

1 HB278
2 197975-1
3 By Representative McCampbell
4 RFD: State Government
5 First Read: 21-MAR-19

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8 SYNOPSIS: Under existing law, the licensing,
9 registration, and taxation process of fleet
10 vehicles not registered in accordance with the
11 International Registration Plan is handled at local
12 license-issuing officials' offices.

13 This bill would authorize the Department of
14 Revenue to make available an optional fleet online
15 and tax system, known as the FORT system, to enable
16 fleet operators to pay certain taxes owed. The bill
17 would also authorize the department to create a
18 fleet license plate.

19 This bill would also establish an advisory
20 committee to provide the Commissioner of Revenue
21 with input into the development of the FORT system.
22 The bill would require the advisory committee to
23 present a report of its findings to the
24 commissioner by a date certain and would also
25 provide for the sunset of the committee.

26
27 A BILL

1 TO BE ENTITLED

2 AN ACT

3
4 Relating to fleet vehicles; to amend Section
5 40-12-240, Code of Alabama 1975, to further provide
6 definitions; and to add Division 4, commencing with Section
7 40-12-305, to Article 5 of Chapter 12 of Title 40 of the Code
8 of Alabama 1975, to require the Department of Revenue to
9 develop, maintain, and make available a fleet online
10 registration and tax system (FORT system); to authorize the
11 issuance of a fleet license plate by the department; and to
12 establish an advisory committee.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. Section 40-12-240, Code of Alabama 1975,
15 is amended to read as follows:

16 "§40-12-240.

17 "(a) For the purpose of this article, the following
18 terms shall have the respective meanings ascribed by this
19 section:

20 "(1) DEPARTMENT. The Alabama Department of Revenue.

21 "~~(1)~~ (2) ESTABLISHED PLACE OF BUSINESS. A place
22 actually occupied either continuously or at regular periods at
23 or from which a business or a part thereof is transacted.

24 "~~(2)~~ (3) FARM TRACTOR. Every motor vehicle designed
25 and used primarily as a farm implement for drawing plows,
26 mowing machines, and other implements designed and used for

1 agricultural purposes and only incidentally moved upon public
2 highways.

3 "(3)(4) FARMER. An individual, partnership,
4 cooperative corporation or other entity actively engaged in
5 agriculture or agricultural activities as the same are
6 circumscribed and defined in paragraphs a. and b. of Section
7 41-14-51(1).

8 "(5) FLEET. A group of similarly classified fleet
9 vehicles comprised of 50 or more units or other amount as
10 prescribed by the department.

11 "(6) FLEET OPERATOR. A person, owner, lessor, or an
12 authorized designee that maintains or operates a fleet.

13 "(7) FLEET VEHICLE. Any of the following:

14 "a. A motor vehicle with a gross vehicle weight of
15 not more than 12,000 pounds that is either Class I or Class II
16 property, as defined in Section 40-8-1, that is owned or
17 leased by a fleet operator.

18 "b. A utility trailer that is Class I or Class II
19 property, as defined in Section 40-8-1, that is owned or
20 leased by a fleet operator.

21 "c. A motor vehicle which the department, by rule,
22 has deemed to be a fleet vehicle.

23 "(4)(8) FULL-TIME SALESPERSON. A person whose
24 principal income is derived from selling motor vehicles for a
25 licensed dealer and the income is reflected on the dealership
26 payroll for the withholding of income taxes on income derived
27 from motor vehicle sales.

1 "~~(5)~~(9) GROSS VEHICLE WEIGHT. Whenever used in
2 Section 40-12-248, or elsewhere in this section, the empty
3 weight of the truck or truck tractor, plus the heaviest load
4 to be carried and, in the case of combinations, the empty
5 weight of the heaviest trailer with which the power unit shall
6 be placed in combination, plus the heaviest load to be
7 carried. The intent being that all licenses which are levied
8 on the basis of the "gross vehicle weight" of the vehicle plus
9 the heaviest load to be carried, as "gross vehicle weight" is
10 hereinabove defined, shall be collected and enforced
11 uniformly.

12 "~~(6)~~(10) MINI-TRUCK. A four-wheeled reduced
13 dimension truck that is not less than 48 inches wide, with an
14 unladen weight, including fuels and fluids, of not less than
15 1,500 pounds, equipped with a fully enclosed metal cab, an
16 installed speed governor to prevent the truck from attaining a
17 speed of more than 25 miles per hour, headlamps, stop lamps,
18 front and rear turn signal lamps, tail lamps, reflex
19 reflectors, a parking brake, rearview mirrors, windshield,
20 seat belts, and a nonconforming vehicle identification number.

21 "~~(7)~~(11) MOTORCYCLE. Every motor vehicle designed to
22 travel on not more than three wheels in contact with the
23 ground, including motor scooters and motor bicycles, but not
24 including farm tractors.

25 "~~(8)~~(12) MOTOR VEHICLE. Every vehicle which is
26 self-propelled, every vehicle which is propelled by electric

1 power, and every vehicle that is drawn by a self-propelled
2 vehicle, including every trailer and semitrailer.

3 ~~"(9) MOTOR VEHICLE DEALER. Every person currently~~
4 ~~licensed under Section 40-12-390, et seq. as a new motor~~
5 ~~vehicle dealer, as a used motor vehicle dealer, or licensed~~
6 ~~under Section 40-12-169 and engaged in the business of buying,~~
7 ~~selling, or exchanging of trailers, semitrailers, or~~
8 ~~manufactured homes.~~

9 "(13) MOTOR VEHICLE DEALER. A new motor vehicle
10 dealer or used motor vehicle dealer, as those terms are
11 defined in Section 40-12-390, or a person who is licensed
12 under Section 40-12-169 and engaged in the business of buying,
13 selling, or exchanging of trailers, semitrailers, or
14 manufactured homes.

15 ~~"(10) (14) MOTOR VEHICLE MANUFACTURER. Every person~~
16 ~~engaged in the business of constructing or assembling vehicles~~
17 ~~or manufactured homes with manufacturing facilities located~~
18 ~~within this state.~~

19 ~~"(11) (15) MOTOR VEHICLE REBUILDER. Any person~~
20 ~~engaged in the business of making or causing to be made~~
21 ~~extensive repairs, replacements, or combinations of different~~
22 ~~motor vehicles to the extent of extinguishing the identity of~~
23 ~~the original vehicle to the extent that the finished motor~~
24 ~~vehicle is required to be assigned a new identification to be~~
25 ~~issued by the Department of Revenue under Chapter 8 of Title~~
26 ~~32. As defined in Section 40-12-390.~~

1 "~~(12)~~ MOTOR VEHICLE RECONDITIONER. Any person
2 engaged in the business of refurbishing, repairing, or
3 replacing damaged parts of motor vehicles for the purpose of
4 preparing the vehicle for resale under the same identification
5 and identity that the vehicle bore before the refurbishing.

6 "~~(13)~~ (16) MOTOR VEHICLE WHOLESALER. Any person
7 engaged in the business of buying, selling, or exchanging
8 motor vehicles at wholesale to motor vehicle dealers, as
9 defined in this article, and not to the public. As defined in
10 Section 40-12-390.

11 "~~(14)~~ (17) MUNICIPALITY. Any incorporated city or
12 town in this state.

13 "(18) NEW MOTOR VEHICLE DEALER. As defined in
14 Section 40-12-390.

15 "~~(15)~~ (19) NONRESIDENT. Every person who is not a
16 resident of this state.

17 "~~(16)~~ (20) OWNER. Any of the following:

18 "a. A person or persons holding the legal title to a
19 motor vehicle.

20 "b. The mortgagor or conditional vendee of a vehicle
21 that is the subject of a chattel mortgage or an agreement for
22 the conditional sale thereof or other like agreement with the
23 right of purchase upon performance of the conditions stated in
24 the agreement and with the immediate right of possession
25 vested in the mortgagor or conditional vendee.

26 "c. The lessee of a vehicle owned by the United
27 States of America or any of its agencies or instrumentalities.

1 "~~(17)~~(21) PERSON. Every individual, firm,
2 partnership, association, estate, trust, or corporation, and
3 the receiver, assignee, agent, administrator, or other
4 representative of any of them.

5 "(22) PICKUP TRUCK. As defined in Section 32-8-2.

6 "~~(18)~~(23) PRIVATE PASSENGER AUTOMOBILE. Every motor
7 vehicle designed primarily for the transportation of nine
8 persons or less except the following:

9 "a. Motorcycles.

10 "b. Motor vehicles used in the transportation of
11 persons for hire.

12 "c. Trailers or semitrailers.

13 "d. Self-propelled campers or house cars including
14 every motor vehicle of the type usually referred to as a bus
15 which is owned and operated by an individual for personal or
16 private use and not for hire, rent, or compensation. Motor
17 trucks of the type commonly known as "pickups" or "pickup
18 trucks," regardless of the use made of any such motor trucks
19 and regardless of whether the owner thereof owns or has access
20 to any other mode of transportation, shall not be deemed to
21 constitute a private passenger automobile.

22 "~~(19)~~(24) PUBLIC HIGHWAY. Every highway, road,
23 street, alley, lane, court, place, trail, drive, bridge,
24 viaduct, or trestle, located either within a municipality or
25 in unincorporated territory, and laid out or erected by the
26 public or dedicated or abandoned to the public or intended for
27 use by or for the public. The term "public highway" shall

1 apply to and include driveways upon the grounds of
2 universities, colleges, schools, and institutions, but shall
3 not include private driveways, private roads, or private
4 places not intended for use by the public.

5 ~~"(20)~~ (25) SELF-PROPELLED CAMPERS or HOUSE CARS. A
6 self-propelled motor vehicle designed and used primarily for
7 mobile living quarters. The living quarters on self-propelled
8 campers or house cars are constructed as an integral part of
9 the motor vehicle and are not detachable. Self-propelled
10 campers or house cars are commonly known as motor homes.

11 ~~"(21)~~ (26) SEMITRAILER. Every vehicle without motive
12 power designed for carrying persons or property and for being
13 drawn by a motor vehicle and so constructed that some part of
14 its weight and some part of its load rest upon or are carried
15 by another motor vehicle.

16 ~~"(22)~~ (27) STATE. A state, territory, or possession
17 of the United States, the District of Columbia, the
18 Commonwealth of Puerto Rico, or a province of the Dominion of
19 Canada.

20 ~~"(23)~~ (28) TAX YEAR. The tax year of this state,
21 being the 12-month period commencing on each October 1.

22 ~~"(24)~~ (29) TRAILER. Every vehicle without motive
23 power designed to carry persons or property wholly on its own
24 structure and to be drawn by another motor vehicle.

25 ~~"(25)~~ (30) TRAVEL TRAILER. A vehicle without motive
26 power, designed and constructed as a camping vehicle or a
27 temporary dwelling, living, or sleeping place drawn by a

1 private passenger automobile or a pickup truck, but not
2 including folding or collapsible camping trailers included
3 within the definition of utility trailer, nor manufactured
4 homes as defined in Section 40-12-255(n).

5 ~~"(26)~~ (31) TRUCK. Every self-propelled motor vehicle
6 designed and used primarily for the transportation of property
7 in or upon its own structure, every self-propelled motor
8 vehicle of the types known as "campers" and "house cars," and
9 every vehicle of the type commonly called a wrecker, which is
10 used to move disabled motor vehicles for repair, storage, and
11 other purposes.

12 ~~"(27)~~ (32) TRUCK TRACTOR. Every motor vehicle
13 designed and used primarily for drawing other vehicles and not
14 so constructed as to carry a load other than a part of the
15 weight of the vehicles and load so drawn.

16 "(33) USED MOTOR VEHICLE DEALER. As defined in
17 Section 40-12-390.

18 ~~"(28)~~ (34) UTILITY TRAILER. A trailer primarily
19 designed to be drawn by a passenger car or pickup truck,
20 including luggage trailers, folding or collapsible camping
21 trailers, and other small trailers of similar size and
22 function, but shall not include boat trailers.

23 ~~"(29)~~ (35) VEHICLE. Every device in, upon, or by
24 which any person or property is or may be transported or drawn
25 upon a highway, excepting devices moved by muscular power or
26 used exclusively upon rails or tracks or electric personal
27 assistive mobility devices.

1 "(b) All references in this article to the judge of
2 probate or licensing official shall be deemed to include the
3 ~~commissioner of~~ revenue commissioner, license commissioner,
4 or other county official designated by law to register motor
5 vehicles, issue license plates, and perform other duties in
6 connection with motor vehicle licenses."

7 Section 2. Division 4 of Article 5 of Chapter 12 of
8 Title 40 is added to the Code of Alabama 1975, to read as
9 follows:

10 §40-12-305.

11 (a) (1) Notwithstanding the provisions of subsection
12 (a) of Section 32-6-65, no later than January 1, 2022, the
13 department shall develop, maintain, and make available a fleet
14 online registration and tax system, known as the FORT system,
15 which shall allow a fleet operator to do all of the following:

16 a. Remit for each fleet vehicle the ad valorem taxes
17 as required by Section 40-12-253, levied under Chapter 8 of
18 this title.

19 b. Remit license taxes and registration fees levied
20 under Chapter 12 of this title in a manner as prescribed by
21 the department by rule.

22 c. Facilitate the issuance of a license plate as
23 required by Chapter 6 of Title 32 and Chapter 12 of Title 40,
24 in conformance with Section 3 of the act adding this section
25 and rules adopted thereunder.

26 (2) The FORT system shall be available for motor
27 vehicle registration periods beginning on and after January 1,

1 2022, provided the fleet operator complies with this article
2 and any rules adopted under this article.

3 (b) No fleet operator shall be required to use the
4 FORT system for the payment and remittance of ad valorem tax,
5 vehicle license tax, or registration fees.

6 (c) (1) The initial registration of a fleet vehicle
7 through the FORT system shall be limited to business entities
8 that hold a valid Alabama-issued sales and use tax certificate
9 of exemption, a valid Alabama-issued sales tax direct pay
10 permit, or a valid Alabama rental tax license which subjects
11 motor vehicles purchased using the rental tax license to the
12 Alabama rental tax.

13 (2) The FORT system shall accommodate registration
14 renewals for fleet vehicles qualified for initial registration
15 under subdivision (1) and other fleet vehicles as prescribed
16 by the department.

17 (d) Except as otherwise prescribed by the
18 department, no transactions other than those authorized by
19 subdivision (c) (1) or (c) (2) shall be processed through the
20 FORT system, including credit vouchers as provided for in
21 Section 40-12-253.

22 (e) Subject to Section 41-1-60, credit cards or ACH
23 credit may be used for any payment made using the FORT system.

24 §40-12-306.

25 (a) (1) To ensure that local taxing jurisdictions and
26 taxpayers have meaningful input into the development and
27 operation of the FORT system, an advisory committee is

1 established to review the design and operation of the system
2 and to make recommendations regarding system requirements and
3 functionality to the Commissioner of Revenue.

4 (2) The committee shall consist of the following
5 individuals:

6 a. Two local officials, appointed by the Association
7 of Alabama Tax Administrators. One of the local officials
8 shall be a revenue commissioner who has responsibility for the
9 issuance of tags; one of the local officials shall be a
10 license commissioner.

11 b. One county commissioner, appointed by the
12 Associations of County Commissions of Alabama.

13 c. One judge of probate who has responsibility for
14 the issuance of tags, appointed by the Alabama Probate Judges
15 Association.

16 d. Two representatives of rental car organizations
17 who operate in the state, appointed by the American Car Rental
18 Association.

19 e. Two representatives of the fleet operator
20 community, other than rental car organizations. One
21 representative shall be appointed by the Speaker of the House
22 of Representatives; one representative shall be appointed by
23 the President Pro Tempore of the Senate.

24 f. One representative of the Alabama Department of
25 Revenue, appointed by the Commissioner of Revenue, who shall
26 serve as chair of the committee.

1 (b) Members of the advisory committee shall receive
2 no compensation or reimbursement of expenses from the state
3 for their service on the committee.

4 (c) The advisory committee shall hold its first
5 meeting no later than the first day of December 2019. The
6 Commissioner of Revenue shall set the date, time, and location
7 of the first meeting.

8 (d) The advisory committee shall present a report of
9 its findings to the Commissioner of Revenue no later than the
10 first day of December 2020. The advisory committee shall
11 continue in its advisory role until December 31, 2023, at
12 which time the advisory committee shall stand dissolved and
13 discharged of any further duties or responsibilities.

14 §40-12-307.

15 (a) On or before December 1, 2021, and December 1 of
16 each year thereafter, each county, municipality, or other
17 local taxing authority that levies an ad valorem tax shall
18 provide the department with the ad valorem tax rate needed to
19 calculate the applicable county, municipal, or local taxing
20 authority's millage rate. The ad valorem taxes collected for
21 each fleet vehicle registered through the FORT system shall be
22 calculated in accordance with the millage rates reported under
23 this subsection for each county, municipality, and local
24 taxing jurisdiction in which the fleet vehicle is based.

25 (b) The ad valorem taxes remitted to and collected
26 by the department for a fleet vehicle registered through the
27 FORT system shall be distributed to the local official

1 responsible for distributing ad valorem tax in the county in
2 which the vehicle is based. The local official shall then
3 distribute the ad valorem taxes as required by law to the
4 respective recipients.

5 §40-12-308.

6 (a) A motor vehicle registered through the FORT
7 system shall only be subject to the annual license taxes and
8 registration fees imposed by and levied under Chapter 6 of
9 Title 32 and Chapter 12 of this title and shall be issued a
10 license plate pursuant to Section 3 of the act adding this
11 section.

12 (b) (1) The transfer of a motor vehicle registration
13 and license plate shall be subject to the provisions of
14 Section 40-12-260 and rules adopted under that section.

15 (2) The replacement of a motor vehicle license plate
16 shall be subject to Section 40-12-265 and rules adopted under
17 that section.

18 (c) This division shall not be construed to
19 invalidate subsection (b) of Section 40-12-252.

20 §40-12-309.

21 The department may adopt rules for the
22 implementation of this division, including the development,
23 maintenance, and administration of the fleet online
24 registration and tax system, FORT system.

25 Section 3. (a) Notwithstanding Sections 32-6-64,
26 32-6-67, and 32-6-68, Code of Alabama 1975, upon the
27 remittance of the ad valorem taxes and license taxes and

1 registration fees as required in Section 2, a fleet operator,
2 as defined in Section 40-12-240, Code of Alabama 1975, shall
3 be issued a fleet license plate in the manner prescribed by
4 the department.

5 (b) A fleet license plate design issued pursuant to
6 this section shall be valid for five years. The month and year
7 of expiration shall be printed on the plate. Proof of current
8 year registration shall be maintained by the fleet operator in
9 the fleet vehicle and provided electronically by the fleet
10 operator to the operator of the fleet vehicle.

11 (c) Payment of required license fees and taxes for
12 the years during which a new plate is not issued shall be
13 evidenced in a manner prescribed by the department.

14 (d) The fleet license plate shall be designed by the
15 department.

16 (e) This section shall not be construed to
17 invalidate subsection (b) of Section 40-12-252, Code of
18 Alabama 1975.

19 Section 4. This act shall become effective
20 immediately following its passage and approval by the
21 Governor, or its otherwise becoming law.