

Alabama Legislative Report
January 21, 2022

ARPA

Governor Ivey put the 2022 regular legislative session on hold Tuesday afternoon by calling a special session to prioritize the allocation of federal COVID relief funds received from the American Rescue Plan Act (“ARPA”). Legislators are working to determine how best to invest about \$772 million of Alabama’s approximately \$1.1 billion initial installment (\$580 million from the first tranche and \$192 million from a separate Capital Projects Fund).

Both the House and Senate General Fund budget committees approved identical bills on Thursday, positioning the legislation for likely floor votes on Tuesday. HB1/SB1 would significantly invest in broadband, water and sewer infrastructure, and healthcare. Highlights include:

ARPA Coronavirus State Fiscal Recovery Fund

- \$225 million for water and sewer infrastructure
 - Administered through ADEM
- \$80 million for hospitals/nursing homes/healthcare
- \$51 million for broadband
- \$79.5 million for the Unemployment Compensation Trust Fund
 - To avoid automatic tax increase for businesses when Trust Fund runs out

ARPA Capital Projects Fund

- \$191.8 million for broadband

ARPA Revenue Replacement Fund

- \$36.8 million for public health/mental health/rehab services
- \$34 million for broadband
- \$30 million for rural hospitals
- \$20 million for emergency response providers
- \$11 million for reimbursements to county jails for housing state inmates
- \$5 million for telemedicine

The legislation would also establish a 14-member Joint Legislative Oversight Committee on American Rescue Plan Act State Funds with the power to hold hearings.

While the legislation passed the committees with bipartisan support, any influx of stimulus funds tends to increase the potential for floor debate as lawmakers jockey for position to advocate for the interests of their constituents. Based on our conversations with Legislative Leadership, we don’t expect any substantive changes to the bill.

SB 0083 | Tim Melson

[Airports, Alabama Airport Economic and Infrastructure Program, established](#)

Jan 13, 2022 - Read for the first time and referred to the Senate committee on Fiscal Responsibility and Economic Development

House Committee:

Senate Committee: Fiscal Responsibility and Economic Development

HB 0082 | Danny Garrett

[Small Business Relief and Revitalization Act of 2022, cancellation of indebtedness income exempt from income tax, financial institution excise tax and corporate income tax due date extension, certain business tangible personal property ad valorem tax exemption, deposit of certified funds with Revenue in lieu of one-time surety bond for licensure, average monthly sales tax liability for estimated payments increased, Secs. 40-16-3.1, 40-18-39.1 added; Secs. 40-9-1, 40-23-6, 40-23-6.1, 40-23-7 am'd.](#)

Jan 11, 2022 - Read for the first time and referred to the House of Representatives committee on Ways and Means Education

House Committee: Ways and Means Education

Senate Committee:

SB 0057 | Arthur Orr

[Taxation, tax credit, authorized for the cost of acquisition and construction of a qualified storm shelter](#)

Jan 11, 2022 - Read for the first time and referred to the Senate committee on Finance and Taxation Education

House Committee:

Senate Committee: Finance and Taxation Education