

Alabama Legislative Report

May 19, 2023

ESG Bill Passes Senate

Senator Roberts' anti-ESG bill, SB261, which was substituted in the Senate Fiscal Responsibility and Economic Development Committee last week, passed the Senate on Thursday. The original bill was met with strong opposition by the business and banking communities. The substitute narrows the focus of the bill in a number of ways. Notably, the substitute clarifies that a company engages in an economic boycott if it refuses to do business with another company solely because that company engages in the fossil fuels, energy, timber, mining, agriculture, and firearms industries, among other protected industries and activities. The Senate voted along party lines, 27-8, as Democrats maintained the bill infringed upon the free speech rights of companies. The bill now goes to the House.

Agricultural/Critical Infrastructure Protection Bill

Rep. Stadthagen's HB379, which restricts certain foreign nationals from owning land in Alabama, cleared the Senate and will return to the House for concurrence or conference committee. In response to concerns from Chinese nationals living in the state, the Senate significantly modified the bill to focus on governments and political members of foreign countries of concern (Russia, China, Iran and North Korea) as well as those currently subject to US sanctions. The bill prevents those entities from purchasing agricultural land, forestry land, and any land within 10 miles of any military installation or critical infrastructure facility, defined as refineries, chemical manufacturing facilities, seaports and other similar facilities. Critics of the bill have highlighted the potential harmful effects the legislation may have on economic development and workforce recruitment. Proponents of the bill are attempting to prevent large purchases of land, specifically agriculture land, by entities affiliated with the Chinese Communist Party and other countries of concern. If the bill is enacted, Alabama will be one of about 20 states to pass legislation curtailing foreign ownership rights.

Retirement Tax Cut

HB117 by Rep. Garrett cleared the House unanimously on Thursday. The bill would increase the amount of exempt taxable income from retirement programs, such as 401k and IRA accounts, from \$6,000 currently to \$10,000. It would only apply to Alabamians aged 65 or older and will result in a net loss

to the Education Trust Fund of about \$13.7 million annually. The bill now moves to the Senate.

Felony Organized Theft Bill

SB206 by Sen. Clyde Chambliss, which targets organized retail theft, received unanimous approval from the House Judiciary Committee on Wednesday. As videos of organized rings of multiple people running into a store and scooping up as much merchandise and inventory as possible have gone viral, stores such as Target and Wal-Mart are seeing significant impacts to their bottom lines. The bill provides that shoplifted items exceeding \$500 in value in association with at least one other person in the act will result in a Class B felony. It will now move to the House floor.

Distracted Driving Bill

Senator Waggoner's SB301, which would prohibit holding or supporting a wireless telecommunications device or stand-alone electronic device while operating a vehicle, received a favorable report from the Senate Judiciary Committee. The bill also requires persons to exercise due care in operating a vehicle on state highways and not engage in any actions which shall distract the person from the safe operation of the vehicle. Previous distracted driving bills pertaining to cell phones or other devices have often failed due to the difficulties related to enforcement. The bill may now move to the Senate floor.

Pornography and Phones

HB2 by Rep. Sells passed the House on a vote of 70-8 on Tuesday. The bill would require manufacturers of phones and tablets to activate adult content filters by default when a new phone or tablet is purchased. The bill also allows a guardian to bring a private cause of action against a manufacturer that does not comply with the law. Supporters maintain giving a phone to a minor with no filters allows the minor to easily access obscene material and parents may not know that such filters can be activated through the phone or tablet's settings. Critics of the bill contend that the distributors of adult content should be liable for harm caused to minors that access their content, not the phone or tablet manufacturers. The bill now heads to the Senate.

HB441 by Rep. Ben Robbins, which targets the producers of adult content, cleared a House committee on Tuesday. The bill would require age verification through public or private transactional data, such as mortgage, education or employment entities prior to accessing pornographic content. Distributors are required to dispose of the personally identifying information

once the age verification process had been completed. The bill is awaiting a vote on the House floor.

Defining Gender

HB405 by Rep. DuBose statutorily defines gender terms such as male, female, father, and mother. The bill defines sex as an individual’s biological sex at birth. The bill was met with opposition from a number of transgender individuals during the public hearing in the House Health Committee. No vote was taken, and Rep. DuBose vowed to bring it back for a vote next week.

The Alabama Legislature will reconvene on Tuesday, May the 23rd.

EDAA

Bill	Sponsors	Title	Last Action	Latest Version
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 by a governmental entity, nor penalized by a governmental entity 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.	Senate · May 18, 2023: Read A Third Time And Passed As Amended	Introduced
AL 2023rs SB 299	Arthur Orr	Relating to economic tax incentives; to establish sunset dates for tax incentive programs; to establish future sunset dates for extended tax incentive programs; and to provide required	Senate · May 18, 2023: Read A Third Time And Passed As Amended	Introduced

Bill	Sponsors	Title	Last Action	Latest Version
		guidelines for all new incentive legislation.		
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	Senate • May 17, 2023: Read Second Time in Second House	Engrossed
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.	House • May 17, 2023: Read Second Time in House of Origin	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 that the credit from a parent or holding company may be claimed by the subsidiary in certain circumstances; and to provide retroactive effect.	Senate • May 17, 2023: Read Second Time in Second House	Introduced
AL 2023rs HB 443	Danny Garrett	Relating to economic tax incentives; to amend Section 40-1-50, Code of Alabama 1975; to change the reporting date requirements of state agencies which administer economic tax incentives; to align committee schedules to review state agency reports; to establish sunset dates for tax incentive programs; to establish future sunset dates for extended tax incentive programs; and to provide	House • May 17, 2023: Read Second Time in House of Origin	Introduced

Bill	Sponsors	Title	Last Action	Latest Version
		required guidelines for all new incentive legislation.		
AL 2023rs HB 445	Danny Garrett	Relating to the Sweet Home Alabama Tourism Investment Act; to amend Section 5 of Act 2023-34 of the 2023 Regular Session, now appearing as Sections 40-18-472 and 40-18-473, Code of Alabama 1975, to clarify the tax rebates for certain businesses for certified tourism destination projects are only available for projects placed into service after the effective date of the act.	House • May 17, 2023: Read Second Time in House of Origin	Introduced
AL 2023rs HB 467	Anthony Daniels	Relating to the Alabama Rural, Agribusiness, and Opportunity Zone Jobs Act; to amend Sections 40-9H-2 and 40-9H-3, Code of Alabama 1975; to authorize the issuance of state matching capital to certified growth funds to make capital accessible to rural and minority owned businesses. (Ways and Means Education)	House • May 11, 2023: Introduced and Referred (Ways and Means Education)	Introduced
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 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 twenty-five million dollars	House • Apr 20, 2023: Enrolled	Enrolled

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

Bill	Sponsors	Title	Last Action	Latest Version
		<p>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 awarded under the Alabama Jobs Act.</p>	<p>Senate · Apr 20, 2023: Enrolled</p>	<p>Enrolled</p>
<p>AL 2023rs HB 240</p>	<p>Cynthia Almond</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 awarded under the Alabama Jobs Act.</p>	<p>Senate · Apr 19, 2023: Read Second Time in Second House</p>	<p>Introduced</p>
<p>AL 2023rs HB 257</p>	<p>Danny Garrett</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</p>	<p>Senate · Apr 19, 2023: Read Second Time in Second House</p>	<p>Engrossed</p>

Bill	Sponsors	Title	Last Action	Latest Version
		<p>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 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>House · Apr 12, 2023: Carry Over (State Government)</p>	<p>Introduced</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</p>	<p>Senate · Apr 04, 2023: Introduced and Referred (Finance and Taxation Education)</p>	<p>Introduced</p>

Bill	Sponsors	Title	Last Action	Latest Version
		<p>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)</p>		
<p>AL 2023rs SB 164</p>	<p>Greg J. Reed</p>	<p>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)</p>	<p>Senate • Apr 04, 2023: Introduced and Referred (Finance and Taxation Education)</p>	<p>Introduced</p>