

SB304 ENGROSSED



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



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A BILL
TO BE ENTITLED
AN ACT

Relating to municipalities; to add Section 11-51-133 to the Code of Alabama 1975, to limit municipalities from levying a business license on certain businesses.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

§11-51-133

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

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

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

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

(4) DUCT AIR TIGHTNESS TESTING CONTRACTOR. The same



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29 meaning as provided in Section 34-31-18.

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

32 (6) GENERAL CONTRACTOR. The same meaning as provided in
33 Section 34-8-1, without regard to the monetary thresholds set
34 forth in that section.

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

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

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

41 (10) ONSITE WASTEWATER LICENSEE. A qualified individual
42 holding a license issued by the Alabama Onsite Wastewater
43 Board.

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

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

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

56 (b) (1) A municipality may impose a business license on



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57 any of the following businesses that perform work within the
58 municipality but do not maintain a physical business location
59 within the municipality:

- 60 a. A certified heating and air conditioning contractor.
- 61 b. A certified refrigeration contractor.
- 62 c. A concrete provider.
- 63 d. A duct air tightness testing contractor.
- 64 e. An electrical contractor.
- 65 f. A general contractor.
- 66 g. A journeyman electrician.
- 67 h. A master gas fitter.
- 68 i. A master plumber.
- 69 j. An onsite wastewater licensee.
- 70 k. A residential home builder.
- 71 l. A subcontractor.

72 (2) The amount of the business license shall be
73 calculated on the basis of a flat fee or the gross receipts
74 derived from the work performed within the municipality.

75 (c) (1) For the purpose of calculating the amount of a
76 business license, a municipality shall permit any business
77 listed in subsection (b) to exclude any gross receipts that
78 were used to calculate the amount of a business license paid
79 in another municipality when the business maintains a physical
80 place of business in the municipality where the application
81 for a business license has been filed.

82 (2) A municipality may request any business seeking to
83 exclude gross receipts pursuant to subdivision (1) to submit
84 to the municipality a list of business licenses the business



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85 has obtained in other municipalities and any gross receipts
86 reported by the business to obtain those business licenses in
87 order to verify that the receipts should be excluded.

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

93 Section 2. This act shall become effective on October
94 1, 2026.



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97 Senate

98 Read for the first time and referred12-Feb-26
99 to the Senate committee on County
100 and Municipal Government
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102 Read for the second time and placed17-Feb-26
103 on the calendar:
104 0 amendments
105
106 Read for the third time and passed17-Mar-26
107 as amended
108 Yeas 30
109 Nays 0
110 Abstains 0

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Patrick Harris,
Secretary.