

1 SB143  
2 197975-1  
3 By Senators Roberts and Price  
4 RFD: Governmental Affairs  
5 First Read: 19-MAR-19

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

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

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

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.