

Alabama Legislative Report

April 28, 2023

General Fund Budget Passes House

The House passed the State General Fund budget this week, along with its companion bills, sending the largest General Fund budget in state history to the Senate for consideration. The \$3.024 billion budget marks a substantial about face for a budget that was often pinching pennies since the Great Recession. High tax receipts coupled with unprecedented federal funding has allowed the legislature to invest significantly in chronically strapped agencies such as the Alabama Medicaid Agency (\$70 million increase) and the Department of Corrections (\$60 million increase). The budget also provides a 2% cost of living wage increase for state employees. Alabama's Department of Environmental Management's ("ADEM") budget nearly doubled, from \$12.3 million to \$24.4 million in part due to the State having to provide matching funds for clean water and infrastructure grant programs provided by federal law.

Grocery Tax Cut and Education Budget Next Up

Generally, both chambers will be working on supplemental and regular budgets in the coming weeks. The Senate has not yet acted on the Education Trust Fund budget as leadership has continued to discuss the possibility of tax rebates, tax cuts, and other proposals to spend the unprecedented budget surplus. One proposal that seems to be gaining traction is SB257 by Senator Andrew Jones. The bill proposes to cut the State's 4% tax on groceries by 0.5% a year beginning this fall and then every fall thereafter until the new sales tax rate reaches 2%. The bill provides that the annual tax reduction will only be implemented if sales tax receipts grow by 2% or more a year. The bill, when fully implemented, would save grocery shoppers approximately \$304 million per year and use the SNAP definition of food, which includes most products in a grocery store except for hot foods, alcohol, tobacco, pet food, and cleaning supplies. As written, the bill does not propose to replace the lost revenue with a new source.

School Choice Bills

The PRICE Act, filed by Senator Larry Stutts, had a public hearing conducted this week in the Senate Education Policy Committee where supporters and critics debated the bill. The legislation establishes education savings accounts that would provide just under \$7,000 for parents to spend on behalf of their child for educational related expenses, including home school, private school, virtual school, and tutoring. No vote was taken as Education Policy Committee Chair, Senator

Donnie Chesteen, moved for the bill to be re-referred to the Senate Finance and Taxation Budget Committee.

Rep. Terri Collins' bill to update Alabama's charter school law also failed to make it out of the House Education Policy Committee this week due to absent members. She vowed to make corrections to the bill prior to bringing it back for consideration next week. The bill would clarify funding language for conversion charter schools, which are public schools currently in operation that convert to a charter, remove the State School Board's ability to appoint members to the Alabama Public Charter School Commission, and make other technical changes. Governor Ivey indicated her support for the charter school bill along with strengthening the Alabama Accountability Act in previous months, including in her State of the State address. Legislation to improve and expand the Alabama Accountability Act was filed yesterday by Senator Chesteen. His bill proposes to increase the tax credit cap available to taxpayers who receive a dollar-for-dollar credit against their income tax (up to 100%) from \$30 million to \$40 million. The bill would also raise the cap up to \$60 million over time if the cap is met, among other things.

ESG Bill Filed

Senator Dan Roberts filed a bill (SB261) related to ESG (environmental, social, and governance) yesterday. ESG is a framework that is used to assess the business practices and performance of an organization on sustainability and social issues. SB261 would prohibit governmental entities from entering into any public contract for goods or services with companies that engage in economic boycotts of certain businesses and industries, including natural resources and firearms. Critics allege that ESG scoring is being used to harm fossil fuel and energy companies, gun makers, mining and timber ventures, and other similar companies. The bill requires companies to provide written verification prior to executing a contract with the state that it does not engage in economic boycotts or do business with those engaged in economic boycotts. As written, the legislation is very broad, which has many concerned about the unintended consequences of the proposal. The bill is scheduled to be in committee next week.

The Legislature will reconvene on Tuesday.

EDAA

Bill	Sponsors	Title	Last Action	Latest Version
AL 2023rs HB 378	Chip Brown	Relating to environmental protection; to amend Sections 22-30E-2, 22-30E-3, 22-30E-4, 22-30E-5, 22-30E-9, and 35-19-4, Code of Alabama 1975, to provide potentially responsible parties with limitations of liability with respect to a brownfield site; to create the Brownfield Remediation Reserve Fund; to add Sections 22-30E-14, 22-30E-15, and 22-30E-16 to the Code of Alabama 1975, to provide for the creation of brownfield redevelopment districts; and to make nonsubstantive, technical revisions to update the existing code language to current style (Economic Development and Tourism)	House • Apr 25, 2023: Introduced and Referred (Economic Development and Tourism)	Introduced
AL 2023rs HB 241	Danny Garrett	Relating to the Alabama Jobs Act and the Growing Alabama Act; to amend Sections 40-18-370, 40-18-372, 40-18-374, 40-18-375, 40-18-376, 40-18-376.1, 40-18-376.2, 40-18-376.3, 40-18-376.4, 40-18-377, 40-18-378, 40-18-382, 40-18-383, 40-	House • Apr 20, 2023: Enrolled	Enrolled

		<p>18-417.1, 40-18-417.2, 40-18-417.3, 40-18-417.4, 40-18-417.7, and 40-9B-4.1, Code of Alabama 1975, to extend the Alabama Jobs Act sunset date to July 31, 2028; to increase the annualized cap on outstanding Alabama Jobs Act incentives by twenty-five million dollars each year for five years up to four hundred seventy-five million dollars; to increase the investment tax credit transfer time to provide that the first five years of the investment credit may be transferred by the incentivized company and applied by another person or company under the Alabama Jobs Act; to extend the Growing Alabama Act sunset date to July 31, 2028, to increase the annual cap on funding approved pursuant to the Growing Alabama Act to thirty-five million dollars; to remove certain programs from the Growing Alabama Act for the transfer to Innovate Alabama.</p>		
<p>AL 2023rs HB 247</p>	<p>Anthony Daniels</p>	<p>Relating to economic development; to amend Sections 41-10-802 and 41-10-822, Code of Alabama 1975, to</p>	<p>House • Apr 20, 2023: Enrolled</p>	<p>Enrolled</p>

		<p>provide for a name change for the Alabama Innovation Corporation and revise the residency requirements for certain grant recipients; to amend Section 41-10-805, Code of Alabama 1975, relating to the Board of Directors of the Alabama Innovation Corporation, to make conforming changes to accurately cite the Code of Alabama 1975; and to add a new Article 22, commencing with Section 41-10-840, to Chapter 10 of Title 41, Code of Alabama 1975, to reestablish the technology accelerator tax credit program and the underrepresented company tax credit program as the Innovating Alabama tax credit program; and to exempt working groups, task forces, and subcommittees of the Alabama Innovation Corporation from the Alabama Open Meetings Act.</p>		
<p>AL 2023rs SB 165</p>	<p>Arthur Orr</p>	<p>Relating to economic development; to add Article 2D, commencing with Section 41-10-47.01, to Chapter 10 of Title 41, Code of Alabama 1975; to authorize the State Industrial Development</p>	<p>Senate • Apr 20, 2023: Enrolled</p>	<p>Enrolled</p>

		<p>Authority to make site assessment grants and site development grants to certain companies; to provide for the criteria that must be met for grant approval; to provide for changes to criteria based on economic conditions; to limit the funding that may be received by any site under the grant program; to create the Alabama Site Development Fund and provide for its management; to amend Section 41-10-27.2, Code of Alabama 1975, providing for an annual appropriation to the State Industrial Development Authority, to authorize the appropriation to be expended on the grant program created herein; and to exempt the State Industrial Development Authority and certain economic development organizations from certain state laws.</p>		
<p>AL 2023rs SB 151</p>	<p>Garlan Gudger</p>	<p>Relating to economic development; to add Section 40-18-379.1 to the Code of Alabama 1975, to require the Department of Commerce to publish certain information regarding economic development incentives</p>	<p>Senate • Apr 20, 2023: Enrolled</p>	<p>Enrolled</p>

		awarded under the Alabama Jobs Act.		
AL 2023rs HB 240	Cynthia Almond	Relating to economic development; to add Section 40-18-379.1 to the Code of Alabama 1975, to require the Department of Commerce to publish certain information regarding economic development incentives awarded under the Alabama Jobs Act.	Senate • Apr 19, 2023: Read Second Time in Second House	Introduced
AL 2023rs HB 257	Danny Garrett	Relating to economic development; to add Article 2D, commencing with Section 41-10-47.01, to Chapter 10 of Title 41, Code of Alabama 1975; to authorize the State Industrial Development Authority to make site assessment grants and site development grants to certain companies; to provide for the criteria that must be met for grant approval; to provide for changes to criteria based on economic conditions; to limit the funding that may be received by any site under the grant program; to create the Alabama Site Development Fund and provide for its management; to amend Section 41-10-27.2, Code of Alabama 1975,	Senate • Apr 19, 2023: Read Second Time in Second House	Engrossed

		<p>providing for an annual appropriation to the State Industrial Development Authority, to authorize the appropriation to be expended on the grant program created herein; and to exempt the State Industrial Development Authority and certain economic development organizations from certain state laws.</p>		
<p>AL 2023rs HB 291</p>	<p>Donna Givens</p>	<p>Relating to use of industrial access roads and bridges; to amend Section 23-6-9, Code of Alabama 1975, to exclude certain industrial access roads constructed by certain public corporations from the public highway and street system of the state; and to make nonsubstantive, technical revisions to update the existing code language to current style.</p>	<p>House • Apr 19, 2023: Read Second Time in House of Origin</p>	<p>Introduced</p>
<p>AL 2023rs HB 259</p>	<p>Margie Wilcox</p>	<p>Relating to tax abatements; to specify that the method of determining fair market value of real or personal property by a tax abatement recipient appealing an ad valorem tax assessment in circuit court shall be the same method used by the county granting</p>	<p>House • Apr 12, 2023: Carry Over (State Government)</p>	<p>Introduced</p>

		<p>the tax abatement; and to exclude consideration of obsolescence in determining fair market valuation of real or personal property for the duration of an abatement. (State Government)</p>		
<p>AL 2023rs SB 152</p>	<p>Bobby D. Singleton</p>	<p>Relating to economic development; to amend Sections 41-10-802 and 41-10-822, Code of Alabama 1975, to provide for a name change for the Alabama Innovation Corporation and revise the residency requirements for certain grant recipients; to amend Section 41-10-805, Code of Alabama 1975, relating to the Board of Directors of the Alabama Innovation Corporation, to make conforming changes to accurately cite the Code of Alabama 1975; and to add a new Article 22, commencing with Section 41-10-840, to Chapter 10 of Title 41, Code of Alabama 1975, to reestablish the technology accelerator tax credit program and the underrepresented company tax credit program as the Innovating Alabama tax credit program; and to exempt working groups, task forces, and</p>	<p>Senate • Apr 04, 2023: Introduced and Referred (Finance and Taxation Education)</p>	<p>Introduced</p>

		subcommittees of the Alabama Innovation Corporation from the Alabama Open Meetings Act. (Finance and Taxation Education)		
AL 2023rs SB 164	Greg J. Reed	Relating to the Alabama Jobs Act and the Growing Alabama Act; to amend Sections 40-18-370, 40-18-372, 40-18-374, 40-18-375, 40-18-376, 40-18-376.1, 40-18-376.2, 40-18-376.3, 40-18-376.4, 40-18-377, 40-18-378, 40-18-382, 40-18-383, 40-18-417.1, 40-18-417.2, 40-18-417.3, 40-18-417.4, 40-18-417.7, and 40-9B-4.1, Code of Alabama 1975, to extend the Alabama Jobs Act sunset date to July 31, 2028; to increase the annualized cap on outstanding Alabama Jobs Act incentives by twenty-five million dollars each year for five years up to four hundred seventy-five million dollars; to increase the investment tax credit transfer time to provide that the first five years of the investment credit may be transferred by the incentivized company and applied by another person or company under the Alabama Jobs Act; to extend the	Senate • Apr 04, 2023: Introduced and Referred (Finance and Taxation Education)	Introduced

		<p>Growing Alabama Act sunset date to July 31, 2028, to increase the annual cap on funding approved pursuant to the Growing Alabama Act to thirty-five million dollars; to remove certain programs from the Growing Alabama Act for the transfer to Innovate Alabama. (Finance and Taxation Education)</p>		
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