

1 SB237  
2 156657-1  
3 By Senators Taylor and Ward  
4 RFD: Finance and Taxation General Fund  
5 First Read: 21-JAN-14

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8 SYNOPSIS: Under existing law, each person owning or  
9 operating, or both, a vehicle that uses liquefied  
10 natural gas is required to obtain an annual decal  
11 from the Liquefied Petroleum Gas Board which shall  
12 serve as an identification marker that the flat fee  
13 has been paid.

14 This bill would remove the requirement that  
15 each person owning or operating, or both, a vehicle  
16 that uses liquefied natural gas shall obtain an  
17 annual decal from the Liquefied Petroleum Gas Board  
18 which shall serve as an identification marker that  
19 the flat fee has been paid.

20 This bill would provide that the excise tax  
21 rate on liquefied natural gas sold for use in the  
22 operation of certain vehicles shall be the same as  
23 the amount prescribed for diesel fuel.

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25 A BILL  
26 TO BE ENTITLED  
27 AN ACT

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To amend Sections 40-17-160 and 40-17-161, Code of Alabama 1975, relating to an excise tax on liquefied petroleum gas and natural gas; to remove the requirement that each person owning or operating, or both, a vehicle that uses liquefied natural gas shall obtain an annual decal from the Liquefied Petroleum Gas Board which shall serve as an identification marker that the flat fee has been paid; and to further provide that the excise tax rate on liquefied natural gas sold for use in the operation of certain vehicles shall be the same as the amount prescribed for diesel fuel.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§40-17-160.

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

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

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

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

8 "Class 4. Tractor/trailer  
9 units.....  
10 .....\$175.00

11 "\$40-17-161.

12 "(a) Every person owning and/or operating such  
13 vehicles shall make application for and obtain an annual decal  
14 from the Liquefied Petroleum Gas Board which shall serve as an  
15 identification marker that said flat fee has been paid. Each  
16 decal issued by the Liquefied Petroleum Gas Board shall not  
17 exceed a cost of \$5. The decal shall be in such form and of  
18 such size as the Liquefied Petroleum Gas Board shall  
19 prescribe. Such decal shall be attached or affixed to the  
20 vehicle in the place and manner prescribed by the Liquefied  
21 Petroleum Gas Board. The first decals provided for in this  
22 chapter shall be issued October 1, 1980, for a term of six  
23 months and thereafter the term of the decals shall begin at  
24 April 1 of each year and expire on March 31 of the following  
25 year. If any passenger automobile or truck is acquired,  
26 liquefied petroleum gas ~~or natural gas~~ system installed or

1 vehicle put in operation after September 30 the fee shall be  
2 one-half the flat fee stated in Section 40-17-160, or after  
3 December 31, the fee shall be one-fourth of the flat fee  
4 stated in Section 40-17-160. Owners of all newly converted  
5 vehicles must apply for the required decal as provided for in  
6 Section 40-17-160 within 10 days of the completion date in  
7 which the liquefied petroleum or natural gas system was  
8 installed on the vehicle. Failure to submit an application  
9 within the 10-day period requires the payment of penalties as  
10 prescribed by Section 40-17-164.

11 (b) In order to easily identify vehicles using  
12 liquefied petroleum gas as a motor fuel to police, fire and  
13 rescue members, a decal reading "Powered by Liquefied  
14 Petroleum Gas" shall be prominently displayed on the rear of  
15 any vehicle using liquefied petroleum gas as a motor fuel. The  
16 decal colors shall be blue with a white background with the  
17 letters no smaller than one inch in size. Provided, however,  
18 that such decal shall not be required on liquefied petroleum  
19 gas bobtail delivery units.

20 "The board administrator and the board inspectors  
21 shall have the power and authority to issue a uniform traffic  
22 citation to any person violating the provisions of this  
23 section. For the purpose of enforcing this section, there  
24 shall be prima facie evidence that a connected, operational  
25 liquefied petroleum gas carburetion system, which is part of a  
26 dual or switchable gasoline-liquefied petroleum gas system,  
27 has been in use, if there is liquefied petroleum gas in the

1 liquefied petroleum gas tank. Any violation of the provisions  
2 of this section shall constitute a Class B misdemeanor as  
3 defined in Title 13A, and shall be punished as provided by  
4 law."

5 Section 2. The excise tax rate on liquefied natural  
6 gas sold for use in passenger automobiles, vans, and trucks  
7 and pickups under one ton; recreational vehicles and vans and  
8 trucks one ton or over but with a rear axle carrying capacity  
9 of less than 14,000 pounds; Class 3 Bobtail trucks and  
10 equivalent vehicles to be defined as any other vehicle having  
11 the capacity of carrying a loaded rear axle weight of 14,000  
12 pounds or more; or tractor/trailer units shall be the amount  
13 prescribed in Section 40-17-325 of the Code of Alabama 1975,  
14 for diesel fuel and shall be applied in a similar manner as  
15 the diesel fuel excise tax. The rate of taxation for liquefied  
16 natural gas shall be based on the energy equivalent of a  
17 gallon of diesel fuel. For sales of liquefied natural gas, a  
18 diesel gallon equivalent shall be based on the diesel gallon  
19 equivalent standard adopted by the National Conference of  
20 Weights and Measures. If the National Conference of Weights  
21 and Measures has not adopted a standard, then for purposes of  
22 this section, 6.06 pounds of liquefied natural gas shall be  
23 deemed to equal a diesel gallon equivalent until such standard  
24 is adopted.

25 Section 3. This act shall become effective on the  
26 first day of the third month following its passage and  
27 approval by the Governor, or its otherwise becoming law.

