

## SB295 INTRODUCED



1 SB295  
2 USUQDGD-1  
3 By Senator Smitherman  
4 RFD: Finance and Taxation General Fund  
5 First Read: 04-Apr-24



SYNOPSIS:

This bill provides for an additional license tax and registration fee on motor vehicles and for the distribution of the proceeds to the Alabama Public Transportation Trust Fund.

A BILL  
TO BE ENTITLED  
AN ACT

To amend Section 40-12-242, Code of Alabama 1975, relating to license taxes and registration fees; to levy an additional license tax and registration fee; and to provide for the distribution of the proceeds to the Alabama Public Transportation Trust Fund.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-12-242, Code of Alabama 1975, is amended to read as follows:

"§40-12-242

(a) The following annual license taxes and registration fees are hereby imposed and shall be charged on each private passenger automobile operated on the public highways of this state and on each motorcycle operated on the public highways:

(1) For each private passenger automobile.....\$13.00



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(2) For each motorcycle.....\$7.00

No private passenger automobile and no motorcycle shall be used on any public highway in the state unless the proper license tag therefor has been procured and is securely attached to the rear end thereof, the tag to be attached right side up with the number thereof in an upright position and plainly visible.

(b)(1) In addition to the annual license taxes and registration fees imposed in subsection (a) and in this article, there is hereby imposed and shall be charged:

a. An annual license tax and registration fee of \$200.00 on each battery electric vehicle operated on the public highways of this state; and

b. An annual license tax and registration fee of \$100.00 on each plug-in hybrid electric vehicle operated on the public highways of this state.

(2)a. A battery electric vehicle is defined as any motor vehicle which draws propulsion energy solely or primarily from onboard sources of stored electric energy from a plug-in rechargeable electric energy storage system and which does not include an internal combustion or heat engine using combustible fuel.

b. A plug-in hybrid electric vehicle is defined as any motor vehicle which draws propulsion energy from onboard sources of stored electric energy that can be plugged into an outlet or charging station, and which includes an internal combustion or heat engine using combustible fuel.

(c) Beginning on July 1, 2023 and every fourth year



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thereafter, the additional license tax and registration fee specified in subsection (b) shall increase by three dollars (\$3).

(d) The annual battery electric vehicle fee imposed in subdivision (b)(1) shall be reduced by the amount of any future additional annual federal surcharge or registration fee placed on a battery electric vehicle, and the annual plug-in hybrid electric vehicle fee imposed in subdivision (b)(1) shall be reduced by the amount of any future annual federal surcharge or registration fee placed on a plug-in hybrid electric vehicle, if the federal surcharge or registration fee is used solely for highway transportation purposes in the State of Alabama, but in no case shall the battery electric vehicle fee be reduced to less than \$150 and the plug-in hybrid electric vehicle fee be reduced to less than \$75.

(e) The Electric Transportation Infrastructure Grant Program is created within the State Department of Transportation. The program shall be administered, conducted, and managed, and its funds shall be disbursed by, the State Department of Transportation, which shall have all the powers, authorities, rights, privileges, and titles necessary to enable it to accomplish the purpose of the Electric Transportation Infrastructure Grant Program. The State Department of Transportation is authorized and directed to adopt rules for the Electric Transportation Infrastructure Grant Program including the solicitation, application, evaluation, and selection of grant applicants, the distribution of grants for electric vehicle charging



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infrastructure, and the use of grant funds through the Alabama Administrative Procedure Act.

(f) Notwithstanding any other law to the contrary, all proceeds of the annual license taxes and registration fees imposed and charged in subsection (b), after deduction pursuant to Section 40-12-269 (a)(1), shall be distributed as follows:

(1) The first one hundred fifty dollars (\$150) collected from the annual license tax and registration fee on each battery electric vehicle and the first seventy-five dollars (\$75) collected from the annual license tax and registration fee on each plug-in hybrid electric vehicle shall be distributed sixty-six and sixty-seven one hundredths percent (66.67%) to the state, twenty-five percent (25%) to counties, and eight and thirty-three one hundredths percent (8.33%) to municipalities.

(2) The remainder shall be deposited in the Rebuild Alabama Fund established in Section 23-8-4, and shall be used by the State Department of Transportation to fund electric vehicle transportation charging infrastructure through the Electric Transportation Infrastructure Grant Program established in subsection (e) until such time as the total annual registrations of battery electric vehicles plus plug-in hybrid electric vehicle exceed four percent (4%) of the total annual registrations of all motor vehicles within the State of Alabama, except trailers and semitrailers, for which an annual license tax and registration fee is paid. Thereafter, the annual license taxes and registration fees imposed by



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subdivision (b) (1) shall be reduced to one hundred fifty dollars (\$150) and seventy-five dollars (\$75), respectively, and after such reduction the receipts shall be deposited into the Rebuild Alabama Fund and distributed sixty-six and sixty-seven one hundreths percent (66.67%) to the state, twenty-five percent (25%) to the counties, and eight and thirty-three one hundreths percent (8.33%) to the municipalities to be used in the construction, reconstruction, maintenance, and repair of public roads, highways, and bridges in the state, and for any other purpose for which moneys in the Rebuild Alabama Fund may be lawfully used. All previously collected but unspent funds dedicated to the Electric Transportation Infrastructure Grant Program shall continue to be used to fund the Electric Transportation Infrastructure Grant Program.

(g) The annual license taxes and registration fees pursuant to the Rebuild Alabama Act shall be effective January 1, 2020.

(h) (1) Effective October 1, 2024, in addition to the annual license taxes and registration fees imposed in subsections (a) and (b) and in this article, there is hereby imposed and charged an annual license tax and registration fee of five dollars (\$5).

(2) Notwithstanding any other law to the contrary, all proceeds of the annual license tax and registration fee imposed and charged in subdivision (1) shall be deposited into the Alabama Public Transportation Trust Fund, established in Section 41-23-193, and used by the Alabama Department of



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141 [Economic and Community Affairs to increase public](#)  
142 [transportation options across the State of Alabama.](#)"

143           Section 2. This act shall become effective on the first  
144 day of the third month following its passage and approval by  
145 the Governor, or its otherwise becoming law.