

Alabama Legislative Report

May 5, 2023

Education Budget and Supplemental

The Senate passed an \$8.8 billion Education Trust Fund budget and a \$2.8 billion supplemental spending bill yesterday, the largest education spending plan in Alabama history. The plan includes \$5.9 billion for K-12, \$2.4 billion for higher education, \$195 million for early childhood education, and a 2% pay raise for K-12 and community college teachers. The proposals have changed since Governor Ivey's initial recommendations in March, and they now move to the House, where even more changes could be made.

Notably, the supplemental bill that appropriates the \$2.8 billion in surplus funds has changed since initial filing. The supplemental appropriates the following:

- \$512 million to the Alabama Community College System, including \$100 million for Prison Education;
- \$500 million to the Educational Opportunities Reserve Fund;
- \$471 million to the State Department of Education to be appropriated in the following manner:
 - \$360 million on top of the 2020 bond funds to offset inflation;
 - \$24 million for summer math camps
 - \$15 million for the Saban Discovery Center to help children be educated in STEAM-related fields;
 - \$10 million to existing charter schools;
 - \$10 million for College and Career Readiness grants;
 - \$7 million for capital expenditures at American Village
 - \$5 million for Junior Achievement
 - \$200,000 to the Alabama Holocaust Commission
- \$275 million in income tax rebates, which will total \$100 per filer, down from the \$400 per filer in Ivey's initial plan;
- \$185 million to the Lt. Governor for a new K-12 Capital Grant Program that is established under separate legislation to provide grants to eligible school systems to assist with capital projects, deferred maintenance, and technology needs;
- \$111.5 million to the Department of Commerce for a workforce and innovation center for rural workforce preparation, a hydroelectric workforce training center in Lauderdale County, \$30 million for an AIDT electric vehicle workforce training center, \$8.5 million for the Challenger Learning Center, and \$40 million to create the Alabama Site Development Fund, which is controlled by SIDA to help develop sites for economic projects;
- \$64 million to K-12 education for purchasing new buses and classroom material;
- \$59 million to PEEHIP to cover Covid-related expenditures;
- \$56 million to the Alabama Innovation Fund for various programs;
- \$35 million to establish the Alabama Centers for Rural Healthcare Opportunities;
- \$30 million to the Distressed Higher Education Schools loan program that is moving through the Legislature and designed to help schools like Birmingham Southern, which would be required to put up collateral to receive a loan from the State;
- \$23 million to the Executive Commission on Community Services Grants;
- \$21.7 million to the Alabama Commission on Higher Education, which includes \$15 million for Outcomes-Based Funding;
- \$18.5 million to pay off bonds;

- \$10 million to the State Insurance Fund;
- \$8 million to the Alabama Institute for the Deaf and Blind;
- \$7 million to the Marine Environmental Science Consortium for capital expenditures;
- \$6 million each to the Alabama School of Math and Science and the Alabama School of Fine Arts;
- \$6 million to the Historical Commission for the Operating Grant Program;
- \$5 million to the Alabama Space Science Exhibit Commission;
- \$4.1 million to the Department of Early Childhood Education;
- \$2.5 million to the Educational Television Commission;
- \$2.3 million to the Department of Rehabilitation Services;
- \$500,000 to the Department of Examiners of Public Accounts for conducting a feasibility study regarding a residency program for rural healthcare needs;
- \$200,000 to the Alabama Fire Fighters Fire College for a training module; and
- Funding for various projects at the State's 4-year colleges.

ESG Bill Update

Sen. Dan Roberts' SB261, a bill purported to combat national ESG (environmental, social, and governance) efforts, was originally set for a committee hearing this week, but the bill was pulled from the agenda as concerns were raised by Alabama businesses. The bill prohibits public entities from contracting with businesses that engage in "economic boycotts." Many have expressed concerns that the bill is too broad and vague and that, consequently, it could hurt the very businesses it is intended to help. The bill is expected to be in committee next week.

Other Key Bills Moving

Rep. Steve Clouse's HB254 requiring new municipal gas taxes and fuel levies to be used solely for infrastructure-related costs passed the House on Tuesday. Clouse's bill, or some variation of it, has been filed repeatedly in the years since the State raised the gas tax in 2019. Clouse's bill would not be retroactive, but any new tax imposed on motor fuel by municipalities would have to be dedicated to roads, bridges, and similar projects.

SB247 by Senator Will Barfoot related to "divisive concepts" passed the Senate State Governmental Affairs committee this week. This bill, and its companion by Rep. Ed Oliver in the House, would prohibit schools, state agencies, and universities from directing students and employees to assign fault, blame or bias, to someone's race, color, religion, sex, ethnicity, or national origin.

By a vote of 26-4, the Senate gave final approval to HB261, which provides that only biological males may play male sports and that only biological females may play female sports at the collegiate level. The State has already banned transgender athletes in K-12 sports, and now the ban would extend to collegiate and university events as well. The bill now goes to Governor Ivey for her approval.

The House and Senate versions of the PRICE Act, which establishes Education Savings Accounts, have now both had public hearings in their respective committees. Both bills are expected to return to their committees in the coming weeks for a vote. Also, Rep. Terri Collins' bill to reform the State's charter school law received a favorable report in the House Education Policy Committee this week.

State Cookie

A critically important bill, HB 421 by Rep. Reed Ingram, was introduced this week. The bill would designate the Yellowhammer Cookie as the official state cookie. It has come to our attention that this cookie includes peanuts, the state's official legume, and pecans, the state's official nut, in its recipe. Oliver Blades, son of Josh Blades, is working with classmates at Trinity Presbyterian School to advance this legislation. Some believe this legislation, if enacted, will result in a better (and maybe a little bigger) Alabama. We will be watching this one closely.

The Legislature will reconvene on Tuesday, May 9th.

EDAA

Bill	Sponsors	Title	Last Action	Latest Version
AL 2023rs SB 293	Garlan Gudger	Relating to the Entertainment Industry Incentive Act of 2009; to amend Sections 41-7A-40, 41-7A-41, 41-7A-42, 41-7A-43, 41-7A-45, and 41-7A-48, Code of Alabama 1975, to expand the incentive by renaming it the Film and Music Incentive Act of 2023, to allow for the inclusion of music and virtual reality as qualified production companies; to define a "historic location," and to increase the current cap of the incentive. (Finance and Taxation Education)	Senate • May 04, 2023: Introduced and Referred (Finance and Taxation Education)	Introduced
AL 2023rs HB 439	David Faulkner	Relating to the Growing Alabama Credit; to add Section 40-18-417.8 to the Code of Alabama 1975; to provide for the allocation of the credit from a parent or holding company to a subsidiary provided the donation is ultimately paid by the subsidiary. (Ways and Means Education)	House • May 04, 2023: Introduced and Referred (Ways and Means Education)	Introduced
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	House • May 03, 2023: Read Second Time in House of Origin	Introduced

Bill	Sponsors	Title	Last Action	Latest Version
		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		
AL 2023rs HB 429	Jamie Kiel	Relating to the Entertainment Industry Incentive Act of 2009; to amend Sections 41-7A-40, 41-7A-41, 41-7A-42, 41-7A-43, 41-7A-45, and 41-7A-48, Code of Alabama 1975, to expand the incentive by renaming it the Film and Music Incentive Act of 2023, to allow for the inclusion of music and virtual reality as qualified production companies; to define a "historic location," and to increase the current cap of the incentive. (Ways and Means Education)	House • May 03, 2023: Introduced and Referred (Ways and Means Education)	Introduced
AL 2023rs SB 261	Dan Roberts	Relating to public contracts; to prohibit governmental entities from entering into certain contracts with companies that boycott businesses because the business engages in certain sectors or does not meet certain environmental or corporate governance standards or does not facilitate certain activities; to provide that no company in the state shall be required, nor penalized for declining to engage in economic boycotts or other actions that further social, political, or ideological interests; to require the Attorney General to take actions to prevent federal laws or actions from penalizing, inflicting harm on, limiting commercial relations with, or changing or limiting the activities of companies or residents of the state based on the furtherance of economic boycott criteria; and to authorize the Attorney General to investigate and enforce this act; and to provide definitions. (Fiscal Responsibility and Economic Development)	Senate • Apr 27, 2023: Introduced and Referred (Fiscal Responsibility and Economic Development)	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, 40-18-417.1, 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	House • Apr 20, 2023: Enrolled	Enrolled

Bill	Sponsors	Title	Last Action	Latest Version
		<p>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 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>House • Apr 20, 2023: Enrolled</p>	<p>Enrolled</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 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</p>	<p>Senate • Apr 20, 2023: Enrolled</p>	<p>Enrolled</p>

Bill	Sponsors	Title	Last Action	Latest Version
		certain economic development organizations from certain state laws.		
AL 2023rs SB 151	Garlan Gudger	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 20, 2023: Enrolled	Enrolled
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, 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.	Senate • Apr 19, 2023: Read Second Time in Second House	Engrossed
AL 2023rs HB 291	Donna Givens	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.	House • Apr 19, 2023: Read Second Time in House of Origin	Introduced
AL 2023rs HB 259	Margie Wilcox	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	House • Apr 12, 2023: Carry Over (State Government)	Introduced

Bill	Sponsors	Title	Last Action	Latest Version
		method used by the county granting 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)		
AL 2023rs SB 152	Bobby D. Singleton	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 subcommittees of the Alabama Innovation Corporation from the Alabama Open Meetings Act. (Finance and Taxation Education)	Senate • Apr 04, 2023: Introduced and Referred (Finance and Taxation Education)	Introduced
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 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)	Senate • Apr 04, 2023: Introduced and Referred (Finance and Taxation Education)	Introduced