



2018 Legislative Report- Week 4

House Passes Tax Incentives for Economic Development Projects

The House unanimously approved a bill on Tuesday that allows county commissions to abate “rollback” ad valorem taxes for certain economic development projects. This proposal is related to the Toyota-Mazda deal, which will result in the construction of a \$1.6 billion plant in Huntsville. The new plant is expected to bring approximately 4,000 jobs and \$5.2 billion in payroll taxes over the next 20 years.

“Jobs Enhancement Act” Gains Committee Approval

HB 317 by Rep. Ken Johnson, which creates additional accountability, transparency, and clarification in the State’s economic development statutes received a favorable report from the House Economic Development Committee on Wednesday. The bill is supported by the State Department of Commerce and local economic developers. One important aspect of the bill clarifies that local and statewide economic developers are not deemed to be lobbyists simply because they are pursuing economic development incentives for a project. The bill does not affect current law that prevents elected officials from representing a client before a state or local agency. The bill also states that anyone who attempts to influence legislation before the Legislature must continue to register as a lobbyist. Economic developers believe that this legislation is essential to maintaining Alabama’s competitive advantage in the competition for economic development projects.

Statewide Regulations for Ride-Sharing Companies Pass House; Back to Senate

Last week, the Senate unanimously approved a bill that would take regulation of transportation network companies (TNCs) statewide. Tuesday, the House also approved a TNC regulation bill by a vote of 97-3. However, the House version of the bill was modified in several ways and therefore must return to the Senate for concurrence. The House version of the bill clarifies background check procedures, prohibits on-street hailing, and requires TNCs to display car and driver information in the apps used to order the ride. Municipalities would be able to opt out and block TNCs within their city limits if they so choose, and an amendment adding specific references to non-discrimination laws was also added. The Senate and the House must agree on identical versions of the bill before it can be sent to the governor’s desk.

Senate Passes Rural Broadband Bill

The Senate passed SB 149 by Senator Clay Scofield on Thursday. The Alabama Rural Broadband Act, which passed 29-0, would provide a 10 percent investment tax credit and sales and use tax exemptions to companies that build qualified broadband telecommunications network facilities in underserved areas of the state. All incentives would expire in five years, unless renewed by the Legislature.

House Passes Day Care Bill

The House approved a bill Thursday that would require some previously exempt day cares to begin registering with the state Department of Human Resources (DHR) and conforming to minimum licensing and safety standards. Under current law, day cares affiliated with churches and other religious groups may apply for licensing exemptions and, aside from health and fire department regulations, are not otherwise subject to oversight or inspection by DHR. The proposed bill, which passed the House by a vote of 86-5, would mandate that some for-profit religious day cares and those that receive federal or state dollars adhere to DHR's minimum staff qualifications, criminal background check, training, insurance, and staff-to-child ratio requirements, as well as minimum facility and equipment safety standards. If the bill becomes law, such facilities would also be subject to health inspections and would be required to obtain a DHR license.

Senate Votes to Strengthen Fentanyl Penalties

The Senate voted unanimously Tuesday to increase the penalties for the distribution and trafficking of fentanyl. The proposed legislation would effectively make such penalties similar to those for heroin. Someone caught with one-half of a gram to one gram of fentanyl would be charged with possession with intent to distribute, which is a Class B felony punishable from two to 20 years in prison. The bill would also impose mandatory minimum sentences for larger amounts:

- More than one gram: three years in prison
- Two or more grams: 10 years
- Four grams or more: 25 years
- Eight grams or more: life, with the possibility of parole

House Committee Approves Church Defense Bill

The House Judiciary Committee reported favorably an extension of the state's "Stand Your Ground" law to specifically apply to churches. HB 34 states that a person is presumed justified in the use of physical force, including deadly force, in self-defense or in the defense of another person on the premises of a church under certain conditions. The proposed bill will now head to the House floor for consideration.

No Action on State Education Restructuring Bill

The Senate Committee on Education and Youth Affairs did not vote on a bill that would drastically alter the oversight structure of education in Alabama. The proposed bill would create a cabinet-level position in the governor's office that would oversee the state's education system and replace the state Board of Education with a counsel of advisors selected by the new director of education. The legislation would effectively abolish the state Department of Education. Another bill currently being floated would add two non-voting positions to the Board made up of two students from the Boys and Girls Club of Alabama and two teachers who received the Teacher of the Year award.

Legislative Tracking Report

AL - HB97 Transportation network companies, Public Service Commission permit required to operate, minimum requirements imposed

Primary Sponsor: [Representative David Faulkner \(R\)](#)

AL - HB173 Ad valorem taxes, co. commission authorized to reduce for projects under Ala. Jobs Act, Sec. 40-7-25.4 added

Primary Sponsor: [Representative Danny Crawford \(R\)](#)

AL - HB190 Transportation network companies, Public Service Commission permit required to operate, minimum requirements imposed

Primary Sponsor: [Representative David Faulkner \(R\)](#)

Amendments:

[190833-1](#)

AL - HB317 Economic Development, notification and confidentiality provisions revised for certain economic incentives, State Industrial Development Authority, bonds for industrial development and site preparation, auth., Alabama Jobs Enhancement Act, Secs. 41-29-501 to 41-29-507, inclusive, added; Sec. 41-29-3 am'd.

Primary Sponsor: [Representative Ken Johnson \(R\)](#)

AL - SB65 Transportation network companies, Public Service Commission permit required to operate, minimum requirements imposed

Primary Sponsor: [Senator Bobby D. Singleton \(D\)](#)

AL - SB98 Ad valorem taxes, co. commission authorized to reduce for projects under Ala. Jobs Act, Sec. 40-7-25.4 added

Primary Sponsor: [Senator Arthur Orr \(R\)](#)

AL - SB143 Transportation network companies, Public Service Commission permit required to operate, minimum requirements imposed

Primary Sponsor: [Senator Bobby D. Singleton \(D\)](#)

AL - SB187 Tax credits, exemptions, deductions, enacted in 2019 Reg. Sess., or thereafter, expiration within seven years from effective date, const. amend.

Primary Sponsor: [Senator Bill Hightower \(R\)](#)

Scheduled Hearing:

[Fiscal Responsibility and Economic Development \(Senate\)](#)

Date: February 7, 2018

Time: 1:00pm (CST)

Location: Room 727