

Alabama Legislative Report
February 25, 2022

ARPA Tax Relief

Governor Ivey signed legislation this week that changes the state tax code to ensure Alabama taxpayers do not pay higher state income taxes due to certain credits received under the American Rescue Plan Act (“ARPA”). The new law would align the state code with the ARPA federal child, earned income, and child and dependent care tax credits to reduce the amount due on state returns.

Budgets

Both the General Fund and Education Trust Fund are expected to use recent surpluses to pay significant outstanding obligations and to fund reserve savings accounts. According to the Legislative Services Agency, repayment efforts include:

- Most of the \$450 million borrowed to stabilize the General Fund in FY13-15
- \$30 million to the Corrections Institution Finance Authority to pay debt service on bonds for new prisons approved last year, if needed. If not needed for prison bonds, it would go toward eliminating trust fund debt
- \$24.7 million to the General Fund reserve account created in 2020, which would put the account at its \$100 million cap
- \$111.1 million to fully fund the Education Trust Fund’s rolling reserve account created in 2011 to stop mid-year budget cuts
- \$177.3 million to pay off the remaining owed on the Prepaid Affordable College Tuition program. Otherwise, annual payments would be needed until FY27
- \$200 million to pay off bond debt as it becomes due

The Senate overwhelmingly approved a \$2.7 billion General Fund budget Thursday that includes a 4% pay raise for state employees and a \$17 million increase for the Department of Mental Health. That budget now moves to the House for consideration.

Concealed Carry

The House passed a bill Tuesday that would eliminate the requirement that gun owners obtain a permit to carry a concealed handgun. While permits would still be available for carrying in other states, HB 272 would allow for concealed carry of handguns on the body, in a purse, or in a vehicle without a permit. The bill was modified to clarify that private property owners would retain their right to restrict firearms on private property. The bill now moves to the Senate for consideration.

Transgender Medical Treatment

The Senate passed a bill Wednesday that would prohibit “the performance of a medical procedure or the prescription or issuance of medication, upon or to a minor child, that is intended to alter the appearance of the minor child's gender or delay puberty, with certain exceptions” and establish felony criminal penalties for so doing. SB 5 would also provide for the disclosure of certain information concerning students to parents by schools. The bill now moves to the House for consideration.

School Bathrooms

The House passed a bill Tuesday night after two hours of debate that would “require public K-12 schools to designate the use of rooms where students may be in various stages of undress upon the basis of biological sex.” HB 322, which passed the House by a 74-24 vote, would “require every multiple occupancy restroom or changing area designated for student use to be used by individuals based on their biological sex” and would include but not be limited to school restrooms, locker rooms, changing rooms, or shower rooms. The bill now moves to the Senate for consideration.

Literacy Act

Both chambers approved legislation this week related to the Alabama Literacy Act. The Senate passed SB 200 Tuesday, which would delay the third-grade holdback requirement of the 2019 law until 2024. The next day, the House unanimously passed HB 220, as amended, that would clarify that:

- Special needs students who have an individual education plan and don’t take the state’s standardized test are exempt from the retention
- English language learners have three years after enrollment before the retention applies to them
- No child will be retained in third grade more than once

HB 220 originally included a one-year delay to the holdback requirement, but the delay language was dropped altogether in favor of the two-year delay language in SB 200. Both bills now move to the second chamber for consideration.

Kindergarten

The House passed a bill Wednesday that would require children to successfully complete kindergarten or take a test to demonstrate entry readiness before being admitted to first grade. HB 331 now moves to the Senate for consideration.

Retiree Bonuses

The Senate passed legislation Tuesday that would provide a one-time bonus to retired teachers and employees based on years of service. Bonuses under SB 30 and SB 111 would be set at \$2 per month for each year worked, and neither bill includes minimum or maximum amounts. Municipalities are not required to provide similar bonuses; in the event they do, however, the localities would have to pay the full cost. Both bills now move to the House for consideration.

Rioting

The House passed an anti-rioting bill Tuesday that would define a “riot” as “the assemblage of five or more persons engaging in conduct which creates an immediate danger of and/or results in damage to property or injury to persons.” HB 2, the Anti-Aggravated Riot Act, would also prescribe a “minimum term of imprisonment of 30 days without consideration of probation, parole, good time credits, or any other reduction in time” if convicted of rioting or inciting to riot, and anyone arrested for rioting could be held for up to 24 hours without bail. The bill now moves to the Senate for consideration.

HB 0408 | Neil Rafferty

[Economic Development incentives, Revenue Dept required to submit a Unified Economic Development Budget](#)

Feb 24, 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:

HB 0298 | Randall Shedd

[Broadband, revising broadband accessibility grant program, increasing minimum threshold speed, expanding program to governmental entities, revising grant application process, Sec. 41-23-211, 41-23-212, 41-23-213, 41-23-214 am'd.](#)

Feb 08, 2022 - Read for the first time and referred to the House of Representatives committee on Urban and Rural Development

House Committee: Urban and Rural Development

Senate Committee:

HB 0241 | Terri Collins

[Workforce Development, Alabama Credential Quality and Transparency Act and the Alabama Workforce Council Committee on Credential Quality and Transparency, would establish the Alabama Terminal on Linking and Analyzing Statistics \(ATLAS\) on Career Pathways Act, and would establish the Alabama College and Career Readiness Act estab, public database on educational and occupational credentials and competencies created, workforce database for students, job seekers, and employers re credentials and competencies created](#)

Feb 15, 2022 - Read for the first time and referred to the Senate committee on Governmental Affairs

House Committee:

Senate Committee: Governmental Affairs

HB 0207 | Kyle South

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

Feb 02, 2022 - Read for the first time and referred to the House of Representatives committee on Ways and Means General Fund

House Committee: Ways and Means General Fund

Senate Committee:

SB 0125 | Clay Scofield

[Broadband, authorizing the state, county, or a municipality to grant certain monies for broadband infrastructure, const. amend.](#)

Feb 23, 2022 - Pending third reading on day 15 Favorable from Urban and Rural Development

House Committee: Urban and Rural Development

Senate Committee:

SB 0124 | Clay Scofield

[Broadband, revising broadband accessibility grant program, increasing minimum threshold speed, expanding program to governmental entities, revising grant application process, Sec. 41-23-211, 41-23-212, 41-23-213, 41-23-214 am'd.](#)

Feb 23, 2022 - Urban and Rural Development first Amendment Offered

House Committee:

Senate Committee: Fiscal Responsibility and Economic Development

SB 0123 | Clay Scofield

[Broadband, Connect Alabama Act o 2021 amended, minumum service threshold increased, Alabama Digital Expansion Division chief authorized to enter nondisclosure agreements, Connect Alabama Fund expenditure amended, Secs. 41-23-271, 41-23-273, 41-23-274 am'd.](#)

Feb 23, 2022 - Pending third reading on day 15 Favorable from Urban and Rural Development

House Committee: Urban and Rural Development

Senate Committee:

SB 0083 | Tim Melson

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

Feb 23, 2022 - Ways and Means General Fund first Amendment Offered

House Committee: Ways and Means General Fund

Senate Committee:

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.](#)

Feb 22, 2022 - Delivered to Governor at 3:19 p.m. on February 22, 2022.

House Committee:

Senate Committee: Finance and Taxation Education

HB 0021 | Scott Stadthagen

[Critical infrastructure, provides further for crime of unauthorized entry of a critical infrastructure, including unmanned aircraft systems, provides additional penalties, Sec. 13A-7-4.3 am'd.](#)

Feb 10, 2022 - Stadthagen motion to Indefinitely Postpone adopted Voice Vote

House Committee: Public Safety and Homeland Security

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

SB 0017 | Garlan Gudger

[Critical infrastructure, provides further for crime of unauthorized entry of a critical infrastructure, including unmanned aircraft systems, provides additional penalties, Sec. 13A-7-4.3 am'd.](#)

Feb 15, 2022 - Assigned Act No. 2022-34.

House Committee: Public Safety and Homeland Security

Senate Committee: