

1 HB23
2 179135-2
3 By Representative Johnson (K)
4 RFD: Ways and Means General Fund
5 First Read: 15-AUG-16

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8 SYNOPSIS: Under existing law, a person who owns or
9 operates, or both, a motor vehicle that uses
10 natural gas is not required to obtain an annual
11 decal from the Liquefied Petroleum Gas Board or
12 remit the required motor fuel excise tax until
13 October 1, 2016.

14 This bill would establish a uniform motor
15 fuel and enforcement system for the collection of
16 excise tax on compressed natural gas and liquefied
17 natural gas and would provide civil and criminal
18 penalties for violations.

19 Amendment 621 of the Constitution of Alabama
20 of 1901, now appearing as Section 111.05 of the
21 Official Recompilation of the Constitution of
22 Alabama of 1901, as amended, prohibits a general
23 law whose purpose or effect would be to require a
24 new or increased expenditure of local funds from
25 becoming effective with regard to a local
26 governmental entity without enactment by a 2/3 vote
27 unless: it comes within one of a number of

1 specified exceptions; it is approved by the
2 affected entity; or the Legislature appropriates
3 funds, or provides a local source of revenue, to
4 the entity for the purpose.

5 The purpose or effect of this bill would be
6 to require a new or increased expenditure of local
7 funds within the meaning of the amendment. However,
8 the bill does not require approval of a local
9 governmental entity or enactment by a 2/3 vote to
10 become effective because it comes within one of the
11 specified exceptions contained in the amendment.

12
13 A BILL
14 TO BE ENTITLED
15 AN ACT
16

17 To amend Sections 40-17-160, 40-17-161, 40-17-165,
18 and 40-17-167, Code of Alabama 1975, relating to the liquefied
19 petroleum gas and natural gas fuel tax, to remove references
20 to natural gas; to add Article 3B, commencing with Section
21 40-17-168, to Chapter 17 of Title 40, Code of Alabama 1975, to
22 establish a uniform motor fuel tax collection and enforcement
23 system for the collection of excise tax on compressed natural
24 gas and liquefied natural gas; to provide civil and criminal
25 penalties for violations; to provide for rulemaking authority;
26 and in connection therewith would have as its purpose or
27 effect the requirement of a new or increased expenditure of

1 local funds within the meaning of Amendment 621 of the
2 Constitution of Alabama of 1901, now appearing as Section
3 111.05 of the Official Recompilation of the Constitution of
4 Alabama of 1901, as amended.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. Sections 40-17-160, 40-17-161, 40-17-165,
7 and 40-17-167, Code of Alabama 1975, are amended to read as
8 follows:

9 "§40-17-160.

10 "In lieu of an excise tax on liquefied petroleum gas
11 ~~and natural gas~~ used to propel motor vehicles over the
12 highways of this state, there is hereby levied an annual flat
13 fee on the following classes of vehicles which require a motor
14 vehicle license using liquefied petroleum gas ~~or natural gas~~
15 as fuel. For all other purposes other than the excise tax, the
16 ~~terms term~~ "liquefied petroleum gas" ~~and "natural gas"~~ shall
17 be included with the term gasoline as defined in Section
18 ~~40-17-30~~ 40-17-322:

19 "Class 1. Passenger automobiles, vans, and trucks
20 and pickups under one ton.....\$75.00

21 "Class 2. Recreational vehicles and vans and trucks
22 one ton or over but with a rear axle carrying capacity of less
23 than 14,000 pounds.....\$85.00

24 "Class 3. Bobtail trucks and equivalent vehicles to
25 be defined as any other vehicle having the capacity of
26 carrying a loaded rear axle weight of 14,000 pounds or
27 more.....\$150.00

1 "Class 4. Tractor/trailer
2 units.....
3\$175.00

4 "§40-17-161.

5 "(a) Every person owning and/or operating such
6 vehicles shall make application for and obtain an annual decal
7 from the Liquefied Petroleum Gas Board which shall serve as an
8 identification marker that the flat fee has been paid. Each
9 decal issued by the Liquefied Petroleum Gas Board shall not
10 exceed a cost of five dollars (\$5). The decal shall be in such
11 form and of such size as the Liquefied Petroleum Gas Board
12 shall prescribe. ~~Such~~ The decal shall be attached or affixed
13 to the vehicle in the place and manner prescribed by the
14 Liquefied Petroleum Gas Board. The decals provided for in this
15 chapter shall be issued for a term that shall begin at April 1
16 of each year and expire on March 31 of the following year. If
17 any passenger automobile or truck is acquired, liquefied
18 petroleum gas ~~or natural gas~~ system installed or vehicle put
19 in operation after September 30 the fee shall be one-half the
20 flat fee stated in Section 40-17-160, or after December 31,
21 the fee shall be one-fourth of the flat fee stated in Section
22 40-17-160. Owners of all newly converted vehicles must apply
23 for the required decal as provided for in Section 40-17-160
24 within 10 days of the completion date in which the liquefied
25 petroleum ~~or natural gas~~ system was installed on the vehicle.
26 Failure to submit an application within the 10-day period

1 requires the payment of penalties as prescribed by Section 40-17-164.

2 "(b) In order to easily identify vehicles using
3 liquefied petroleum gas as a motor fuel to police, fire and
4 rescue members, a decal reading "Powered by Liquefied
5 Petroleum Gas" shall be prominently displayed on the rear of
6 any vehicle using liquefied petroleum gas as a motor fuel. The
7 decal colors shall be blue with a white background with the
8 letters no smaller than one inch in size. Provided, however,
9 that such decal shall not be required on liquefied petroleum
10 gas bobtail delivery units.

11 "(c) The board administrator and the board
12 inspectors shall have the power and authority to issue a
13 uniform nontraffic citation to any person violating the
14 provisions of this section. For the purpose of enforcing this
15 section, there shall be prima facie evidence that a connected,
16 operational liquefied petroleum gas carburetion system, which
17 is part of a dual or switchable gasoline-liquefied petroleum
18 gas system, has been in use, if there is liquefied petroleum
19 gas in the liquefied petroleum gas tank. Any violation of ~~the~~
20 ~~provisions of~~ this section shall constitute a Class B
21 misdemeanor ~~as defined in Title 13A, and shall be punished as~~
22 ~~provided by law.~~

23 "§40-17-165.

24 "If an out-of-state vehicle comes to a propane ~~or~~
25 ~~natural gas~~ dealer or supplier in the State of Alabama to
26 purchase fuel, the dealer must collect in lieu of any fees
27 levied by this chapter an amount equal to the current Alabama

1 motor fuel tax in effect as prescribed by subdivision (a) (2)
2 of Section 40-17-325, and remit these funds to the Alabama
3 LP-Gas Board before the 20th of the following month after the
4 date of the sale. Decals for out-of-state vehicles can be
5 purchased with decal fees and issuance fees to be paid as
6 prescribed by Sections 40-17-160 and 40-17-161.

7 "§40-17-167.

8 "(a) The Legislature of Alabama makes the following
9 findings and statements:

10 "(1) The reduction of the dependence on foreign oil
11 is necessary to reserve and protect our national security.

12 "(2) Reliable and affordable energy is of great
13 importance to all sectors of Alabama's economy.

14 "(3) Long-term sustainability of energy supply and
15 efficient and effective distribution of energy is becoming
16 increasingly important to Alabama's population growth and
17 economic expansion.

18 "(4) The future energy needs of the state also
19 present opportunities to diversify the state's energy supply
20 and provide new opportunities for Alabama-based clean energy
21 technologies.

22 "(5) The use of existing technology and development
23 of new technologies including compressed and liquefied natural
24 gas should be encouraged as a way of producing energy with
25 reduced emissions.

26 "(b) The Legislature recognizes that it is in the
27 best interest of its citizens to remove existing barriers to

1 implementing natural gas distribution for motor vehicles until
2 such time as a comprehensive approach is established for
3 regulating and taxing natural gas for motor vehicles. This
4 includes temporarily eliminating the decals and associated
5 fees that are currently required of owners or operators of
6 motor vehicles using compressed and liquefied natural gas, as
7 well as temporarily suspending any motor fuel excise taxes due
8 on compressed or liquefied natural gas used as fuel for
9 vehicles.

10 "(c) (1) The requirement to obtain a decal from the
11 Liquefied Petroleum Gas Board, as well as the requirement to
12 collect the motor fuel tax as prescribed in this article, are
13 hereby suspended from April 9, 2014, until October 1, ~~2016~~
14 2017.

15 "~~(2) In the event that no comprehensive approach for~~
16 ~~regulating and taxing natural gas used as fuel for motor~~
17 ~~vehicles has been established by October 1, 2016, beginning on~~
18 ~~that date each 5.66 pounds of Beginning October 1, 2017,~~
19 ~~compressed natural gas that is taxable as motor fuel shall be~~
20 ~~taxed as one gallon of gasoline, and each 6.06 pounds of or~~
21 ~~liquefied natural gas that is taxable as motor fuel shall be~~
22 ~~taxed as one gallon of diesel fuel, as provided in Article 3B,~~
23 ~~Chapter 17, Title 40. Provided, however, that if the National~~
24 ~~Conference for Weights and Measures establishes standards for~~
25 ~~converting compressed natural gas to a gallon of gasoline and~~
26 ~~for converting liquefied natural gas to a gallon of diesel~~
27 ~~fuel, such standard conversions shall be used.~~

1 "~~(3) Compressed natural gas and liquefied natural~~
2 ~~gas may be sold in gallon equivalents as established in~~
3 ~~subdivision (2) until October 1, 2016. In the event that no~~
4 ~~comprehensive approach for regulating and taxing natural gas~~
5 ~~used as fuel for motor vehicles has been established at that~~
6 ~~time, compressed natural gas and liquefied natural gas shall~~
7 ~~be sold in gallon equivalents as established in subdivision~~
8 ~~(2).~~

9 "~~(4)~~ (3) This section shall not apply to the
10 remainder of this article."

11 Section 2. A new Article 3B, commencing with Section
12 40-17-168, is added to Chapter 17, Title 40, Code of Alabama
13 1975, to read as follows:

14 §40-17-168.

15 The Legislature declares that the intent of this
16 article is to establish an efficient, uniform motor fuel tax
17 collection and enforcement system for the collection of the
18 excise tax on compressed natural gas and liquefied natural
19 gas.

20 §40-17-168.1.

21 For the purposes of this article, the following
22 terms shall have the following meanings:

23 (1) COMMISSIONER. The Commissioner of the Department
24 of Revenue.

25 (2) COMPRESSED NATURAL GAS (CNG). Natural gas
26 compressed to a pressure at or above 200-248 bar (i.e.,
27 2900-3600 pounds per square inch) and stored in high-pressure

1 containers and used as a fuel for natural gas-powered
2 vehicles.

3 (3) DEPARTMENT. The Department of Revenue.

4 (4) DIESEL GALLON EQUIVALENT (DGE) or
5 DIESEL-EQUIVALENT GALLON (DEG). The amount of alternative fuel
6 it takes to equal the energy content of one liquid gallon of
7 diesel fuel. The term is a measure for consumers to compare
8 the energy content of competing fuels against diesel fuel and
9 is 6.06 pounds of liquefied natural gas for one gallon of
10 diesel fuel unless the National Conference for Weights and
11 Measures establishes standards for converting liquefied
12 natural gas to a gallon of diesel fuel at which time such
13 standard conversion shall be used.

14 (5) FLEET PRODUCER OF CNG/LNG. Any person, entity,
15 or business producing CNG or LNG for use in one or more
16 vehicles designed to be operated on the public roads and
17 highways that are owned and operated as a unit.

18 (6) GASOLINE GALLON EQUIVALENT (GGE) or
19 GASOLINE-EQUIVALENT GALLON (GEG). The amount of alternative
20 fuel it takes to equal the energy content of one liquid gallon
21 of gasoline. The term is a measure for consumers to compare
22 the energy content of competing fuels against gasoline and is
23 5.66 pounds of compressed natural gas or 123.57 cubic feet for
24 one gallon of gasoline unless the National Conference for
25 Weights and Measures establishes standards for converting
26 compressed natural gas to a gallon of gasoline at which time
27 such standard conversion shall be used.

1 (7) LIQUEFIED NATURAL GAS (LNG). Natural gas that
2 has been liquefied by reducing its temperature to -260 degrees
3 Fahrenheit at atmospheric pressure.

4 (8) NATURAL GAS. A gaseous mixture of hydrocarbon
5 compounds, the primary one being methane.

6 (9) PERSONAL PRODUCER OF CNG. Any individual
7 producing and using CNG as a fuel in a personal vehicle used
8 for noncommercial purposes.

9 (10) PUBLIC SELLER OF CNG/LNG. Any person operating
10 a service station or other retail outlet engaged in the
11 selling of CNG or LNG to the ultimate consumer for use in a
12 vehicle designed to be operated on public roads and highways.

13 §40-17-168.2.

14 There is hereby levied an excise tax on compressed
15 natural gas (CNG) and liquefied natural gas (LNG) in an amount
16 equal to the current Alabama motor fuel tax in effect as
17 prescribed by subdivision (a) (2) of Section 40-17-325 per
18 gasoline gallon equivalent (GGE) on compressed natural gas or
19 per diesel gallon equivalent (DGE) on liquefied natural gas as
20 follows:

21 (1) Every public seller must collect and pay over to
22 the department an excise tax in an amount equal to the current
23 Alabama motor fuel tax in effect as prescribed by subdivision
24 (a) (2) of Section 40-17-325 per GGE on compressed natural gas
25 or per DGE on liquefied natural gas upon the sale of the
26 compressed natural gas or liquefied natural gas for use in a

1 vehicle designed to be operated on the public roads and
2 highways.

3 (2) Fleet producers of compressed natural gas or
4 liquefied natural gas shall remit to the department an excise
5 tax in an amount equal to the current Alabama motor fuel tax
6 in effect as prescribed by subdivision (a)(2) of Section
7 40-17-325 per GGE on compressed natural gas or per DGE on
8 liquefied natural gas withdrawn for use in a vehicle designed
9 to be operated on the public roads and highways.

10 (b)(1) Beginning January 1, 2018, each personal
11 producer of compressed natural gas must submit an application
12 fee for an account number to the department within 20 calendar
13 days from the completed date of installation of a new system
14 to compress natural gas that will be used to fuel a motor
15 vehicle. Personal producers of compressed natural gas who
16 installed a system to compress natural gas that will be used
17 to fuel a motor vehicle prior to January 1, 2018, must submit
18 an application fee for an account number to the department no
19 later than January 20, 2018.

20 (2) Failure to submit an application within the
21 20-day period may subject the personal producer to a penalty
22 of five hundred dollars (\$500) per vehicle.

23 (3) There is hereby levied an annual application fee
24 of two hundred dollars (\$200) per vehicle for all personal
25 producers of compressed natural gas in lieu of the excise tax
26 levied in subsection (a). The annual application fee shall be
27 one hundred dollars (\$100) per vehicle for any individual who

1 becomes a personal producer of compressed natural gas for use
2 in a personal vehicle after June 30 of each calendar year. The
3 annual application fee is due January 20 of each calendar year
4 beginning with January 1, 2018, and each calendar year
5 thereafter. The personal producer must include the vehicle
6 identification number of each vehicle that is powered by
7 compressed natural gas on the annual application. The annual
8 fee shall not apply to a fleet producer. A bond will not be
9 required for a personal producer of compressed natural gas who
10 files the annual application fee. A refund will not be granted
11 to the personal producer if the vehicle is sold during the
12 calendar year. The personal producer is required to notify the
13 department within 20 calendar days if he or she ceases to be a
14 personal producer of compressed natural gas for use in a
15 vehicle.

16 (c) If the motor fuel excise tax is collected by the
17 public seller or fleet producer or the annual application fee
18 is remitted by the personal producer for compressed natural
19 gas or liquefied natural gas, the compressed natural gas and
20 liquefied natural gas shall not be subject to sales or use tax
21 levied by this state.

22 §40-17-168.3.

23 Each application for a license under this article
24 must be made upon a form prescribed by the commissioner and
25 furnished by the department.

26 §40-17-168.4.

1 (a) Each person engaged in business in this state as
2 a public seller of CNG/LNG or a fleet producer of CNG/LNG
3 shall first obtain a public seller of CNG/LNG or a fleet
4 producer of CNG/LNG license. The application fee for a public
5 seller of CNG/LNG or a fleet producer of CNG/LNG license is
6 fifty dollars (\$50). Only one license is necessary for
7 multiple locations; however, the public seller of CNG/LNG or a
8 fleet producer of CNG/LNG must remit a twenty-five dollar
9 (\$25) registration fee for each additional location in
10 existence or upon establishing or acquiring a new location.

11 (b) All fees collected under this section, except
12 those refunded, and the personal producer annual application
13 fees authorized under Section 40-17-168.2 shall be paid into
14 the State Treasury and distributed in accordance with Section
15 40-17-361(a).

16 §40-17-168.5.

17 (a) Upon approval of the application by the
18 department, the applicant must file with the department a
19 surety bond. The bond amount for an applicant for a license as
20 a public seller of CNG/LNG or a fleet producer of CNG/LNG
21 shall be a minimum of twenty-five thousand dollars (\$25,000)
22 or in the approximate amount of twice the average monthly tax
23 liability, whichever is greater.

24 (b) The department shall review the bond amounts
25 every five years beginning January 2022 to ensure that each
26 public seller of CNG/LNG and each fleet producer of CNG/LNG
27 has posted a surety bond sufficient to cover twice the average

1 monthly tax liability as referenced in subdivision (a). Based
2 upon this review or at any time that the department determines
3 that the bond amount is insufficient to cover twice the
4 average monthly tax liability, the commissioner may require an
5 additional surety bond from any licensee under one or more of
6 the following circumstances:

7 (1) The commissioner determines that the surety on
8 an existing bond is unsatisfactory.

9 (2) A surety notifies the department that it intends
10 to cancel a bond as provided in subsection (d).

11 (3) The commissioner, after reviewing the payment
12 history of the licensee, determines that the existing bond of
13 the licensee is insufficient in an amount to insure the prompt
14 payment of all excise taxes that are due or may become due the
15 state by the licensee upon the sale or withdrawal of
16 compressed natural gas or liquefied natural gas. However, in
17 no case shall a new or additional bond be more than two months
18 of average excise tax owed by the licensee.

19 (c) (1) The department shall notify a licensee at his
20 or her last known address by first class U.S. mail or, at the
21 option of the department, certified mail, return receipt
22 requested, that it is requiring such new or additional bond
23 for any reason as provided above, and the licensee, within 30
24 days from the date the notice is mailed by the department,
25 shall do either of the following:

26 a. File the new or additional bond as requested by
27 the department.

1 b. File a notice of appeal with the Alabama Tax
2 Tribunal as allowed in Chapter 2A.

3 (2) The department may immediately cancel the
4 licensee's license upon the expiration of the 30-day period
5 set out above if the licensee fails to either provide the new
6 or additional bond requested by the department or timely
7 appeal to the Alabama Tax Tribunal.

8 (d)(1) Any surety on an existing bond furnished by a
9 licensee may notify the department in writing of its intent to
10 cancel the bond. The department shall immediately notify the
11 licensee of the intent of the surety to cancel the surety
12 bond, and the licensee shall have 30 days from the date the
13 notice is mailed by the department to provide a sufficient
14 replacement bond as requested by the department.

15 (2) The department may immediately cancel the
16 licensee's license upon expiration of the 30-day period set
17 out above if the licensee fails to either provide a new
18 replacement bond as requested by the department or appeal the
19 proposed revocation to the Alabama Tax Tribunal within the 30
20 days as allowed by Chapter 2A.

21 (3) The surety requesting to be released shall
22 remain liable for any liability already accrued or which shall
23 accrue during the 30-day period set out above, but shall not
24 be responsible for any liability which accrues after the
25 30-day period.

26 (e) A surety providing a bond must be authorized to
27 engage in business within this state. The surety bonds are

1 conditioned upon faithful compliance with this article,
2 including the filing of returns and the payment of all tax
3 prescribed herein. The surety bonds shall be approved by the
4 commissioner as to sufficiency and form, and shall indemnify
5 the state against any loss arising from the failure of the
6 licensee to pay, for any cause, the motor fuel excise tax
7 levied by this article.

8 (f) A personal producer of CNG is not required to
9 post a bond.

10 §40-17-168.6.

11 (a) The department may refuse to issue a license
12 under this article if the applicant or a principal of the
13 applicant has done any of the following:

14 (1) Had a compressed natural gas or liquefied
15 natural gas license or registration issued by this state or
16 another state canceled for cause.

17 (2) Been convicted of any offense involving fraud or
18 misrepresentation.

19 (3) Been convicted of any other offense that
20 indicates that the applicant may not comply with this article
21 if issued a license.

22 (b) The department may also refuse to issue a
23 license if the applicant is in arrears to the state for any
24 taxes or for other good cause shown.

25 (c) Any refusal by the department under this
26 section to issue a license may be appealed to the Alabama Tax
27 Tribunal under Chapter 2A.

1 §40-17-168.7.

2 Upon approval of the required bond, the department
3 shall issue the license to the applicant. The license is not
4 transferable and remains in effect until surrendered or
5 canceled.

6 §40-17-168.8.

7 (a) A licensee who discontinues in its entirety the
8 business for which a license was authorized by this article
9 shall notify the department in writing at least 10 days prior
10 to the time the discontinuance, sale, or transfer takes effect
11 and shall surrender the license to the department. The notice
12 shall state the effective date of the discontinuance and, if
13 the licensee has transferred the business or otherwise
14 relinquished control to another person by sale or other means,
15 the date of the sale or transfer and the name and address of
16 the person to whom the business is transferred or
17 relinquished. The notice shall also include any other
18 information required by the department.

19 (b) All taxes for which the licensee is liable under
20 this article but are not yet payable shall be due on the date
21 of the discontinuance. If the licensee has transferred the
22 business to another person and does not give the notice
23 required herein, the person to whom the business was
24 transferred is jointly and severally liable for the amount of
25 any tax owed by the licensee to this state on the date the
26 business was transferred. The liability of the person to whom

1 the business was transferred may not exceed the value of the
2 property and business acquired from the licensee.

3 §40-17-168.9.

4 (a) In accordance with Chapter 2A, the department
5 may cancel any license required under this article, upon
6 written notice sent to the licensee's last known address as it
7 appears in the department's files, for any of the following
8 reasons:

9 (1) Filing by the licensee of a false report of the
10 data or information required by this article.

11 (2) Failure, refusal, or neglect of the licensee to
12 file a report or to provide any information required by this
13 article.

14 (3) Failure of the licensee to pay the full amount
15 of all excise taxes due or to pay any penalties or interest
16 due.

17 (4) Failure of the licensee to keep accurate records
18 of the quantities of compressed natural gas or liquefied
19 natural gas produced, sold, or used in Alabama.

20 (5) Failure to file a new or additional surety bond
21 upon request of the department pursuant to this article.

22 (6) Conviction of the licensee or a principal of the
23 licensee for any act prohibited under this article.

24 (7) Failure, refusal, or neglect of a licensee to
25 comply with any other provision of this article or any rule
26 promulgated pursuant to this article.

1 (8) Having a compressed natural gas or liquefied
2 natural gas license or registration issued by another state
3 canceled for cause.

4 (9) Change in the ownership or control of the
5 business of the licensee.

6 (b) The license can be canceled upon the written
7 request of the licensee.

8 §40-17-168.10.

9 A licensed public seller of compressed natural gas
10 or liquefied natural gas or the licensed fleet producer of
11 compressed natural gas or liquefied natural gas may deduct the
12 number of gallons of compressed natural gas or liquefied
13 natural gas sold or disbursed to the following entities
14 provided that the exempt entity has a valid exempt entity
15 license issued in accordance with subsection (j) of Section
16 40-17-332:

17 (1) The United States government or any agency
18 thereof.

19 (2) Any county governing body in this state.

20 (3) The governing body of any incorporated
21 municipality in this state.

22 (4) City and county boards of education in this
23 state.

24 (5) The Alabama Institute for Deaf and Blind, the
25 Department of Youth Services school district, and private and
26 church school systems, as defined in Section 16-28-1, which

1 offer essentially the same curriculum as offered in grades
2 K-12 in the public schools of this state.

3 (b) The exempt entity is not entitled to apply for a
4 refund for any excise tax paid to the licensed public seller
5 or licensed fleet producer. The licensed public seller or
6 licensed fleet producer must take the deduction for all
7 gallons of compressed natural gas or liquefied natural gas
8 sold to the licensed exempt entity on the monthly tax return.
9 The licensed exempt entity must provide the licensed public
10 seller or licensed fleet producer with its exempt entity
11 number prior to the purchase.

12 §40-17-168.11.

13 (a) Each licensed public seller or licensed fleet
14 producer shall file the monthly return required herein, in a
15 format prescribed by the commissioner, on or before the 20th
16 day of each calendar month for the preceding month.

17 (b) The tax levied by this article shall be paid to
18 the department by each taxpayer on or before the 20th day of
19 each calendar month for the preceding month and shall be
20 accompanied by any required returns. The department may
21 require all or certain taxpayers to file tax returns and
22 payments electronically.

23 (c) If the returns or payments are not timely
24 submitted, the taxpayer shall be subject to penalties in
25 accordance with Chapter 2A and interest in accordance with
26 Chapter 1.

27 §40-17-168.12.

1 (a) Each return required to be filed under this
2 article shall be on forms and by means prescribed by the
3 commissioner and furnished by the department and shall contain
4 any information the department considers necessary for the
5 enforcement of this article.

6 (b) The report must contain all of the following
7 information:

8 (1) A total of all monthly disbursements of
9 compressed natural gas or liquefied natural gas, or both, made
10 by the public seller or fleet producer for use in a motor
11 vehicle for each location.

12 (2) A total of all monthly disbursements of
13 compressed natural gas or liquefied natural gas to licensed
14 exempt entities.

15 (3) The name and exempt entity license number of any
16 exempt agency electing to be licensed under Section 40-17-332.

17 (c) The department may require the reporting of
18 other information it considers reasonably necessary to the
19 enforcement of this article.

20 (d) If the public seller or fleet producer has
21 multiple locations, the public seller or fleet producer should
22 file one monthly return for all locations in Alabama.

23 §40-17-168.13.

24 All tax payments due to this state that are received
25 by a licensed public seller or a licensed fleet producer shall
26 be held by the licensed public seller or the licensed fleet
27 producer as trustee in trust for this state, and the licensed

1 public seller or licensed fleet producer has a fiduciary duty
2 to remit to the department the amount of tax received. A
3 licensed public seller or licensed fleet producer is liable
4 for the taxes paid to it or accrued at the time of the sale.

5 §40-17-168.14.

6 Each person required to be licensed under this
7 article shall keep and maintain records of all purchases of
8 natural gas, all sales or disbursement records, and other
9 pertinent records and papers required by the department for
10 the reasonable administration of this article for a period of
11 no less than three years.

12 §40-17-168.15.

13 The proceeds of the excise tax collected for
14 compressed natural gas and liquefied natural gas imposed by
15 this article, when collected, shall be applied in the same
16 manner as in Section 40-17-361.

17 §40-17-168.16.

18 It is the intent of the Legislature that the
19 proceeds of the excise tax collected and distributed in
20 accordance with subsection (b) of Section 40-17-361 for
21 compressed natural gas and liquefied natural gas under this
22 article shall be used in the same manner as in subsection (b)
23 of Section 40-17-362.

24 §40-17-168.17.

25 (a) Each person who engages in any business activity
26 for which a license is required by this article without having

1 first obtained and subsequently retained a valid license shall
2 be subject to the following civil penalties:

3 (1) Ten thousand dollars (\$10,000) for the first
4 violation.

5 (2) For each subsequent violation, the amount shall
6 be increased by the sum of the current violation plus prior
7 violations.

8 (b) Civil penalties prescribed under this section
9 shall be assessed, collected, and paid in the same manner as
10 the compressed natural gas or liquefied natural gas tax.

11 §40-17-168.18.

12 (a) Any person who willfully does any of the
13 following is guilty of a Class A misdemeanor, but shall be
14 fined not less than five thousand dollars (\$5,000) nor more
15 than twenty-five thousand dollars (\$25,000):

16 (1) Fails to obtain a license as required by this
17 article prior to engaging in an activity for which a license
18 is required.

19 (2) Fails to pay to this state no more than 30 days
20 after the date the tax is due the tax levied by this article.

21 (3) Makes a false statement on an application,
22 return, ticket, invoice, statement, or any other document
23 required under this article.

24 (4) Fails to file no more than 30 days after it is
25 due any return required by this article.

26 (5) Fails to maintain any record required by this
27 article.

1 (6) Makes a false statement in an application for a
2 refund.

3 (7) Fails to make required disclosure of the correct
4 amount of compressed natural gas or liquefied natural gas sold
5 or used in this state.

6 (8) Dispenses into the supply tank of a motor
7 vehicle any compressed natural gas or liquefied natural gas on
8 which tax levied by this article has not been paid.

9 (b) Any person who willfully does any of the
10 following with the intent to either evade or circumvent the
11 tax levied by this article or assists any other person in
12 efforts to evade or circumvent the tax shall be guilty of a
13 Class C felony, but shall be fined not less than twenty-five
14 thousand dollars (\$25,000) nor more than fifty thousand
15 dollars (\$50,000):

16 (1) Fails to pay compressed natural gas or liquefied
17 natural gas taxes and diverts the tax proceeds for other
18 purposes.

19 (2) As a licensee or the agent or representative of
20 a licensee, converts or attempts to convert compressed natural
21 gas or liquefied natural gas tax proceeds for the use of the
22 licensee or the licensee's agent or representative, with the
23 intent to defraud the state.

24 (3) Collects compressed natural gas or liquefied
25 natural gas taxes when not authorized or licensed by the
26 department to do so.

1 (4) Conspires with any other person or persons to
2 engage in an act, plan, or scheme to defraud this state of
3 compressed natural gas or liquefied natural gas tax proceeds.

4 (5) Fails to remit to the department any tax levied
5 pursuant to this article if the person has added, or
6 represented that he or she has added, the tax to the sales
7 price for the compressed natural gas or liquefied natural gas
8 and has collected the amount of the tax.

9 (c) Each offense under this section is subject to a
10 separate criminal penalty.

11 §40-17-168.19.

12 There is appropriated from the General Fund to the
13 Department of Revenue, for the fiscal year ending September
14 30, 2017, two hundred fifty thousand dollars (\$250,000) to
15 offset its costs to implement and administer this article.
16 Every year thereafter as a first charge against the revenues
17 collected under this article, an amount of revenue shall be
18 appropriated to the Department of Revenue to offset its costs
19 in the administration of this article.

20 §40-17-168.20.

21 The commissioner may adopt rules necessary to
22 effectuate the reporting, collection, administration, and
23 enforcement of the taxes imposed under this article. The
24 commissioner shall prescribe the forms or format for reporting
25 the information required in this act.

26 Section 3. The provisions of this act are severable.
27 If any part of this act is declared invalid or

1 unconstitutional, that declaration shall not affect the part
2 which remains.

3 Section 4. All laws or parts of laws which conflict
4 with this act are repealed.

5 Section 5. Although this bill would have as its
6 purpose or effect the requirement of a new or increased
7 expenditure of local funds, the bill is excluded from further
8 requirements and application under Amendment 621, now
9 appearing as Section 111.05 of the Official Recompilation of
10 the Constitution of Alabama of 1901, as amended, because the
11 bill defines a new crime or amends the definition of an
12 existing crime.

13 Section 6. Section 2 of this act, the section
14 referencing the administrative fee, shall become effective on
15 October 1, 2016, following its passage and approval by the
16 Governor, or its otherwise becoming law. The remaining
17 sections of this act shall become effective on October 1,
18 2017, following its passage and approval by the Governor, or
19 upon its otherwise becoming law.