

1 SB309  
2 218606-3  
3 By Senator Stutts (Constitutional Amendment)  
4 RFD: Local Legislation  
5 First Read: 10-MAR-22

8 SYNOPSIS: Under existing general law, a severance tax  
9 is levied on material severed from the ground and  
10 sold as tangible personal property outside the  
11 county, but does not apply to minerals and certain  
12 other severed materials transported on public  
13 roads. Also under existing general law, at least 75  
14 percent of the revenues collected from the  
15 severance tax must be used by the county commission  
16 for construction, maintenance, and repair of the  
17 county's road system or for other stated purposes  
18 if provided by local law.

19 This bill would propose a local  
20 constitutional amendment relating to Colbert County  
21 to provide that the severance tax authorized by  
22 general law applies to all severed material removed  
23 from the county, regardless of the mode of  
24 transportation used, and to provide for the  
25 distribution of the proceeds.

27 A BILL

1 TO BE ENTITLED

2 AN ACT

3  
4 To propose a local constitutional amendment relating  
5 to Colbert County to provide further for the severance tax  
6 levied on severed material and the distribution of the  
7 revenues collected from the severance tax.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. The following amendment to the  
10 Constitution of Alabama of 1901, is proposed and shall become  
11 valid as a part of the Constitution when all requirements of  
12 this act are fulfilled:

13 PROPOSED AMENDMENT

14 (a) This amendment shall apply only to Colbert  
15 County.

16 (b) The severance tax authorized under Article 3 of  
17 Chapter 13 of Title 40, Code of Alabama 1975, shall be levied  
18 and taxed on all severed material severed in the county and  
19 sold as tangible personal property by the producer, regardless  
20 of the mode of transportation used to transport or deliver the  
21 severed material and regardless as to whether the severed  
22 material is sold for use out of the county. The tax shall be  
23 collected by the producer from the purchaser and the  
24 point-of-sale shall be at the location where the property is  
25 loaded for delivery whether delivered by the producer or by a  
26 common carrier or other third party.

1 (c) The rate of the tax shall be eight cents (\$0.08)  
2 per ton on severed material sold as tangible personal  
3 property.

4 (d) The tax shall be in lieu of the tax levied  
5 pursuant to Chapter 13 of Title 40, but in all other respects  
6 the provisions of Chapter 13 shall apply to the levy and  
7 collection of the tax except as expressly provided in this  
8 amendment.

9 (e) The net proceeds of the tax shall be distributed  
10 to the Colbert County Commission. The net proceeds shall be  
11 allocated and expended as provided in Chapter 13 of Title 40,  
12 unless otherwise provided by local law.

13 Upon ratification of this constitutional amendment  
14 and contingent upon the ratification of the Constitution of  
15 Alabama of 2022, the Code Commissioner shall number and place  
16 this amendment as appropriate in the constitution based upon a  
17 logical sequence and the particular subject or topic of the  
18 amendment. In this amendment, the Code Commissioner may change  
19 capitalization, spelling, and punctuation for the purpose of  
20 style and uniformity; correct manifest grammatical, clerical,  
21 and typographical errors; and correct incorrect  
22 cross-references. When publishing the Constitution of Alabama  
23 of 2022, as amended, the Code Commissioner may omit this  
24 instructional paragraph.

25 Section 2. An election upon the proposed amendment  
26 shall be held in accordance with Section 284.01 of the  
27 Constitution of Alabama of 1901, now appearing as Section

1 284.01 of the Official Recompilation of the Constitution of  
2 Alabama of 1901, as amended, and the election laws of this  
3 state.

4 Section 3. The appropriate election official shall  
5 assign a ballot number for the proposed constitutional  
6 amendment on the election ballot and shall set forth the  
7 following description of the substance or subject matter of  
8 the proposed constitutional amendment:

9 "Relating to Colbert County, proposing an amendment  
10 to the Constitution of Alabama of 1901, to provide that the  
11 severance tax authorized by general law on certain minerals  
12 and other materials severed from the ground shall apply to all  
13 severed materials at a reduced rate, and to provide for the  
14 distribution of the proceeds.

15 "Proposed by Act \_\_\_\_\_"

16 This description shall be followed by the following  
17 language:

18 "Yes ( ) No ( )."