

# REBUILD ALABAMA ACT

## REVENUE MEASURES

### Incremental Fuel Tax Increase

- State gasoline and diesel tax will be increased by **6 cents per gallon** on October 1, 2019, **2 cents per gallon** on October 1, 2020, and **2 cents per gallon** on October 1, 2021.
  - Once fully implemented, the total 10 cent per gallon gas tax increase will **only cost the average driver \$4.58 a month (A cup of coffee)**.
- The new revenues raised through these increases in the gas and diesel tax will be distributed as follows:
  - 66.67% to the State of Alabama, 25% to the Counties, and 8.33% to the Municipalities.

### Indexing

- Alabama's fuel tax will be indexed to the National Highway Construction Cost Index (NHCCI) which is issued by the Federal Highway Administration. The index feature will be implemented as follows:
  - Index will begin on June 1, 2023 and **only every other year after that** (2025, 2027, 2029, etc.).
  - Indexing factor: the annual percentage change in the NHCCI.
  - Regardless of growth in NHCCI, the gas tax **cannot increase more than 1 cent per gallon at a time**.

### Electric Vehicle Fees

- Electric vehicles (EVs) will now pay an annual registration fee. **Battery electric vehicles (BEVs) will pay \$200, and plug-in hybrid vehicles (PHEVs) will pay \$100.**
- Revenue collected for EVs will be distributed through the Rebuild Alabama Fund for use in **the construction and maintenance of a modern-day public road and highway system**.
- The State will dedicate 25% of the collected EV funds to support an **EV infrastructure grant program** that will provide funding to municipalities, counties, universities, and other public institutions to pay for a portion of the costs of developing EV charging station infrastructure.

## ACCOUNTABILITY AND OVERSIGHT

### Restrictions on New Revenue

- ALDOT, Counties, and Municipalities **cannot use the new revenue for**:
  - **Salaries or other compensation** that are not direct project costs, purchase or maintenance of equipment, or **building structures or buildings** that are not installed as part of a road or bridge project.
- ALDOT, Counties, and Municipalities can only use the new revenue for:
  - **Maintenance or construction of roads and bridges, match funds for federal road or bridge projects**, or the payment of any debt, subject to certain limits in the Act, associated with road or bridge projects.
- ALDOT's proceeds flow to the **Rebuild Alabama Fund** that will be audited annually and ALDOT will annually report to the **Joint Transportation Committee itemized specific projects**.
- County/municipality proceeds shall be audited and reported by the Examiners of Public Accounts.

## PORT FUNDING

### Funding for Alabama State Docks

- Up to \$10,200,000 annually will be distributed for the purpose to finance the improvement of the ship channel providing access to the facilities of the Alabama State Docks.
  - Such funds to service bond indebtedness **not to exceed \$150,000,000**. Funds will terminate at the earlier of June 1, 2035 or when the debt is retired.
  - Funds will finance **25 percent of the improvement project** of the Alabama State Docks and **federal funds will finance the majority 75 percent portion**.