
15 proceeds as deemed necessary by the Alabama Highway Finance
16 Corporation to finance said improvements, but not to exceed
17 one-hundred fifty million dollars (\$150,000,000) to be used
18 for improvement projects as authorized pursuant to this act.
19 This distribution of tax proceeds to the Alabama Highway
20 Finance Corporation shall terminate at the earlier of June 1,
21 2035 or when such loan or debt is repaid.

22 (c) Notwithstanding any other law to the contrary,
23 the net tax proceeds remaining after any refunds, the cost of
24 collection and the distribution to the Alabama Highway Finance
25 Corporation authorized above shall be distributed as follows:

26 (1) Sixty-six and sixty-seven one hundredths percent
27 (66.67%), shall be allocated to ALDOT and deposited in the

1 Rebuild Alabama Fund, to be used for transportation
2 infrastructure improvement, preservation and maintenance
3 projects pursuant to the provisions of this act. The net tax
4 proceeds may be used to match any available federal, state and
5 local transportation funding. The funds allocated to the
6 department shall be audited by the Examiners of Public
7 Accounts in the same manner as all other department funds. The
8 Director of ALDOT, with approval of the Governor, may also
9 pledge a share of the net tax proceeds not to exceed fifty
10 percent (50%) of said proceeds as security for the issuance or
11 refinancing of any loan or debt obligation used for
12 transportation infrastructure improvement, preservation and
13 maintenance of projects pursuant to the provisions of this
14 act. This pledge shall be irrevocable for the duration of the
15 loan or debt obligations for which the net tax proceeds are
16 pledged.

17 a. ALDOT shall not use the net tax proceeds for any
18 of the following purposes:

19 1. Salaries, benefits, or any other form of
20 compensation for state or contract employees except as
21 included as direct project Costs and subject to audit by the
22 Examiners of Public Accounts.

23 2. The purchase, lease, or maintenance of equipment,
24 other than equipment purchased and permanently installed as a
25 part of a road or bridge project.

1 3. The maintenance or construction of public
2 buildings or other structures that are not integral to the
3 system of roads and bridges.

4 b. Beginning on Oct. 1, 2019, (and each October 1
5 thereafter), ALDOT will allocate \$400,000 to each county in
6 exchange for the annual federal allocation of \$533,000 which
7 was being distributed to each county on the effective date of
8 this act. Nothing in this act shall prohibit ALDOT from
9 utilizing these exchanged federal funds at its discretion and
10 in a manner consistent with Federal Highway Administration
11 (FHWA) procedures.

12 c. The \$400,000 annual allocation to each county
13 shall be utilized first as matching funds for any balance in
14 the county's federal allocation not authorized by Sept. 30,
15 2019. Once these unexpended funds are authorized for an
16 individual county, all remaining and future allocations
17 established herein shall be expended for road and bridge
18 projects on county roads classified as minor collectors or
19 higher and/or for bridge structures on the National Bridge
20 Inspection inventory.

21 d. The provisions of this section notwithstanding,
22 counties shall retain the ability to be awarded and utilize
23 other federal funds or state grants which are or may become
24 available after the effective date of the exchange of current
25 federal funds. Further, the exchange of current federal funds
26 does not preclude a county from the award or utilization of
27 any federal funds earmarked in the future for local

1 governments through FHWA and/or any federal appropriation
2 legislation.

3 (2) Twenty-five percent (25%) shall be allocated to
4 counties of the state to be used for transportation
5 infrastructure improvement, preservation and maintenance as
6 provided for in this act. It shall be allocated and disbursed
7 among the 67 counties of the state as follows:

8 a. Forty five percent (45%) of the amount shall be
9 allocated equally among the 67 counties of the state.

10 b. Fifty-five percent (55%) of the amount shall be
11 allocated among the 67 counties of the state on the basis of
12 the ratio of the population of each county to the total
13 population of the state according to the then next preceding
14 federal decennial census or any special federal census
15 heretofore held in any county.

16 c. The net tax proceeds may be used to match any
17 available federal, state and local transportation funding. The
18 governing body of a county may also pledge its share of the
19 net tax proceeds not to exceed fifty percent (50%) of said
20 proceeds as security for the issuance or refinancing of any
21 loan or debt obligation used for transportation infrastructure
22 improvement, preservation and maintenance. This pledge shall
23 be irrevocable for the duration of the loan or debt
24 obligations for which the net tax proceeds are pledged.

25 d. Counties must ensure that at least fifty percent
26 (50%) of the funds are allocated for projects utilizing
27 established bidding procedures submitted by the Association of

1 County Engineers of Alabama and approved by the Department of
2 Examiners of Public Accounts. In addition, the county may
3 utilize such funds to meet any other project matching
4 requirements associated with other federally or state funded
5 transportation projects, upon approval of the county
6 commission. A county may utilize over fifty percent of their
7 annual allocation of these funds for project match if the
8 project follows the provisions for bidding herein described or
9 is let to contract through ALDOT.

10 (3) Eight and thirty-three one hundredths percent
11 (8.33%) shall be allocated and disbursed to the municipalities
12 of the state to be used for transportation infrastructure
13 improvement, preservation and maintenance, as provided for in
14 this act, as follows:

15 a. Twenty-five percent (25%) of this amount shall be
16 allocated equally among the municipalities of the state.

17 b. Seventy-five percent (75%) of this amount shall
18 be allocated among the municipalities of the state on the
19 basis of the ratio of the population of each municipality to
20 the total population of all municipalities of the state
21 according to the last and any subsequent federal decennial
22 census commencing April 1, 2010. The population of any
23 municipality incorporated subsequent to the taking of the last
24 federal decennial census shall be deemed to be the population
25 shown by the census for that municipality. Any municipality
26 incorporated after the effective date of this act shall not
27 participate in the distribution provided for in this

1 subsection until the fiscal year next succeeding the fiscal
2 year during which it is incorporated.

3 c. The net tax proceeds may be used to match any
4 available federal, state and local transportation funding. The
5 governing body of a municipality may also pledge its share of
6 the net tax proceeds as security for the issuance or
7 refinancing of any loan or debt obligation used for
8 transportation infrastructure improvement, preservation and
9 maintenance. This pledge shall be irrevocable for the duration
10 of the loan or debt obligations for which the net tax proceeds
11 are pledged. Any Class 1 through 4 municipality that provides
12 or operates public transportation services on the effective
13 date of this act, may utilize an amount not to exceed ten
14 percent (10%) of the net tax proceeds received annually by
15 that municipality pursuant to this act to match any available
16 federal or state transportation funding available for public
17 transportation infrastructure improvements.

18 (d) The distribution prescribed by Section 7 of this
19 act shall begin no later than January 2020.

20 Section 8. The net tax proceeds allocated to ALDOT
21 in subsection (c) of Section 7 above shall be used for the
22 following program purposes and ALDOT shall annually report the
23 results of the programs and itemize the specific projects to
24 the Permanent Joint Transportation Committee of the Alabama
25 Legislature in compliance with such procedures established by
26 or for the committee:

1 (a) Congestion Relief Program - The purpose of this
2 program is to add capacity to State, US and Interstate routes
3 in highly congested areas of the state. ALDOT shall develop an
4 assessment and prioritization plan to allocate funds for
5 congestion relief projects on the state's transportation
6 infrastructure.

7 (b) Economic Development Roads Program - The purpose
8 of this program is to develop and improve transportation
9 infrastructure to enhance economic development efforts in the
10 State of Alabama. ALDOT shall develop an assessment and
11 prioritization plan to allocate funds for economic development
12 road projects with priority given to projects in economically
13 underserved areas of the state.

14 (c) System Preservation - The purpose of this
15 program is to address the ongoing and growing preservation and
16 maintenance needs of the state's transportation
17 infrastructure.

18 (d) ALDOT shall create an annual grant program of no
19 less than ten million dollars (\$10,000,000) for use on any
20 classified system of roads and bridges for which any city
21 government or county government may apply. All projects
22 granted under this program are to be bid and let by the
23 respective county or municipality following procedures
24 approved by ALDOT. ALDOT shall develop and publish rules to
25 establish funding criteria and create an application process
26 to receive and select projects for funding by September 30,
27 2019. The first round of grant applications shall be due by

1 November 30, 2019 and award of the grants shall be made by
2 ALDOT on or before January 15, 2020.

3 (e) There is hereby created an Alabama
4 Transportation Rehabilitation and Improvement Program-II
5 (ATRIP-II) to fund projects of local interest on the state
6 maintained highway system, which may also include local roads
7 and bridges essential to such projects. All ATRIP-II Projects
8 shall be developed and let to contract by ALDOT. The ATRIP-II
9 program shall be an annual program beginning in fiscal year
10 2020 and shall be funded at an amount of not less than thirty
11 million dollars (\$30,000,000) and not more than fifty million
12 dollars (\$50,000,000) which amount shall be at the discretion
13 of the Director of ALDOT.

14 (f) All ALDOT Projects funded pursuant to this
15 section shall be let to contract by ALDOT. ALDOT shall
16 establish and apply Disadvantaged Business Enterprise (DBE)
17 goals in the same manner and consistent with the requirements
18 respecting DBEs of the Federal Highway Administration (FHWA)
19 for road and bridge and other similar contracts funded with
20 federal funds. The DBE goal for ALDOT Projects funded pursuant
21 to this section shall, to the extent reasonably possible, be
22 the same as the goal established annually by ALDOT for
23 contracts funded with federal funds and approved by FHWA.
24 ALDOT shall provide, on October 1 of every fiscal year of the
25 state, beginning December 1, 2021, for the year commencing
26 October 1, 2020, a report of ALDOT Projects let to contract
27 pursuant to this section, including information on the

1 established DBE goals for ALDOT Projects, to the Chair of the
2 Joint Transportation Committee, the Governor, the Senate Pro
3 Tempore, the Speaker of the Alabama House of Representatives,
4 the Alabama Senate Minority Leader, and the Alabama House of
5 Representatives Minority Leader.

6 Section 9. (a) All county and municipal projects let
7 to contract, as the case may be, shall utilize contractors and
8 material suppliers listed on the ALDOT's list of approved
9 contractors and suppliers. ALDOT's list of approved
10 contractors and material suppliers shall include the ALDOT's
11 Certified Disadvantaged Business Enterprise List. Beginning
12 October 1, 2020, and October 1 of every other year, each
13 county and municipality shall provide a list of all
14 contractors who have been awarded projects under this section
15 to the Senate President Pro Tempore, the Speaker of the House,
16 and the Chair of the Joint Transportation Committee.
17 Notwithstanding any provision of law to the contrary, no
18 bidding shall be required by the county for asphalt or other
19 road construction or repair materials if the county has an
20 annual contract for providing such materials.

21 (b) For all municipal projects, the appropriate
22 plans and bid opening date shall be published in electronic
23 form no later than the tenth day of the month preceding the
24 bid opening on a website maintained for that purpose by the
25 Alabama League of Municipalities.

26 (c) Bids for county and municipal contracts awarded
27 under this section shall only be awarded in accordance with

1 Section 39-2-6, Code of Alabama 1975, as amended, during a
2 regularly-scheduled meeting of the governmental body of the
3 county or city, as the case may be. Immediately after the
4 completion of each project, the publication notifications
5 required by Section 39-1-1(f), Code of Alabama 1975, as
6 amended, shall be satisfied by posting on the same website
7 utilized for the posting of specifications and notice of bid
8 openings.

9 Section 10. (a) There is hereby created the Alabama
10 Transportation Rehabilitation and Improvement Program-II
11 (ATRIP-II) Committee. The appointing authorities shall
12 coordinate their appointments to assure the committee
13 membership is inclusive and reflects the racial, gender,
14 geographic, urban, rural, and economic diversity of the state.
15 All members of the ATRIP-II Committee shall be appointed
16 within 30 days after the effective date of this act and shall
17 serve until a successor is named. Members of the ATRIP-II
18 Committee shall consist of:

19 (1) The Director of the State Department of
20 Transportation who shall serve as Chair of the ATRIP-II
21 Committee.

22 (2) The Lieutenant Governor or his or her designee.

23 (3) One member appointed by the President Pro
24 Tempore of the Senate.

25 (4) One member appointed by the Speaker of the House
26 of Representatives.

1 (5) Three members appointed by the Governor, at
2 least one of which shall be a representative of local
3 governments.

4 (b) The ATRIP-II Committee is authorized to enter an
5 agreement with any funding authority or bank that is
6 authorized to issue tax exempt debt for infrastructure
7 purposes to pledge any of the annual revenue proceeds
8 allocated for its use in subsection (c) of Section 7 above as
9 payment for any loan or debt indenture.

10 (c) Within 60 days after the effective date of this
11 act, the ATRIP-II Committee shall convene to develop and adopt
12 procedures for the allocation of any revenue proceeds
13 allocated for its use and for the selection and authorization
14 of projects to be funded from the revenue dedicated by the
15 Director of ALDOT for the ATRIP-II program in accordance with
16 subsection (e) of Section 8. The procedures shall ensure that
17 project selection shall be for projects related to the state
18 maintained highway system, which may also include local roads
19 and bridges essential to such projects, proposed by one or
20 more local governments. In addition, the policies shall be
21 developed with an emphasis on the economic growth, public
22 safety, and stability of this state. The procedures shall also
23 include provisions to ensure that all projects selected by the
24 ATRIP-II Committee shall be bid and let to contract by ALDOT
25 in accordance with any applicable provisions of law. After the
26 ATRIP-II Committee develops and adopts procedures for the
27 allocation of any revenue proceeds and the selection and

1 authorization of projects to be funded from the revenue
2 proceeds, a copy of the procedures shall be distributed to
3 each of the counties and municipalities of the state and shall
4 be posted on the ALDOT website.

5 (d) The ATRIP-II Committee, in reviewing ATRIP-II
6 Projects submitted to it for funding pursuant to the
7 provisions of this section, shall appraise and consider
8 information that may be submitted by counties and
9 municipalities in the applications with respect to those
10 projects concerning their contracting with businesses or
11 individuals in carrying out such projects which reflect the
12 racial and ethnic diversity of the state. A report on the
13 contracting information submitted by counties and
14 municipalities shall be distributed by the ATRIP-II Committee
15 annually to the Governor, the Senate Pro Tempore, the Speaker
16 of the Alabama House of Representatives, the Chair of the
17 Joint Transportation Committee, the Alabama Senate Minority
18 Leader, and the Alabama House of Representatives Minority
19 Leader no later than October 1 of each year, beginning on
20 October 1, 2020.

21 Section 11. (a) The monies paid to counties or
22 municipalities pursuant to Section 7 of this act shall be
23 deposited into a separate fund maintained by the county or
24 municipality and expended only for one or more of the
25 following:

1 (1) The maintenance, improvement, replacement, and
2 construction of roads and bridges maintained by a qualified
3 county.

4 (2) The maintenance, improvement, replacement, and
5 construction of roads and bridges maintained by a qualified
6 municipality.

7 (3) As matching funds for federal road or bridge
8 projects.

9 (4) The payment of any debt associated with a road
10 or bridge project.

11 (5) For a joint road or bridge project with one or
12 more adjoining counties pursuant to any agreement executed
13 under the authority of state law.

14 (6) For a joint road or bridge project with one or
15 more municipalities pursuant to any agreement executed under
16 the authority of state law.

17 (7) For a joint road or bridge project with one or
18 more counties and municipalities pursuant to any agreement
19 executed under the authority of state law.

20 (b) The county or municipality shall not use any
21 monies from the fund for any of the following purposes:

22 (1) Salaries, benefits, or any other form of
23 compensation for county, municipal, or contract employees or
24 for county or municipal officials except as included as
25 project Costs and subject to audit by the Examiners of Public
26 Accounts.

1 (2) The purchase, lease, or maintenance of
2 equipment, other than equipment purchased and permanently
3 installed as a part of a road or bridge project.

4 (3) The maintenance or construction of public
5 buildings or other structures that are not integral to the
6 system of roads or bridges.

7 (c) All fund records shall be audited by the
8 Examiners of Public Accounts in the same manner as all other
9 county or municipal funds.

10 (d) The county commission of each qualified county
11 or municipal governing body of each qualified municipality
12 shall adopt an annual Transportation Plan no later than August
13 31 for the next fiscal year, which plan shall be approved by
14 affirmative vote of a majority of the members of the county
15 commission or municipal governing body. The plan shall be
16 based upon an estimate of the revenues anticipated from the
17 fund during the fiscal year. Once adopted, the annual plan
18 shall at all times be posted in conspicuous places at the
19 county courthouse, the county commission office, the county
20 highway department, municipal hall, the mayor's office, the
21 municipal highway department, and any other places deemed
22 appropriate by the county commission or municipal governing
23 body. Additionally, the plan shall be posted on their
24 respective official government website, if available.

25 (e) At the first meeting in January of each year
26 following the creation of the fund, the county or municipal
27 engineer or other person designated by the county commission

1 or municipal governing body shall present to the county
2 commission or municipal governing body an annual written
3 report detailing expenditures made from the fund during the
4 previous fiscal year, which report shall include the status of
5 each project included in the previous fiscal year's
6 Transportation Plan. The report shall be entered into the
7 minutes of the county commission or municipal governing body
8 meeting and shall be made available to the public for
9 inspection, including posting on the county's or
10 municipality's website, if available.

11 (f) By January 15 of each year, the county engineer
12 will submit a certificate of compliance verifying that at
13 least fifty percent (50%) of funding for the last fiscal year
14 was let to contract, and shall file such certificate with the
15 Chair of the Joint Transportation Committee, the Alabama
16 Senate Pro Tempore, and the Speaker of the Alabama House of
17 Representatives.

18 Section 12. The provisions of this act shall not be
19 superseded, amended, altered, violated, or overridden by any
20 provision of the state general fund appropriation act or any
21 other annual or supplemental appropriation act, administrative
22 rule, inter-agency transfer, or executive order or directive.

23 Section 13. Pursuant to Section 1-1-16, Code of
24 Alabama 1975, if any provision of this act is held by a court
25 of competent jurisdiction to be invalid, such invalidity shall
26 not affect the remaining provisions of this act, and to this
27 end the provisions of this act are declared severable.

1 Section 14. This act shall become effective
2 immediately following its passage and approval by the
3 Governor, or its otherwise becoming law.