

1 HB617
2 168687-1
3 By Representative Warren
4 RFD: Ways and Means General Fund
5 First Read: 05-MAY-15

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8 SYNOPSIS: Under existing law, a person who owns or
9 operates, or both, a motor vehicle that uses
10 natural gas does not have to obtain an annual decal
11 from the Liquefied Petroleum Gas Board or remit the
12 motor fuel excise tax prescribed in Article 3A of
13 Chapter 17 of Title 40, Code of Alabama 1975, until
14 October 1, 2016.

15 This bill would establish a uniform motor
16 fuel and enforcement system for the collection of
17 excise tax on compressed natural gas and liquefied
18 natural gas.

19 This bill would provide for civil and
20 criminal penalties for a violation.

21 Amendment 621 of the Constitution of Alabama
22 of 1901, now appearing as Section 111.05 of the
23 Official Recompilation of the Constitution of
24 Alabama of 1901, as amended, prohibits a general
25 law whose purpose or effect would be to require a
26 new or increased expenditure of local funds from
27 becoming effective with regard to a local

1 governmental entity without enactment by a 2/3 vote
2 unless: it comes within one of a number of
3 specified exceptions; it is approved by the
4 affected entity; or the Legislature appropriates
5 funds, or provides a local source of revenue, to
6 the entity for the purpose.

7 The purpose or effect of this bill would be
8 to require a new or increased expenditure of local
9 funds within the meaning of the amendment. However,
10 the bill does not require approval of a local
11 governmental entity or enactment by a 2/3 vote to
12 become effective because it comes within one of the
13 specified exceptions contained in the amendment.

14
15 A BILL
16 TO BE ENTITLED
17 AN ACT
18

19 To amend Section 40-17-160, and Sections 40-17-161
20 and 40-17-165, as amended by Act 2014-145 of the 2014 Regular
21 Session, and Section 40-17-167, as amended by Act 2014-408 of
22 the 2014 Regular Session, Code of Alabama 1975, relating to
23 the liquefied petroleum gas fuel tax; to establish an
24 efficient and uniform motor fuel and enforcement system for
25 the collection of excise tax on compressed natural gas and
26 liquefied natural gas; to add Article 3B, to Chapter 17 of
27 Title 40, commencing with Section 40-17-168 of the Code of

1 Alabama 1975, to establish an efficient, uniform motor fuel
2 tax collection and enforcement system for the collection of
3 the excise tax on compressed natural gas and liquefied natural
4 gas; to provide for civil and criminal penalties for a
5 violation; and in connection therewith would have as its
6 purpose or effect the requirement of a new or increased
7 expenditure of local funds within the meaning of Amendment 621
8 of the Constitution of Alabama of 1901, now appearing as
9 Section 111.05 of the Official Recompilation of the
10 Constitution of Alabama of 1901, as amended.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. Section 40-17-160, and Sections 40-17-161
13 and 40-17-165, as amended by Act 2014-145 of the 2014 Regular
14 Session, and Section 40-17-167, as amended by Act 2014-408 of
15 the 2014 Regular Session, Code of Alabama 1975, are amended to
16 read as follows:

17 "§40-17-160.

18 "In lieu of an excise tax on liquefied petroleum gas
19 ~~and natural gas~~ used to propel motor vehicles over the
20 highways of this state, there is hereby levied an annual flat
21 fee on the following classes of vehicles which require a motor
22 vehicle license using liquefied petroleum gas ~~or natural gas~~
23 as fuel. For all other purposes other than the excise tax, the
24 terms "liquefied petroleum gas" ~~and "natural gas"~~ shall be
25 included with the term gasoline as defined in Section ~~40-17-30~~
26 40-17-322:

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

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

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

10 "Class 4. Tractor/trailer
11 units.....
12\$175.00

13 "\$40-17-161.

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

1 in operation after September 30 the fee shall be one-half the
2 flat fee stated in Section 40-17-160, or after December 31,
3 the fee shall be one-fourth of the flat fee stated in Section
4 40-17-160. Owners of all newly converted vehicles must apply
5 for the required decal as provided for in Section 40-17-160
6 within 10 days of the completion date in which the liquefied
7 petroleum or natural gas system was installed on the vehicle.
8 Failure to submit an application within the 10-day period
9 requires the payment of penalties as prescribed by Section
10 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 "(c) The board administrator and the board
21 inspectors shall have the power and authority to issue a
22 uniform nontraffic citation to any person violating the
23 provisions of this section. For the purpose of enforcing this
24 section, there shall be prima facie evidence that a connected,
25 operational liquefied petroleum gas carburetion system, which
26 is part of a dual or switchable gasoline-liquefied petroleum
27 gas system, has been in use, if there is liquefied petroleum

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

5 "§40-17-165.

6 "If an out-of-state vehicle comes to a propane ~~or~~
7 ~~natural gas~~ dealer or supplier in the State of Alabama to
8 purchase fuel, the dealer must collect in lieu of any fees
9 levied by this chapter an amount equal to the current Alabama
10 motor fuel tax in effect as prescribed by Section
11 40-17-325(a)(2), and remit these funds to the Alabama LP-Gas
12 Board before the 20th of the following month after the date of
13 the sale. Decals for out-of-state vehicles can be purchased
14 with decal fees and issuance fees to be paid as prescribed by
15 Sections 40-17-160 and 40-17-161.

16 "§40-17-167.

17 "(a) The Legislature of Alabama makes the following
18 findings and statements:

19 "(1) The reduction of the dependence on foreign oil
20 is necessary to reserve and protect our national security.

21 "(2) Reliable and affordable energy is of great
22 importance to all sectors of Alabama's economy.

23 "(3) Long-term sustainability of energy supply and
24 efficient and effective distribution of energy is becoming
25 increasingly important to Alabama's population growth and
26 economic expansion.

1 "(4) The future energy needs of the state also
2 present opportunities to diversify the state's energy supply
3 and provide new opportunities for Alabama-based clean energy
4 technologies.

5 "(5) The use of existing technology and development
6 of new technologies including compressed and liquefied natural
7 gas should be encouraged as a way of producing energy with
8 reduced emissions.

9 "(b) The Legislature recognizes that it is in the
10 best interest of its citizens to remove existing barriers to
11 implementing natural gas distribution for motor vehicles until
12 such time as a comprehensive approach is established for
13 regulating and taxing natural gas for motor vehicles. This
14 includes temporarily eliminating the decals and associated
15 fees that are currently required of owners or operators of
16 motor vehicles using compressed and liquefied natural gas, as
17 well as temporarily suspending any motor fuel excise taxes due
18 on compressed or liquefied natural gas used as fuel for
19 vehicles.

20 "(c) (1) The requirement to obtain a decal from the
21 Liquefied Petroleum Gas Board, as well as the requirement to
22 collect the motor fuel tax as prescribed in this article, are
23 hereby suspended from April 9, 2014, until October 1, 2016.

24 "~~(2) In the event that no comprehensive approach for~~
25 ~~regulating and taxing natural gas used as fuel for motor~~
26 ~~vehicles has been established by October 1, 2016, beginning on~~
27 ~~that date each 5.66 pounds of Beginning October 1, 2017,~~

1 compressed natural gas ~~that is taxable as motor fuel shall be~~
2 ~~taxed as one gallon of gasoline, and each 6.06 pounds of or~~
3 liquefied natural gas that is taxable as motor fuel shall be
4 taxed as one gallon of diesel fuel as provided in Article 3B,
5 Chapter 17, Title 40. ~~Provided, however, that if the National~~
6 ~~Conference for Weights and Measures establishes standards for~~
7 ~~converting compressed natural gas to a gallon of gasoline and~~
8 ~~for converting liquefied natural gas to a gallon of diesel~~
9 ~~fuel, such standard conversions shall be used.~~

10 "~~(3) Compressed natural gas and liquefied natural~~
11 ~~gas may be sold in gallon equivalents as established in~~
12 ~~subdivision (2) until October 1, 2016. In the event that no~~
13 ~~comprehensive approach for regulating and taxing natural gas~~
14 ~~used as fuel for motor vehicles has been established at that~~
15 ~~time, compressed natural gas and liquefied natural gas shall~~
16 ~~be sold in gallon equivalents as established in subdivision~~
17 ~~(2).~~

18 "~~(4)~~(3) This section shall not apply to the
19 remainder of this article."

20 Section 2. A new Article 3B, commencing with Section
21 40-17-168, is added to Chapter 17 of Title 40 of the Code of
22 Alabama 1975, as follows:

23 §40-17-168.

24 The Legislature declares that the intent of this
25 article is to establish an efficient, uniform motor fuel tax
26 collection and enforcement system, for the collection of the

1 excise tax on compressed natural gas and liquefied natural
2 gas.

3 §40-17-169.

4 For purposes of this article, the following terms
5 shall have the following meanings:

6 (1) COMMISSIONER. The Commissioner of the Department
7 of Revenue.

8 (2) COMPRESSED NATURAL GAS (CNG). Natural gas under
9 pressure which remains clear and non-corrosive. Compressed
10 natural gas is typically stored in a tank at a pressure of
11 3000 to 3600 psi.

12 (3) DEPARTMENT. The Department of Revenue.

13 (4) DIESEL GALLON EQUIVALENT (DGE) or
14 DIESEL-EQUIVALENT GALLON (DEG). The amount of alternative fuel
15 it takes to equal the energy content of one liquid gallon of
16 diesel fuel. DGE allows consumers to compare the energy
17 content of competing fuels against a commonly known
18 fuel-diesel fuel. The DGE is 6.06 pounds of liquefied natural
19 gas for one gallon of diesel fuel or 6.38 pounds of compressed
20 natural gas for one gallon of diesel fuel unless the National
21 Conference for Weights and Measures establishes standards for
22 converting liquefied natural gas or compressed natural gas to
23 a gallon of diesel fuel at which time such standard conversion
24 shall be used.

25 (5) FLEET PRODUCER. Any person, entity, or business
26 producing CNG or LNG for use in vehicles that are owned and
27 operated as a unit.

1 (6) GASOLINE GALLON EQUIVALENT (GGE) or
2 GASOLINE-EQUIVALENT GALLON (GEG). The amount of alternative
3 fuel it takes to equal the energy content of one liquid gallon
4 of gasoline. GGE allows consumers to compare the energy
5 content of competing fuels against a commonly known
6 fuel-gasoline. The GGE is 5.66 pounds of compressed natural
7 gas for one gallon of gasoline unless the National Conference
8 for Weights and Measures establishes standards for converting
9 compressed natural gas to a gallon of gasoline at which time
10 such standard conversion shall be used.

11 (7) LIQUEFIED NATURAL GAS (LNG). Natural gas in a
12 liquid form that is clear, colorless, non-corrosive, and
13 non-toxic. Liquefied natural gas is produced when natural gas
14 is cooled to minus 259 degrees Fahrenheit through a process
15 known as liquefaction. During this process, the natural gas,
16 which is primarily methane, is cooled below its boiling point,
17 whereby certain concentrations of hydrocarbons, water, carbon
18 dioxide, oxygen, and some sulfur compounds are either reduced
19 or removed.

20 (8) NATURAL GAS. A fossil fuel comprised mostly of
21 methane and is one of the cleanest burning alternative fuels.
22 It can be used in the form of compressed natural gas (CNG) or
23 liquefied natural gas (LNG) to fuel a vehicle.

24 (9) PERSONAL PRODUCER OF CNG. Any individual
25 producing and using CNG as a fuel in a personal vehicle.

26 (10) PUBLIC SELLER OF CNG/LNG. Any person operating
27 a service station or other retail outlet engaged in the

1 selling of CNG or LNG to the ultimate consumer for use in a
2 vehicle.

3 §40-17-170.

4 (a) There is hereby levied an excise tax on
5 compressed natural gas (CNG) and liquefied natural gas (LNG)
6 of an amount equal to the current Alabama motor fuel tax in
7 effect as prescribed by Section 40-17-325 (a) (2) per gasoline
8 gallon equivalent (GGE) or diesel gallon equivalent (DGE) on
9 compressed natural gas or per diesel gallon equivalent (DGE)
10 on liquefied natural gas as follows:

11 (1) Every public seller shall collect and pay over
12 to the department an excise tax of an amount equal to the
13 current Alabama motor fuel tax in effect as prescribed by
14 Section 40-17-325 (a) (2) per GGE or DGE on compressed natural
15 gas or per DGE on liquefied natural gas upon the sale of the
16 compressed natural gas or liquefied natural gas for use in a
17 vehicle.

18 (2) Fleet producers of compressed natural gas or
19 liquefied natural gas shall remit to the department an excise
20 tax of an amount equal to the current Alabama motor fuel tax
21 in effect as prescribed by Section 40-17-325(a) (2) per GGE or
22 DGE on compressed natural gas or per DGE on liquefied natural
23 gas withdrawn for use in a vehicle.

24 (b) Each personal producer of compressed natural gas
25 shall submit an application fee for an account number to the
26 department within 10 days from the completed date of
27 installation of a system to compress natural gas. Failure to

1 submit an application within the 10-day period may subject the
2 personal producer to a penalty of five hundred dollars (\$500).
3 There is hereby levied an annual application and renewal fee
4 of two hundred dollars (\$200) per vehicle for all personal
5 producers of compressed natural gas in lieu of the excise tax
6 levied in subsection (a). The annual application fee shall be
7 one hundred dollars (\$100) per vehicle for any individual who
8 becomes a personal producer of compressed natural gas for use
9 in a personal vehicle after June 30 of each calendar year.
10 The annual application or renewal fee shall be due January 20
11 of each calendar year beginning with January 1, 2018, and each
12 calendar year thereafter. The personal producer shall include
13 the vehicle identification number of each vehicle that is
14 powered by compressed natural gas on the annual application.
15 The annual fee shall not apply to a fleet producer. A bond may
16 not be required for a personal producer of compressed natural
17 gas who files the annual application or renewal fee. A refund
18 may not be granted to the personal producer if the vehicle is
19 sold during the calendar year. The personal producer shall
20 notify the department if he or she ceases to be a personal
21 producer of compressed natural gas for use in a vehicle.

22 §40-17-170.1.

23 Each application for a license under this article
24 shall be made upon a form prescribed by the commissioner and
25 furnished by the department.

26 §40-17-170.2.

1 (a) Each person engaged in business in this state as
2 a public seller of CNG/LNG or a fleet producer of CNG/LNG
3 shall first obtain a public seller of CNG/LNG or a fleet
4 producer of CNG/LNG license. The application fee for a public
5 seller of CNG/LNG or a fleet producer of CNG/LNG license is
6 fifty dollars (\$50). Only one license is necessary for
7 multiple locations; however, the public seller of CNG/LNG or a
8 fleet producer of CNG/LNG shall remit a twenty-five dollar
9 (\$25) registration fee for each additional location in
10 existence or upon establishing or acquiring a new location.

11 (b) All fees collected under this section, except
12 those refunded, and the personal producer annual application
13 or renewal fees shall be paid into the State Treasury and
14 distributed in accordance with Section 40-17-361(a).

15 §40-17-170.3.

16 (a) Upon approval of the application by the
17 department, the applicant shall file with the department a
18 surety bond which for an applicant for a license as a public
19 seller of CNG/LNG or a fleet producer of CNG/LNG shall be a
20 minimum of twenty-five thousand dollars (\$25,000) or in the
21 approximate amount of twice the average monthly tax liability,
22 whichever is greater.

23 (b) The department shall review the bond amounts
24 every five years beginning January 2022 to ensure that each
25 public seller of CNG/LNG and fleet producer of CNG/LNG has
26 posted a surety bond sufficient to cover twice the average
27 monthly tax liability as referenced in subsection (a). Based

1 upon this review or at any time that the department determines
2 that the bond amount is insufficient to cover twice the
3 average monthly tax liability, the commissioner may require an
4 additional surety bond from any licensee if:

5 (1) The commissioner determines that the surety on
6 an existing bond is unsatisfactory.

7 (2) A surety notifies the department that it intends
8 to cancel a bond as provided in subsection (d).

9 (3) The commissioner, after reviewing the payments
10 history of the licensee, determines that the existing bond of
11 the licensee is insufficient in an amount to insure the prompt
12 payment of all excise taxes that are due or may become due the
13 state by the licensee upon the sale or withdrawal of motor
14 fuel. However, in no case shall a new or additional bond be
15 more than two months of average excise tax owed by the
16 licensee.

17 (c) The department shall notify a licensee at his or
18 her last known address by first class U.S. mail or, at the
19 option of the department, certified mail, return receipt
20 requested, that it is requiring a new or additional bond for
21 any reason as provided above, and the licensee, within 30 days
22 from the date the notice is mailed by the department, shall
23 either:

24 (1) File the new or additional bond as requested by
25 the department.

26 (2) File a notice of appeal with the Alabama Tax
27 Tribunal as allowed in Chapter 2A of this title. The

1 department may immediately cancel the licensee's license upon
2 the expiration of the 30-day period set out above if the
3 licensee fails to either provide the new or additional bond
4 requested by the department or timely appeal to the Alabama
5 Tax Tribunal.

6 (d) Any surety on an existing bond furnished by a
7 licensee may notify the department in writing of its intent to
8 cancel the bond. The department shall immediately notify the
9 licensee of the intent of the surety to cancel and the
10 licensee shall have 30 days from the date the notice is mailed
11 by the department to provide a sufficient replacement bond as
12 requested by the department. The department may immediately
13 cancel the licensee's license upon expiration of the 30-day
14 period set out above if the licensee fails to either provide a
15 new replacement bond as requested by the department or appeal
16 the proposed revocation to the Alabama Tax Tribunal within the
17 30 days as allowed by Chapter 2A of this title. The surety
18 requesting to be released shall remain liable for any
19 liability already accrued or which shall accrue during the
20 30-day period set out above, but shall not be responsible for
21 any liability which accrues after the 30-day period.

22 (e) A surety providing a bond must be authorized to
23 engage in business within this state. The surety bonds are
24 conditioned upon faithful compliance with the provisions of
25 this article, including the filing of returns and the payment
26 of all tax prescribed herein. The surety bonds shall be
27 approved by the commissioner as to sufficiency and form, and

1 shall indemnify the state against any loss arising from the
2 failure of the licensee to pay, for any cause, the motor fuel
3 excise tax levied by this article.

4 (f) The personal producer of CNG may not required to
5 post a bond.

6 §40-17-170.4.

7 (a) The department may refuse to issue a license
8 under this article if the applicant, one of the officers,
9 limited liability company, or member of the limited liability
10 company has done any of the following:

11 (1) Had a compressed natural gas or liquefied
12 natural gas license or registration issued by this state or
13 another state canceled for cause.

14 (2) Been convicted of any offense involving fraud or
15 misrepresentation.

16 (3) Been convicted of any other offense that
17 indicates that the applicant may not comply with this article
18 if issued a license.

19 (b) The department may also refuse to issue a
20 license if the applicant is in arrears to the state for any
21 taxes or for other good cause shown.

22 (c) Any refusal by the department under this section
23 to issue a license may be appealed to the Alabama Tax Tribunal
24 under the provisions of Chapter 2A of this title.

25 §40-17-170.5.

26 Upon approval of the required bond, the department
27 shall issue the license to the applicant. The license is not

1 transferable and remains in effect until surrendered or
2 canceled.

3 §40-17-170.6.

4 (a) A licensee who discontinues in its entirety the
5 business for which a license was authorized by this article
6 shall notify the department in writing at least 10 days prior
7 to the time the discontinuance, sale, or transfer takes
8 effect, and shall surrender the license to the department. The
9 notice shall state the effective date of the discontinuance
10 and, if the licensee has transferred the business or otherwise
11 relinquished control to another person by sale or other means,
12 the date of the sale or transfer and the name and address of
13 the person to whom the business is transferred or
14 relinquished. The notice shall also include any other
15 information required by the department.

16 (b) All taxes for which the licensee is liable under
17 this article but are not yet payable shall be due on the date
18 of the discontinuance. If the licensee has transferred the
19 business to another person and does not give the notice
20 required herein, the person to whom the business was
21 transferred is jointly and severally liable for the amount of
22 any tax owed by the licensee to this state on the date the
23 business was transferred. The liability of the person to whom
24 the business was transferred may not exceed the value of the
25 property and business acquired from the licensee.

26 §40-17-170.7.

1 (a) In accordance with the provisions of Chapter 2A
2 of this title, the department may cancel any license required
3 under this article, upon written notice sent to the licensee's
4 last known address, as it appears in the department's files,
5 for any of the following reasons:

6 (1) Filing by the licensee of a false report of the
7 data or information required by this article.

8 (2) Failure, refusal, or neglect of the licensee to
9 file a report or to provide any information required by this
10 article.

11 (3) Failure of the licensee to pay the full amount
12 of all excise taxes due or to pay any penalties or interest
13 due.

14 (4) Failure of the licensee to keep accurate records
15 of the quantities of compressed natural gas or liquefied
16 natural gas produced, sold, or used in Alabama.

17 (5) Failure to file a new or additional surety bond
18 upon request of the department pursuant to this article.

19 (6) Conviction of the licensee or a principal of the
20 licensee for any act prohibited under this article.

21 (7) Failure, refusal, or neglect of a licensee to
22 comply with any other provision of this article or any rule
23 promulgated pursuant to this article.

24 (8) Having a compressed natural gas or liquefied
25 natural gas license or registration issued by another state
26 canceled for cause.

1 (9) For any change in the ownership or control of
2 the business.

3 (b) The license can be canceled upon the written
4 request of the licensee.

5 §40-17-170.8.

6 (a) The licensed public seller of compressed natural
7 gas or liquefied natural gas or the licensed fleet producers
8 of compressed natural gas or liquefied natural gas may deduct
9 the number of gallons of compressed natural gas or liquefied
10 natural gas sold or disbursed to the following entities
11 provided that the exempt entity has a valid exempt entity
12 license issued in accordance with Section 40-17-332(j);
13 however, an exempt entity license may not be required of the
14 following:

15 (1) The United States government or any agency
16 thereof.

17 (2) Any county governing body of this state.

18 (3) Any incorporated municipal governing body of
19 this state.

20 (4) City and county boards of education of this
21 state.

22 (5) The Alabama Institute for Deaf and Blind, the
23 Department of Youth Services school district, and private and
24 church school systems as defined in Section 16-28-1, and which
25 offer essentially the same curriculum as offered in grades
26 K-12 in the public schools of this state.

1 (b) The exempt entity is not entitled to apply for a
2 refund for any excise tax paid to the licensed public seller
3 or licensed fleet producer. The licensed public seller or
4 licensed fleet producer must take the deduction for all
5 gallons of compressed natural gas or liquefied natural gas
6 sold to the licensed exempt entity on the monthly tax return.
7 The licensed exempt entity must provide the licensed public
8 seller or licensed fleet producer with his or her exempt
9 entity number prior to the purchase.

10 §40-17-170.9.

11 (a) Each licensed public seller or licensed fleet
12 producer shall file the monthly return required herein, in a
13 format prescribed by the commissioner, on or before the 20th
14 day of each calendar month for the preceding month.

15 (b) The tax levied by this article shall be paid to
16 the department by each taxpayer on or before the 20th day of
17 each calendar month for the preceding month and shall be
18 accompanied by any required returns. The department may
19 require all or certain taxpayers to file tax returns and
20 payments electronically.

21 (c) If the returns or payments are not timely
22 submitted, the taxpayer will be subject to penalties in
23 accordance with Chapter 2A of this title and interest in
24 accordance with Chapter 1 of this title.

25 §40-17-170.10.

26 (a) Each return required to be filed under this
27 article shall be on forms and by means prescribed by the

1 commissioner and furnished by the department and shall contain
2 any information the department considers necessary for the
3 enforcement of this article.

4 (b) The report shall contain all of the following
5 information:

6 (1) A total of all monthly disbursements of
7 compressed natural gas or liquefied natural gas, or both, made
8 by the public seller or fleet producer for use in a motor
9 vehicle for each retail station.

10 (2) A total of all monthly disbursements of
11 compressed natural gas or liquefied natural gas, or both, to
12 licensed exempt entities.

13 (3) The name and exempt entity license number of any
14 exempt agency electing to be licensed under Section 40-17-332.

15 (c) The department may require the reporting of
16 other information it considers reasonably necessary to the
17 enforcement of this article.

18 (d) If the public seller or fleet producer has
19 multiple locations, the public seller or fleet producer should
20 file one monthly return for all locations in Alabama.

21 §40-17-170.11.

22 All tax payments due to this state that are received
23 by a licensed public seller or a licensed fleet producer shall
24 be held by the licensed public seller or licensed fleet
25 producer as trustee in trust for this state, and the licensed
26 public seller or licensed fleet producer has a fiduciary duty
27 to remit to the department the amount of tax received. A

1 licensed public seller or licensed fleet producer is liable
2 for the taxes paid to it or that accrued at the time of the
3 sale.

4 §40-17-170.12.

5 Each person required to be licensed under this
6 article shall keep and maintain records of all purchases of
7 natural gas, all sales or disbursement records, and other
8 pertinent records and papers required by the department for
9 the reasonable administration of this article, for a period of
10 no less than three years.

11 §40-17-170.13.

12 (a) The proceeds of the thirteen cents (\$.13) excise
13 tax collected for compressed natural gas and liquefied natural
14 gas imposed by this article, when collected, shall be applied
15 in the same manner as Section 40-17-361(a).

16 (b) Revenues received or collected from the
17 additional six cents (\$.06) excise tax collected for
18 compressed natural gas and liquefied natural gas by the
19 department upon the selling, use or consumption, distributing,
20 storing, or withdrawing from storage in this state of diesel
21 fuel remaining after the payment of the expense of
22 administration and enforcement of this section shall be
23 distributed in the same manner as Section 40-17-361(b).

24 §40-17-170.14.

25 (a) It is the intent of the Legislature that the
26 proceeds of the tax collected on the additional six cents
27 (\$.06) excise tax collected for compressed natural gas and

1 liquefied natural gas under the provisions of this article
2 shall be used in the same manner as Section 40-17-362(b).

3 (b) For the purposes of this section, the words and
4 phrases in Section 40-17-362(b) shall have the same meanings
5 as defined in Section 40-17-362(a).

6 §40-17-170.15.

7 (a) Each person who engages in any business activity
8 for which a license is required by this article without having
9 first obtained and subsequently retained a valid license shall
10 be subject to the following civil penalties:

11 (1) Ten thousand dollars (\$10,000) for the first
12 violation.

13 (2) For each subsequent violation, the amount is to
14 be multiplied by the sum of the current violation plus prior
15 violations.

16 (b) Civil penalties prescribed under this section
17 shall be assessed, collected, and paid in the same manner as
18 the compressed natural gas or liquefied natural gas tax.

19 §40-17-170.16.

20 (a) Any person who willfully does any of the
21 following is guilty of a misdemeanor and upon conviction
22 thereof shall be fined not less than five thousand dollars
23 (\$5,000) nor more than twenty-five thousand dollars (\$25,000),
24 or imprisoned for not more than one year, or both:

25 (1) Fails to obtain a license as required by this
26 article prior to engaging in an activity for which a license
27 is required.

1 (2) Fails to pay to this state no more than 30 days
2 after the date the tax is due the tax levied by this article.

3 (3) Makes a false statement on an application,
4 return, ticket, invoice, statement, or any other document
5 required under this article.

6 (4) Fails to file no more than 30 days after it is
7 due any return required by this article.

8 (5) Fails to maintain any record required by this
9 article.

10 (6) Makes a false statement in an application for a
11 refund.

12 (7) Fails to make required disclosure of the correct
13 amount of compressed natural gas or liquefied natural gas sold
14 or used in this state.

15 (8) Dispenses into the supply tank of a motor
16 vehicle any compressed natural gas or liquefied natural gas on
17 which tax levied by this article has not been paid.

18 (b) Any person who willfully does any of the
19 following with the intent to either evade or circumvent the
20 tax levied by this article or assists any other person in
21 efforts to evade or circumvent the tax shall be guilty of a
22 felony and upon conviction thereof shall be fined not less
23 than twenty-five thousand dollars (\$25,000) nor more than
24 fifty thousand dollars (\$50,000), or imprisoned in a state
25 correctional facility for not less than one nor more than five
26 years, or both fined and imprisoned:

1 (1) Fails to pay compressed natural gas or liquefied
2 natural gas taxes and diverts the tax proceeds for other
3 purposes.

4 (2) As a licensee or the agent or representative of
5 a licensee, converts or attempts to convert compressed natural
6 gas or liquefied natural gas tax proceeds for the use of the
7 licensee or the licensee's agent or representative, with the
8 intent to defraud this state.

9 (3) Collects compressed natural gas or liquefied
10 natural gas taxes when not authorized or licensed by the
11 department to do so.

12 (4) Conspires with any other person or persons to
13 engage in an act, plan, or scheme to defraud this state of
14 compressed natural gas or liquefied natural gas tax proceeds.

15 (5) Fails to remit to the department any tax levied
16 pursuant to this article if the person has added, or
17 represented that he or she has added, the tax to the sales
18 price for the compressed natural gas or liquefied natural gas
19 and has collected the amount of the tax.

20 (c) Each offense under this section is subject to a
21 separate criminal penalty.

22 §40-17-170.17.

23 There is appropriated from the General Fund to the
24 Department of Revenue, for the fiscal year ending September
25 30, 2016, two hundred fifty thousand dollars (\$250,000), to
26 offset its costs to implement and administer this article.
27 Every year thereafter as a first charge against the revenues

1 collected under the provisions of this article, an amount of
2 revenue shall be appropriated to the Department of Revenue to
3 offset its costs in the administration of this article.

4 §40-17-170.18.

5 Sections 1 and 2 of Act 2014-408 of the 2014 Regular
6 Session, now appearing as Section 40-17-167, suspended the
7 requirement to obtain a decal from the Liquefied Petroleum Gas
8 Board as well as the requirement to collect the motor fuel tax
9 as prescribed in Article 3A of Chapter 17 of this title
10 relating to motor vehicles using compressed and liquefied
11 natural gas as fuel until October 1, 2016. The passage of the
12 act adding this section shall extend the time allotted to
13 establish a uniform enforcement system for the collection of
14 the excise tax on compressed natural gas and liquefied natural
15 gas until October 1, 2017.

16 §40-17-170.19.

17 The commissioner may promulgate rules necessary to
18 effectuate the reporting, collection, administration, and
19 enforcement of the taxes imposed under this article. The
20 commissioner shall prescribe the forms or format for reporting
21 the information required herein.

22 Section 3. Although this bill would have as its
23 purpose or effect the requirement of a new or increased
24 expenditure of local funds, the bill is excluded from further
25 requirements and application under Amendment 621, now
26 appearing as Section 111.05 of the Official Recompilation of
27 the Constitution of Alabama of 1901, as amended, because the

1 bill defines a new crime or amends the definition of an
2 existing crime.

3 Section 4. The provisions of this act are severable.
4 If any part of this act is declared invalid or
5 unconstitutional, that declaration shall not affect the part
6 which remains.

7 Section 5. All laws or parts of laws which conflict
8 with this act are repealed.

9 Section 6. In Section 2 of this act, the section
10 referencing the administrative fee shall become effective on
11 October 1, 2016, following its passage and approval by the
12 Governor, or its otherwise becoming law. All other parts of
13 this act shall become effective on October 1, 2017, following
14 its passage and approval by the Governor, or upon its
15 otherwise becoming law.