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3 SENATE F&TG COMMITTEE SUBSTITUTE FOR SB237  
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8 SYNOPSIS: Under existing law, each person owning or  
9 operating, or both, a motor vehicle that uses  
10 natural gas is required to obtain an annual decal  
11 from the Liquefied Petroleum Gas Board which shall  
12 serve as an identification marker that the flat fee  
13 has been paid.

14 This bill would suspend the requirement that  
15 each person owning or operating, or both, a motor  
16 vehicle that uses natural gas shall obtain an  
17 annual decal from the Liquefied Petroleum Gas Board  
18 which shall serve as an identification marker that  
19 the flat fee has been paid. The suspension shall  
20 end October 1, 2016.  
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22 A BILL  
23 TO BE ENTITLED  
24 AN ACT  
25

26 To suspend the requirement that each person owning  
27 or operating, or both, a motor vehicle that uses natural gas

1 shall obtain an annual decal from the Liquefied Petroleum Gas  
2 Board which shall serve as an identification marker that the  
3 flat fee has been paid, and to provide that the suspension  
4 shall end on October 1, 2016.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. (a) The Legislature of Alabama makes the  
7 following findings and statements:

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

10 (2) Reliable and affordable energy is of great  
11 importance to all sectors of Alabama's economy.

12 (3) Long-term sustainability of energy supply and  
13 efficient and effective distribution of energy is becoming  
14 increasingly important to Alabama's population growth and  
15 economic expansion.

16 (4) The future energy needs of the state also  
17 present opportunities to diversify the state's energy supply  
18 and provide new opportunities for Alabama-based clean energy  
19 technologies.

20 (5) The use of existing technology and development  
21 of new technologies including compressed and liquefied natural  
22 gas should be encouraged as a way of producing energy with  
23 reduced emissions.

24 (b) The Legislature recognizes that it is in the  
25 best interest of its citizens to remove existing barriers to  
26 implementing natural gas distribution for motor vehicles until  
27 such time as a comprehensive approach is established for

1 regulating and taxing natural gas for motor vehicles. This  
2 includes temporarily eliminating the decals and associated  
3 fees that are currently required of owners or operators of  
4 motor vehicles using compressed and liquefied natural gas, as  
5 well as temporarily suspending any motor fuel excise taxes due  
6 on compressed or liquefied natural gas used as fuel for  
7 vehicles.

8 Section 2. (a) The requirement to obtain a decal  
9 from the Liquefied Petroleum Gas Board, as well as the  
10 requirement to collect the motor fuel tax as prescribed in  
11 Article 3A of Chapter 17 of Title 40, relating to motor  
12 vehicles using compressed and liquefied natural gas as fuel,  
13 are hereby suspended from the effective date of this act until  
14 October 1, 2016.

15 (b) In the event that no comprehensive approach for  
16 regulating and taxing natural gas used as fuel for motor  
17 vehicles has been established by October 1, 2016, beginning on  
18 that date each 5.66 pounds of compressed natural gas that is  
19 taxable as motor fuel shall be taxed as one gallon of  
20 gasoline, and each 6.06 pounds of liquefied natural gas that  
21 is taxable as motor fuel shall be taxed as one gallon of  
22 diesel fuel. Provided, however, that if the National  
23 Conference for Weights and Measures establishes standards for  
24 converting compressed natural gas to a gallon of gasoline and  
25 for converting liquefied natural gas to a gallon of diesel  
26 fuel, such standard conversions shall be used.

1                   (c) Compressed natural gas and liquefied natural gas  
2 may be sold in gallon equivalents as established in subsection  
3 (b) until October 1, 2016. In the event that no comprehensive  
4 approach for regulating and taxing natural gas used as fuel  
5 for motor vehicles has been established at that time,  
6 compressed natural gas and liquefied natural gas shall be sold  
7 in gallon equivalents as established in subsection (b).

8                   (d) This act shall not apply to remainder of Article  
9 3A of Chapter 17 of Title 40.

10                   Section 3. This act shall become effective  
11 immediately following its passage and approval by the  
12 Governor, or its otherwise becoming law.