

1 SB281
2 205196-1
3 By Senator Shelnutt
4 RFD: Governmental Affairs
5 First Read: 02-MAR-21

SYNOPSIS: Under existing law, gasoline and other motor fuel taxes levied by the state are restricted in use. Motor fuel taxes levied by municipalities and counties are not restricted in use.

This bill would require a municipal or county that levies a motor fuel tax to use the proceeds for road and bridge construction and maintenance with certain exceptions.

A BILL
TO BE ENTITLED
AN ACT

Relating to municipalities and counties; to require the proceeds from motor fuel taxes levied by municipalities and counties to be used for road and bridge construction and maintenance with certain exceptions.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) Except as provided in subsections (b) and (c), after the effective date of this act, all taxes on

1 motor fuels, as defined in Section 40-17-322, Code of Alabama
2 1975, whether called an excise tax, license tax, or otherwise,
3 levied by a municipality or county or by local law may be used
4 only for road and bridge construction and maintenance.

5 (b) If the revenue from a motor fuel tax subject to
6 subsection (a) is used on the effective date of this act for a
7 purpose other than road and bridge construction and
8 maintenance and is pledged to securitize or fund the payment
9 of any bonds or other debt obligation of the municipality or
10 county, the municipality or county may continue to use the
11 revenue for that purpose for up to five years and the
12 municipality or county shall pledge other revenue of the
13 municipality to fully pay the bonded indebtedness after the
14 five-year period. After the five-year period, the revenue from
15 the motor fuel tax may be used only for road and bridge
16 construction and maintenance or shall be repealed.

17 (c) After the effective date of this act, if any
18 portion of a motor fuel tax is used by a municipality or
19 county for a purpose other than road and bridge construction
20 and maintenance, any increase in the motor fuel tax proposed
21 by the municipality or county is not effective unless approved
22 by a referendum election of the municipality or county held
23 prior to the levy.

24 Section 2. All laws or parts of laws which conflict
25 with this act are repealed.

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