

Transmittal Sheet For Notice Of Intended Action

Control: 810 Department or Agency: Revenue
Rule Nos: 810-5-1-.443
Rule Title: Business Operating License for Motor Bus Passenger Carrier Vehicles

New; Amended; Repealed; Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that result from the absence of the proposed rule? N/A

Are all the facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule relate to or effect any matter of litigation which the agency is a party to concerning the subject matter of the purposed rule? No

Does the proposed rule have any economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency .

Signature of certifying officer
Date 11/18/2020



REC'D & FILED

NOV 18 2020

LEGISLATIVE SVC AGENCY

**ALABAMA DEPARTMENT OF REVENUE
Motor Vehicle**

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-5-1-.443

Business Operating License for Motor Bus Passenger Carrier Vehicles

INTENDED ACTION

New

**SUBSTANCE OF
PROPOSED ACTION:**

In compliance with the Red Tape Reduction Act, 2013-88, the original rule 810-4-1-.07 is being repealed from the Property Tax administrative rule section and moved to the Motor Vehicle administrative rule section as new rule 810-5-1-.443. Additionally, the new rule is being updated to clarify language concerning the licensing and proper collection of the fee for the issuance of a Special Common Carrier of Passengers Business Operating License in lieu of property tax for motor carrier bus vehicles, and to update language on the procedure for local licensing officials to enter information into the registration computer system.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be conducted at **01:30 PM on Tuesday, January 05, 2021** via web-conference. To participate in the upcoming web-conference public hearing please contact the Tax Policy and Governmental Affairs Division at Taxpolicy@revenue.alabama.gov or 334-242-1380 to obtain the appropriate sign-in information for a specific public hearing date. Copies of the rule(s) can be obtained at <http://www.revenue.alabama.gov/tax-policy/>.

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time following publication of the notice up until the conclusion of the hearing. Interested parties may also may present their views during the web-conference.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Tuesday, January 05, 2021

CONTACT PERSON AT AGENCY:

Meagan Barrett

Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380



Kelley Askew Gillikin, Secretary
Alabama Department of Revenue

810-5-1-.443 Business Operating License for Motor Bus Passenger Carrier Vehicles (**NEW RULE**)

(1) A motor bus passenger carrier vehicle is a vehicle with the seating capacities described in §40-12-246, Code of Ala. 1975, which is operated by a common carrier of passengers that is regulated by the Public Service Commission and whose owner or operator has acquired a certificate of public convenience and necessity from the Public Service Commission pursuant to Chapter 3 of Title 37, Code of Ala. 1975.

(2) Exemption from Property Tax. Pursuant to Section 40-12-246.1, Code of Ala. 1975, a motor bus passenger carrier vehicle is exempt from the payment of state and local property tax if the following conditions are met by the common carrier of passengers:

(a) Is both based in and has a principal operating facility located within Alabama.

(b) Is authorized to operate in this State by the Public Service Commission pursuant to Chapter 3, Title 37, Code of Ala. 1975.

(c) Has obtained an annual Special Common Carrier of Passengers Business Operating License in paragraph (3).

(3) Requirement and Issuance of the Special Common Carrier of Passengers Business Operating License.

(a) A Special Common Carrier of Passengers Business Operating License must be obtained annually by the common carrier of passengers and is a prerequisite to the registration of each motor bus passenger carrier vehicle.

(b) To obtain the business operating license the common carrier of passengers must submit the following to the local license issuing official:

1. The operating authorization number issued by the Public Service Commission.

2. A signed affidavit certifying the common carrier of passengers is both based in and has a principal operating facility located within Alabama

3. Payment of the fee, as applicable, in paragraphs (5) and (6).

4. Other evidence the local license issuing official may require to substantiate that licensing requirements are met.

(c) The license and affidavit will be designed by the department and will be contained on one form. The license expiration period is staggered in accordance with the International Registration Plan (IRP) registration renewal month. No

registration should be completed without sufficient evidence that the Special Common Carrier of Passengers Business Operating License has been obtained.

(5) Standard Business Operating License Fee. The business operating license fee is the combination of:

(a) \$620 for each motor bus passenger carrier vehicle that is less than 10 years old.

(b) \$100 for each motor bus passenger carrier vehicle that is 10 years old or older.

(6) Business Operating License Fee for Alabama Registered IRP Carriers. The business operating license fee must be apportioned when calculating the fee due on Alabama registered IRP Special Motor Bus Passenger Carriers,. The apportioned amount for Alabama registered IRP Special Motor Bus Passenger Carriers is determined by using the fleet mileage traveled inside the State of Alabama as a percentage of total fleet mileage. The owner is responsible for providing documentation from the department's Motor Vehicle Division as proof of mileage traveled.

(8) Proration of the Business Operating License Fee. The license fee to be paid for any motor bus passenger carrier, including IRP registrations, either new or used, that may be acquired or first brought into and operated on the public streets or highways of this state shall be computed by the multiplication of one twelfth of the annual license fee by the number of calendar months remaining in the license year.

(10) In the event a motor bus passenger carrier vehicle is traded, sold, removed from Alabama, stolen without recovery, totally destroyed, or transferred no credit voucher or receipt for credit can be granted.

(9) The county licensing official must distribute the fee pursuant § 40-12-246.1, Code of Ala. 1975.

(11) Zeros should be placed in the ad valorem start date field of the registration record as reflected in the state database or as uploaded to the department.

Author: David Baxley

Authority: §§40-2A-7(a)(5), 40-12-246, 40-12-246.1, Chapter 3 of Title 37, Code of Ala. 1975.

History: **New:** Filed November 18, 2020; effective

Ed. Note: Was previously 810-4-1-.07 and moved to 810-5-1-.443 as per certification.