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3 By Senator Burkette (N & P)  
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9 A BILL  
10 TO BE ENTITLED  
11 AN ACT  
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13 Relating to Montgomery County, to authorize the  
14 Montgomery County Commission to levy and collect a rental tax  
15 against the lessees or renters of tangible personal property;  
16 to make legislative findings; to establish maximum rates of  
17 the rental tax; to provide that the rental tax is a direct tax  
18 on the lessee or renter though required to be collected by the  
19 lessor or vendor; to provide that the rental tax is not a  
20 gross receipts tax in the nature of a sales tax; to provide  
21 for exemptions from the tax; to provide for the collection,  
22 administration, and enforcement of the rental tax; to provide  
23 that the rental tax constitutes a debt due Montgomery County  
24 and may be collected in a civil suit, in addition to all other  
25 methods provided by law and in this act; to provide that the  
26 rental tax, together with any interest and penalties with  
27 respect thereto, shall constitute and be secured by a lien on

1 the property of any person from whom the tax is due or who is  
2 required to collect the tax; to provide that state law that  
3 applies to the enforcement of liens for privilege, license, or  
4 excise taxes due to the state shall apply to the collection of  
5 the rental tax; to provide for the administration and  
6 collection of the rental tax at the same time and in the  
7 manner as the state rental tax is collected; to provide for  
8 the collection and enforcement of the rental tax by Montgomery  
9 County or a third party; to provide that the state rental tax  
10 statutes and related rules, and any other statutes that apply  
11 to or affect the administration and collection of the state  
12 rental tax, shall apply to the rental tax to the extent they  
13 are not inconsistent with the act; to require the rental tax  
14 to be added to the rental price and collected from the lessee  
15 or renter; to provide for the effective date for any levy of  
16 the rental tax; to provide that the rental tax received or  
17 collected shall be deposited into the county general fund to  
18 be expended as determined by the county commission; to provide  
19 that the Montgomery County Commission may issue bonds,  
20 warrants, or other forms of indebtedness and enter into  
21 funding agreements or other obligations with other  
22 governmental entities and public corporations and may secure  
23 its obligations thereunder with a pledge of the rental tax  
24 proceeds; to provide that any pledge of the rental tax  
25 proceeds for the payment of bonds, warrants, funding  
26 agreements, or other evidences of indebtedness or obligations  
27 issued or entered into by the Montgomery County Commission

1 constitutes part of the contract with the holders of the  
2 obligations secured thereby and the contract shall be  
3 protected from impairment to the fullest extent provided in  
4 the federal Constitution and the Constitution of Alabama of  
5 1901, as amended; to provide that any debt obligations of  
6 Montgomery County payable from or secured by the rental tax  
7 proceeds shall be issued under the general laws of the state  
8 available for such purposes; to provide that the Montgomery  
9 County Commission shall have the further power to designate as  
10 the agent of Montgomery County any other governmental entity  
11 or public corporation in the state heretofore or hereafter  
12 organized to undertake any purpose as the Montgomery County  
13 Commission shall determine utilizing proceeds of the rental  
14 tax; to provide that when such a governmental entity or public  
15 corporation shall be so designated, the proceeds of the rental  
16 tax (or so much thereof as shall be allocated to the entity so  
17 designated) thereafter collected shall be paid over to it and  
18 shall be used by it for the purposes specified by the  
19 Montgomery County Commission for which the tax is herein  
20 authorized to be levied; to provide that said governmental  
21 entity or public corporation may anticipate the proceeds from  
22 the rental tax so required to be paid to it by issuing, for  
23 any of the purposes specified by the Montgomery County  
24 Commission for which the tax is herein authorized to be  
25 levied, funding or refunding bonds, warrants, certificates of  
26 indebtedness or other evidences of indebtedness of such  
27 governmental entity or public corporation, and may pledge for

1 the payment of the principal thereof and interest thereon the  
2 proceeds from said tax so paid to it; to provide that the  
3 designation by the Montgomery County Commission of a  
4 governmental entity or public corporation to receive proceeds  
5 of the rental tax levied pursuant to this act, the payment of  
6 such proceeds over to the governmental entity or public  
7 corporation and the pledge of such proceeds by the  
8 governmental entity or public corporation for the payment of  
9 the principal of and interest on bonds, warrants, certificates  
10 of indebtedness or other evidences of indebtedness issued by  
11 such governmental entity or public corporation shall  
12 constitute a part of the contract with the holders of said  
13 bonds, warrants, certificates of indebtedness or other  
14 evidences of indebtedness and such contract shall be protected  
15 from impairment to the fullest extent provided by the federal  
16 Constitution and the Constitution of Alabama of 1901, as  
17 amended; to provide that obligations of such a governmental  
18 entity or public corporation payable from or secured by the  
19 proceeds of the rental tax shall be issued under the general  
20 laws of the state available for those purposes; to provide  
21 that, to the extent any provision of Act 89 adopted during the  
22 1975 Fourth Special Session of the Alabama Legislature is  
23 inconsistent with any provision of this act, such conflicting  
24 provision is superseded and repealed, but only to the extent  
25 of the conflict, and that Act 89 of the 1975 Fourth Special  
26 Session shall otherwise remain in full force and effect; to  
27 provide that Act Number 2017-465 of the 2017 Regular Session

1 of the Alabama Legislature is hereby repealed; to provide that  
2 public officials and their family members shall not obtain  
3 personal gain from rental tax proceeds; to provide that the  
4 provisions of this act are severable; to provide for an  
5 effective date of the act.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. This act shall only apply to Montgomery  
8 County.

9 Section 2. (a) It is the intention of the  
10 Legislature by the passage of this act to authorize the county  
11 to levy and provide for the collection of, in addition to all  
12 other taxes authorized by law, a rental tax not to exceed the  
13 rate set forth herein.

14 (b) The Legislature hereby finds and declares that  
15 the rental tax authorized by this act (1) is not a gross  
16 receipts tax in the nature of a sales tax, as such term is  
17 defined in Section 40-2A-3(8) of the Code of Alabama 1975, as  
18 amended, and used in Section 11-51-209 of the Code of Alabama  
19 1975, as amended, and (2) is not a tax on gross proceeds  
20 described in Act 89 of the 1975 Fourth Special Session, but is  
21 instead a direct tax on the lessee or renter collected by the  
22 lessor or vendor for ease of administration.

23 (c) This act shall be liberally construed in  
24 conformity with the intentions and findings expressed in this  
25 section.

26 Section 3. (a) As used in this act, the following  
27 words, terms, and phrases where used shall have the following

1       respective meanings except where the context clearly indicates  
2       a different meaning:

3               (1) BUSINESS. All activities engaged in, or caused  
4       to be engaged in, by any person with the object of gain,  
5       profit, benefit, or advantage, either direct or indirect to  
6       such person.

7               (2) COUNTY. Montgomery County, Alabama.

8               (3) COUNTY COMMISSION. The Montgomery County  
9       Commission.

10              (4) GROSS VEHICLE WEIGHT. The empty weight of the  
11       truck or truck tractor, plus the heaviest load to be carried  
12       and, in the case of combinations, the empty weight of the  
13       heaviest trailer with which the power unit shall be placed in  
14       combination, plus the heaviest load to be carried.

15              (5) LEASING or RENTING. A transaction whereunder the  
16       person who owns or controls the possession of tangible  
17       personal property permits another person to have the  
18       possession or use thereof for a consideration and for the  
19       duration of a definite or indefinite period of time without  
20       transfer of the title to such property. The detention by the  
21       user thereof of freight cars, oxygen and acetylene tanks, and  
22       similar property, in respect of which detention a demurrage or  
23       per diem charge is made against the user of such property,  
24       shall not be deemed to constitute a transaction whereunder  
25       property is leased or rented to another within the meaning of  
26       this act.

1           (6) LESSEE or RENTER. Any person leasing or renting  
2 tangible personal property from a lessor or vendor.

3           (7) LESSOR or VENDOR. Any person engaging or  
4 continuing in the business of leasing or renting tangible  
5 personal property.

6           (8) PERSON. Any natural person, firm, partnership,  
7 association, corporation, receiver, trust, estate, or other  
8 entity, or any other group or combination of any thereof  
9 acting as a unit.

10          (9) RENTAL PASSENGER VEHICLE. An automotive vehicle  
11 designed to carry 15 or fewer passengers and used primarily  
12 for the transportation of persons on public roads and highways  
13 that is rented or leased without a driver, regardless of where  
14 such vehicle is licensed.

15          (10) RENTAL REVENUE. The value proceeding or  
16 accruing from the lessee or renter in each transaction  
17 involving the leasing or renting tangible personal property,  
18 not including any license, privilege, or excise tax passed on  
19 to a lessee or renter by a lessor or vendor, without any  
20 deduction on account of the cost of the property so leased or  
21 rented, the cost of materials used, labor or service cost,  
22 interest paid, or any other expenses whatsoever, and without  
23 any deduction on account of loss, and shall also include on  
24 the part of any person claiming an exemption under subdivision  
25 (4) of Section 5 an amount equal to the amount of rental paid  
26 on any tangible personal property acquired under such  
27 exception and thereafter diverted to the use of such person.



1 (11) RENTAL TAX. The privilege, license, or excise  
2 tax authorized by this act.

3 (12) RENTAL TRUCK. An automotive vehicle designed  
4 primarily for the transportation on public roads and highways  
5 of property in or upon its own structure and having a gross  
6 vehicle weight under 26,000 pounds, including, without  
7 limitation, an automotive vehicle commonly known as a "pickup"  
8 or "pickup truck," that is rented or leased without a driver,  
9 regardless of where such vehicle is licensed.

10 (13) STATE DEPARTMENT OF REVENUE. The Alabama  
11 Department of Revenue, or any such successor agency  
12 commissioned by the Legislature to administer the state rental  
13 tax.

14 (14) STATE RENTAL TAX. The tax levied by Article 4  
15 of Chapter 12 of Title 40, Code of Alabama 1975, as amended.

16 (15) TANGIBLE PERSONAL PROPERTY. Personal property  
17 which may be seen, weighed, measured, felt, or touched, or is  
18 in any other manner perceptible to the senses. The term does  
19 not include stocks, bonds, notes, insurance, or other  
20 contracts or securities.

21 (b) All definitions of words, terms, and phrases in,  
22 or incorporated into, the statutes levying the State Rental  
23 Tax and in any related rules of the state Department of  
24 Revenue shall apply to this act, except as otherwise expressly  
25 provided herein or where the context clearly indicates a  
26 different meaning.

1           Section 4. (a) The county commission is authorized,  
2 by resolution duly adopted, to levy, in addition to all other  
3 taxes now imposed or authorized by law, and to collect as  
4 herein provided, a privilege, license, or excise tax (herein  
5 called a "rental tax") on the leasing or renting tangible  
6 personal property within the county. Though required to be  
7 collected by the lessor or vendor, the rental tax shall  
8 conclusively be presumed to be a direct tax on the lessee or  
9 renter, pre-collected for the purpose of convenience only.  
10 Each individual transaction involving the lease or rental of  
11 tangible personal property to a lessee or a renter shall  
12 constitute the basis for computing the rental tax. As such,  
13 the rental tax shall not be construed as a tax on the gross  
14 receipts or gross proceeds of a lessor or a vendor.

15           (b) The rental tax may be imposed at the following  
16 rates:

17           (1) In each transaction involving the leasing or  
18 renting of any automotive vehicle or truck trailer,  
19 semi-trailer, or house trailer, up to three quarters of one  
20 percent of the rental revenue paid by the lessee or renter of  
21 the automotive vehicle, truck trailer, semi-trailer, or house  
22 trailer; provided, however, that the leasing or renting of  
23 rental passenger vehicles and rental trucks shall be exempt  
24 from the rental tax.

25           (2) In all other transactions subject to the tax, up  
26 to two percent of the rental revenue paid by the lessee or  
27 renter in each transaction subject to the tax.

1 (c) The rate of taxation shall be set by a  
2 resolution of the county commission within the limits  
3 prescribed in this section.

4 (d) The rental tax shall not apply to any leasing or  
5 rental in which the state, or any municipality or county in  
6 the state, or any public corporation organized under the laws  
7 of the state, is the lessee or vendee or the lessor or vendor.

8 (e) Subject to subsections (g) and (h), when a  
9 lessor or vendor in the county (1) leases tangible personal  
10 property to a lessee or renter outside the county, (2) the  
11 property is to be used outside the county, and (3) the  
12 lessor's or vendor's records in the county show that the  
13 property is so leased to be used outside the county, the  
14 transaction is not subject to the rental tax.

15 (f) Subject to subsections (g) and (h), when a  
16 lessor or vendor (1) is located outside of the county, (2)  
17 leases or rents tangible personal property to a lessee or  
18 renter within the county, and (3) the property so leased or  
19 rented is to be used in the county, the transaction is subject  
20 to the rental tax.

21 (g) Except for rental passenger vehicles and rental  
22 trucks, the leasing or renting of any automotive vehicle,  
23 truck trailer, semi-trailer, or house trailer within the  
24 county is subject to the rental tax, although the automotive  
25 vehicle, truck trailer, semi-trailer, or house trailer may be  
26 returned to the lessor or vendor outside the county. Where any  
27 automotive vehicle, truck trailer, semi-trailer, or house

1 trailer is leased outside the county and turned in to the  
2 lessor or vendor in the county, the transaction is not subject  
3 to the rental tax.

4 (h) Except for rental trucks, when a lessor or  
5 vendor leases or rents a truck, truck trailer, or semi-trailer  
6 to a motor carrier in the county, the transaction is subject  
7 to the rental tax, although the truck, truck trailer, or  
8 semi-trailer may occasionally travel outside of the county.  
9 Where the lessor or vendor leases a truck, truck trailer, or  
10 semi-trailer to a motor carrier outside the county, the  
11 transaction is not subject to the rental tax, although the  
12 truck, truck trailer, or semi-trailer may occasionally travel  
13 in the county.

14 (i) The rental tax received or collected shall be  
15 deposited into the county general fund to be expended as  
16 determined by the county commission.

17 Section 5. The rental tax authorized by this act  
18 does not apply to the following transactions:

19 (1) The leasing or rental of a film or films by a  
20 lessee who charges, or proposes to charge, admission for  
21 viewing the film or films.

22 (2) The use of docks or docking facilities furnished  
23 for boats or other craft operated on waterways.

24 (3) Any charge paid by a tenant to a landlord in  
25 respect of the leasing or furnishing of tangible personal  
26 property to be used on the premises of real property leased by

1 the same landlord to the same tenant for use as a residence or  
2 dwelling place, including a mobile home.

3 (4) The leasing or rental of tangible personal  
4 property to a lessee who acquires possession of the property  
5 for the purpose of leasing or renting to another the same  
6 property under a leasing or rental transaction subject to this  
7 act.

8 (5) Any charge paid by a tenant to a landlord in  
9 respect of the leasing or furnishing of tangible personal  
10 property to be used on the premises of any room or rooms,  
11 lodging, or accommodations leased or rented to transients in  
12 any hotel, motel, inn, tourist camp, tourist cabin, or any  
13 other place in which rooms, lodgings, or accommodations are  
14 regularly furnished to transients for a consideration.

15 (6) The leasing or rental of tangible personal  
16 property which the county or the state is prohibited from  
17 taxing under the Constitution or laws of the United States or  
18 under the constitution of the state.

19 (7) The leasing or rental of nuclear fuel assemblies  
20 together with the nuclear material contained therein and other  
21 nuclear material used or useful in the production of  
22 electricity and assemblies containing ionizing radiation  
23 sources together with the ionizing radiation sources contained  
24 therein used or useful in medical treatment or scientific  
25 research.

26 (8) A transaction whereunder the lessor leases a  
27 truck or tractor-trailer or semi-trailer for operation over

1 the public roads and highways and the lessor furnishes a  
2 driver or drivers for the vehicle shall be deemed to  
3 constitute the rendition of service and not a leasing or  
4 rental within the meaning of this act.

5 (9) The leasing or rental of vehicles in interchange  
6 between regulated motor carriers on a per diem basis.

7 (10) The leasing or rental of all structures,  
8 devices, facilities, and identifiable components of any  
9 thereof acquired primarily for the control, reduction, or  
10 elimination of air or water pollution, and the leasing or  
11 rental of all materials used or intended for use in structures  
12 built primarily for the control, reduction, or elimination of  
13 air and water pollution.

14 (11) The leasing or rental of tangible personal  
15 property when the lessor and lessee, including a sublessee,  
16 are wholly owned subsidiary corporations of the same parent  
17 corporation or one is the wholly owned subsidiary of the  
18 other; provided, that the appropriate sales or use tax, if any  
19 was due, has been paid on such item of personal property; and  
20 provided further, that in the event of any subsequent  
21 subleasing of such tangible personal property to any person  
22 other than any such sister, parent, or subsidiary corporation,  
23 any tax due and payable with respect to the subsequent  
24 subleasing under this act is paid.

25 (12) The leasing or rental of vessels or railroad  
26 equipment engaged in interstate or foreign commerce, or both.

1           (13) The leasing or rental of aircraft, replacement  
2 parts, components, systems, sundries, and supplies affixed or  
3 used on the aircraft and all ground support equipment and  
4 vehicles used by or for the aircraft to or by a certificated  
5 or licensed air carrier with a hub operation within this  
6 state, for use in conducting intrastate, interstate, or  
7 foreign commerce for transporting people or property by air.  
8 For the purpose of this subdivision, the phrase "hub operation  
9 within this state" shall be construed to have all of the  
10 following criteria:

11           a. There originates from the location 15 or more  
12 flight departures and five or more different first-stop  
13 destinations five days per week for six or more months during  
14 the calendar year; and

15           b. Passengers or property, or both, are regularly  
16 exchanged at the location between flights of the same or a  
17 different certificated or licensed air carrier.

18           (14) The leasing or rental of any other tangible  
19 personal property that would be exempted or excluded from the  
20 computation of the state rental tax.

21           (15) The leasing or rental of rental passenger  
22 vehicles and rental trucks.

23           Section 6. Each person engaging or continuing in the  
24 business of leasing or renting tangible personal property  
25 subject to the rental tax shall add to the rental price and  
26 collect from the renter or lessee the amount of tax owed by  
27 such renter or lessee. It shall be unlawful for any person

1 engaging or continuing in the business of leasing or renting  
2 tangible personal property subject to the rental tax to fail  
3 or refuse to (1) add the rental tax to the rental price, and  
4 (2) collect from the lessee or renter the amount of tax  
5 required to be added to the rental price. It shall be unlawful  
6 for any person engaging or continuing in the business of  
7 leasing or renting tangible personal property subject to the  
8 rental tax authorized to be levied by this act to refund or  
9 offer to refund all or any part of the amount collected or to  
10 absorb or advertise directly or indirectly the absorption or  
11 refund of any portion of such tax. The rental tax authorized  
12 by this act shall conclusively be presumed to be a direct tax  
13 on the retail consumer, pre-collected for the purpose of  
14 convenience only.

15           Section 7. The county commission shall administer,  
16 enforce, and collect the tax herein authorized to be levied  
17 and collected, or shall cause such tax to be administered,  
18 enforced, and collected by the state Department of Revenue or  
19 a private collection agency at the same time and in the same  
20 manner as the state rental tax, pursuant to, and in accordance  
21 with, the applicable provisions of Article 1 of Chapter 3 of  
22 Title 11 of the Code of Alabama 1975, as amended, except as  
23 otherwise provided in this act. All provisions of the state  
24 rental tax statutes and all other statutes which expressly  
25 apply to, or purport to affect, the administration,  
26 enforcement, and collection of the state rental tax, and any  
27 related rules of the state Department of Revenue that are not



1 inconsistent with this act when applied to the rental tax, as  
2 such statutes and rules may be amended, shall apply to the  
3 rental tax and are incorporated herein by reference and made a  
4 part hereof as if fully set forth herein. Without limiting the  
5 generality of the foregoing, the county commission or other  
6 collection agency shall have the same rights, remedies, power,  
7 and authority, including the right to adopt and implement the  
8 same procedures, as would be available to the state Department  
9 of Revenue if the rental tax was being administered, enforced,  
10 and collected by the state Department of Revenue. The county  
11 commission may retain or may pay to the state Department of  
12 Revenue or a private collection agency, as its fee for the  
13 cost of collecting such tax, an amount not to exceed five  
14 percent of the gross proceeds of the tax so collected, subject  
15 to any limitations provided in the general law of the state;  
16 provided, however, that if the county commission or the state  
17 Department of Revenue shall administer, enforce, and collect  
18 the tax, the amount retained by the county commission or paid  
19 to the state Department of Revenue shall not exceed the actual  
20 cost of collection, whichever is less.

21 Section 8. The rental tax shall constitute a debt  
22 due the county and may be collected in a civil suit, in  
23 addition to all other methods provided by law and in this act.  
24 The tax, together with any interest and penalties with respect  
25 thereto, shall constitute and be secured by a lien upon the  
26 property of any person from whom the tax is due or who is  
27 required to collect the tax. All the provisions of the revenue

1 laws of the state which apply to the enforcement of liens for  
2 privilege, license, or excise taxes due the state shall apply  
3 fully to the collection of the rental tax. The county  
4 commission, the state Department of Revenue, or private  
5 collection agency, as determined by the county commission,  
6 shall collect the tax and enforce this act, and the county  
7 commission or any private collection agency collecting the tax  
8 shall have and exercise all rights and remedies that the state  
9 Department of Revenue would have if the rental tax were being  
10 administered, enforced, and collected by the state Department  
11 of Revenue. The county commission, the state Department of  
12 Revenue, or private collection agency, as applicable, may  
13 employ special counsel as it deems necessary from time to time  
14 to enforce the collection of the rental tax and otherwise to  
15 enforce this act, including the institution, prosecution, and  
16 defense of any litigation involving this act. The county  
17 commission, the state Department of Revenue, or private  
18 collection agency shall pay the special counsel such fees as  
19 it deems necessary and proper from the proceeds of the rental  
20 tax.

21 Section 9. (a) The rental tax, except where  
22 otherwise provided in this act, shall be due and payable in  
23 monthly installments on or before the twentieth day of the  
24 month next succeeding the month in which the tax accrues.

25 (b) Except where otherwise provided in this act, on  
26 or before the twentieth day of each month, every person who is  
27 charged with the collection of the rental tax shall render to

1 the county, on a form or forms prescribed by the county  
2 commission, a true and correct statement showing any  
3 information the county commission may require, and at the time  
4 of making the monthly report the person shall pay the county  
5 commission the amount of tax then due to be remitted.

6 (c) When the total rental tax that a lessor or  
7 vendor must collect under this act averages less than two  
8 hundred dollars (\$200) per month during the preceding calendar  
9 year, a quarterly return and remittance in lieu of the monthly  
10 returns may be made, by election of the lessor or vendor to  
11 the county, on or before the twentieth day of the month next  
12 succeeding the end of the quarter for which the tax is due  
13 under any rules and regulations as may be prescribed. The  
14 election to file quarterly shall be made in writing no later  
15 than February 20 of each year and shall be filed with the  
16 county. Notwithstanding the foregoing, but subject to the  
17 final sentence of this subsection, no rental tax return shall  
18 be due until January 20 of each year unless the total rental  
19 tax that a lessor or vendor was required to collect under this  
20 act during the preceding calendar year exceeds ten dollars  
21 (\$10). In order to qualify for quarterly or annual filing  
22 status, the lessor or vendor shall have (1) been in business  
23 for the entire preceding calendar year, (2) been subject to  
24 the requirement to collect the rental tax for the entire  
25 preceding calendar year, and (3) filed the required returns  
26 covering the entire preceding calendar year upon which the

1 calculation of the average monthly tax or annual tax required  
2 to be collected is based.

3 (d) The county commission, for good cause, may  
4 extend the time for making any return required by this act,  
5 but the time for filing such return shall not be extended for  
6 a period greater than 30 days from the date such return is due  
7 to be made.

8 Section 10. Any person who is charged with  
9 collecting the rental tax and who makes cash or credit leases  
10 or rentals, may report such cash leases or rentals when made,  
11 and shall thereafter include in each monthly report all credit  
12 collections made during the month preceding, and shall remit  
13 the tax due thereon at the time of filing such report, but in  
14 no event shall the tax be owed by the lessor or vendor until  
15 collections of the credit leases or rentals have been made.

16 Section 11. It shall be the duty of every person  
17 required to collect the rental tax to keep and preserve  
18 suitable records of the rental revenues of the business and  
19 the rental tax collected, and such other books or accounts as  
20 may be necessary to determine the amount of rental tax that he  
21 or she collected, and was required to collect, from lessees or  
22 renters hereunder. It shall be the duty of every person to  
23 keep and preserve all invoices of tangible personal property  
24 leased or rented, and all such books, invoices, and other  
25 records shall be open for examination at any time by the  
26 county commission or its duly authorized agent. Any person  
27 leasing, who in addition leases for releasing, shall keep his

1 or her books so as to show separately such transactions and  
2 the rental revenues of leasing for releasing. All transactions  
3 involving the leasing and rental of tangible personal property  
4 shall be subject to the rental tax in the absence of such  
5 separate records.

6 Section 12. Any person subject to the provisions  
7 hereof who shall sell out his or her business or stock of  
8 rental goods, or shall quit business, shall be required to  
9 make out the return provided for by this act within 30 days  
10 after the date he or she sold out his or her business or stock  
11 of rental goods, or quit business, and his or her successor in  
12 business shall be required to withhold sufficient of the  
13 purchase money to cover the amount of tax due and unpaid under  
14 this act until the time the former owner produces a receipt  
15 from the county commission showing that the tax has been paid,  
16 or a certificate that no tax is due. If the purchaser of a  
17 business or stock of rental goods fails to withhold purchase  
18 money and the tax is due and unpaid after the 30-day period  
19 allowed, he or she shall be personally liable for the payment  
20 of the tax accrued and unpaid on the transactions engaged in  
21 by the former owner. If the county commission deems it  
22 necessary to collect the taxes due the county, it may make a  
23 jeopardy assessment as provided in Chapter 29 of Title 40 of  
24 the Code of Alabama 1975, as amended.

25 Section 13. If the governing body of the county  
26 elects to levy and impose the rental tax, it shall specify in  
27 the resolution levying and imposing the rental tax the first

1 day of the second calendar month next following the month  
2 during which the tax levy is made as the effective date of the  
3 levy. The resolution may provide such other terms or  
4 provisions relating to the levy, collection, administration,  
5 and enforcement of the rental tax as are not contrary to or  
6 inconsistent with this act.

7 Section 14. The tax authorized to be levied by this  
8 act shall be conclusively presumed to be a direct tax on the  
9 lessee or renter, precollected for the purposes of convenience  
10 and facility only, and shall not be construed as a gross  
11 receipts or gross proceeds tax on the lessor or vendor charged  
12 with the collection or remittance of this tax. To the extent  
13 that Act 89, adopted during the 1975 Fourth Special Session,  
14 is inconsistent with any provision of this act, such  
15 conflicting provision of Act 89 of the 1975 Fourth Special  
16 Session is superseded and repealed, but only to the extent of  
17 the conflict, and Act 89 of the 1975 Fourth Special Session  
18 shall otherwise remain in full force and effect. Act Number  
19 2017-465 of the 2017 Regular Session is hereby repealed.

20 Section 15. (a) The county commission may anticipate  
21 the proceeds from the tax so required to be paid to it by  
22 issuing funding or refunding bonds, warrants, or other  
23 evidences of indebtedness of the county, and may enter into  
24 funding agreements or other obligations to governmental  
25 entities or public corporations payable from such proceeds,  
26 for any purpose for which the tax proceeds may be used, and  
27 may pledge for the payment thereof the proceeds from the tax

1 so paid to it. The pledge of such proceeds by the county  
2 commission for payment of the principal of and interest on the  
3 bonds, warrants, funding agreements, or other evidences of  
4 indebtedness or other obligations issued or entered into by  
5 the county commission shall constitute a part of the contract  
6 with the holders of the bonds, warrants, evidences of  
7 indebtedness, or other obligations secured thereby and such  
8 contract shall be protected from impairment to the fullest  
9 extent provided by the federal Constitution and the  
10 Constitution of Alabama of 1901, as amended. Obligations of  
11 the county payable from or secured by the proceeds of the  
12 rental tax shall be issued under the general law of the state  
13 available for those purposes, including, without limitation,  
14 Chapter 28 of Title 11 of the Code of Alabama 1975, as  
15 amended.

16 (b) The county commission shall have the further  
17 power to designate as the agent of the county any other  
18 governmental entity or public corporation in the state  
19 heretofore or hereafter organized to undertake any purpose as  
20 the county commission shall determine utilizing proceeds of  
21 the rental tax. When such a governmental entity or public  
22 corporation shall be so designated, the proceeds of the rental  
23 tax (or so much thereof as shall be allocated to the entity so  
24 designated) thereafter collected shall be paid over to it and  
25 shall be used by it for the purposes specified by the county  
26 commission for which the tax is herein authorized to be  
27 levied. Said governmental entity or public corporation may

1 anticipate the proceeds from the rental tax so required to be  
2 paid to it by issuing, for any of the purposes specified by  
3 the county commission for which the tax is herein authorized  
4 to be levied, funding or refunding bonds, warrants,  
5 certificates of indebtedness or other evidences of  
6 indebtedness of such governmental entity or public  
7 corporation, and may pledge for the payment of the principal  
8 thereof and interest thereon the proceeds from said tax so  
9 paid to it. The designation by the governing body of the  
10 county of a governmental entity or public corporation to  
11 receive proceeds of the rental tax levied pursuant to this  
12 act, the payment of such proceeds over to the governmental  
13 entity or public corporation and the pledge of such proceeds  
14 by the governmental entity or public corporation for the  
15 payment of the principal of and interest on bonds, warrants,  
16 certificates of indebtedness or other evidences of  
17 indebtedness issued by such governmental entity or public  
18 corporation shall constitute a part of the contract with the  
19 holders of said bonds, warrants, certificates of indebtedness  
20 or other evidences of indebtedness and such contract shall be  
21 protected from impairment to the fullest extent provided by  
22 the federal Constitution and the Constitution of Alabama of  
23 1901, as amended. Obligations of such a governmental entity or  
24 public corporation payable from or secured by the proceeds of  
25 the rental tax shall be issued under the general laws of the  
26 state available for those purposes.



1           Section 16. No public official or family member of a  
2 public official shall obtain personal gain from the  
3 expenditure of the proceeds of the rental tax levied by this  
4 act.

5           Section 17. The provisions of this act are  
6 severable. If a court of competent jurisdiction adjudges  
7 invalid or unconstitutional any clause, sentence, paragraph,  
8 section, or part of this act, the judgment or decree shall not  
9 affect, impair, invalidate, or nullify the remainder of this  
10 act, but the effect of the decision shall be confined to the  
11 clause, sentence, paragraph, section, or part of this act  
12 adjudged to be invalid or unconstitutional.

13           Section 18. The county commission may prescribe all  
14 necessary or appropriate rules and regulations for the  
15 implementation of this act, including all rules and  
16 regulations as may be necessary by reason of any alteration of  
17 law in relation to this act.

18           Section 19. This act shall become effective  
19 immediately following its passage and approval by the  
20 Governor, or its otherwise becoming law.