

Alabama Legislative Report  
June 2, 2023

**Budgets Signed into Law**

After a long week and late night, the budgets were presented to Governor Ivey last Friday. While there was some speculation that the Governor may use her authority to veto or modify the budgets, Ivey signed both the General Fund and Education Trust Fund Budgets along with their corresponding supplemental appropriations bills into law yesterday. All told, the budgets and supplemental bills authorize and appropriate around \$15 billion of total spending between now and September 30, 2024 (the end of the State's next Fiscal Year). The budgets are, by far, the largest in the history of the State.

**Anti-ESG Bill Passes**

Senator Dan Roberts' anti-ESG bill, SB261, received final passage on Wednesday in the House. The bill, which was significantly modified in the Senate at the request of the business community, passed with little fanfare or debate in the House by a vote of 74-27. The legislation now goes to Governor Ivey for her consideration.

**Tax Cut Bills**

The **Grocery Tax Cut** bill, HB479, passed both houses this week, sending the largest tax cut in Alabama history to the Governor. The bill will immediately cut the State's tax rate on food from 4% to 3% beginning on September 1, 2023. The rate will be reduced to 2% beginning the following September if projected revenue growth is at or above 3.5%. The 2% cut would represent a loss of about \$300 million in revenue to the State each year. However, the State is expected to recoup much of that via spending in other sectors of the economy. The bill prohibits local governments and counties from raising the tax on food after it is signed into law. Additionally, a committee will be formed later this year to analyze the cut's impact and determine whether the remaining sales tax on food should be reduced.

HB217 by House Minority Leader Anthony Daniels also passed both houses and is awaiting Governor Ivey's signature. The bill **exempts overtime income** from state income tax. In an effort to find a compromise, the bill was modified to (1) sunset at the end of 2026 and (2) establish a \$25 million annual aggregate cap on the exemption. The Department of Revenue is charged with establishing rules to implement the cap.

**School Choice Bills Receive Final Passage**

Changes to the Alabama Accountability Act ("AAA") and the Alabama Charter School law both received final passage this week and are awaiting the Governor's signature. Both bills passed largely along party-lines in each chamber. The AAA expansion will eventually increase the cap for income tax credits to businesses and individuals who donate to scholarship granting organizations from \$30 million up to \$60 million, while the Charter School legislation modernizes the process for appointing members to the Alabama Public Charter School Commission and makes clarifications as to how funds are appropriated to conversion charter schools.

**Other Key Bills**

SB196 by Senator Orr, which updates the oft-maligned public records law in Alabama, passed the House on Wednesday. An amendment in committee took the judicial branch out of the bill. However, the key portions of the bill would mandate government agencies to respond to a public records request within 10 business days and fulfill it within 20 days. Depending on the scope and breadth of the request, agencies are afforded 45 business days, plus an additional 15 business days for certain requests related

to sensitive documents that may require redaction. The House changes must be approved by the Senate on the final legislative day next week to become law this year.

HB43 by Rep. Warren would change the process for admittance to first grade in Alabama’s schools. Currently, Kindergarten is not mandated for children in Alabama as it is in 18 other states. HB43 would require children who skip Kindergarten to show their readiness via a test as determined by the State Department of Education. If they do not demonstrate readiness, then that child must enroll in Kindergarten rather than first grade. The bill, which Rep. Warren has championed for many years, has been repeatedly stymied in the Senate. As education officials note, the lack of reading proficiency by Alabama students, especially by the time they reach the third-grade level, vastly determines that student’s ability in later years to be at or above grade-level by the time they reach high school. The bill is pending in the Senate.

SB154 by Senators Barfoot and Coleman, was signed into law by Governor Ivey on Thursday. The bill would allow drivers to miss up to three payments on a payment plan for fines and fees before a judge could suspend their driver’s license. It also allows up to one missed court date. Prior to the bill’s enactment, those unable to pay their fines or fees would have their licenses suspended, which made it more difficult for them to get to work. Without the ability to work, individuals could not pay traffic fines.

The Legislature will reconvene on Tuesday, June the 6<sup>th</sup>, for the final day of the 2023 Regular Session.

EDAA

Bill	Sponsors	Title	Last Action	Latest Version
AL 2023rs <a href="#">SB 299</a>	<a href="#">Arthur Orr</a>	Relating to the Coal Production Tax Credit; to amend Section 40-18-220, Code of Alabama 1975, to allow the credit to be claimed against both income and utility services taxes; to allow the credits to be earned by all persons that increase their production of coal mined in Alabama from the prior year; to allow any unused credits to be carried forward for no more than five years;	Senate • Jun 01, 2023: Non Concur and Appoint Conference Committee (Conference Committee on SB299)	<a href="#">Engrossed</a>
AL 2023rs <a href="#">HB 445</a>	<a href="#">Danny Garrett</a>	Relating to economic development; to amend Section 40-18-417.4, Code of Alabama 1975, as amended by Act 2023-34 of the 2023 Regular Session; to amend Section 5 of Act 2023-34 of the 2023 Regular Session, now appearing as	House • Jun 01, 2023: Enrolled	<a href="#">Enrolled</a>

Bill	Sponsors	Title	Last Action	Latest Version
		<p>Sections 40-18-472 and 40-18-473, Code of Alabama 1975, to correct a date referenced in the Growing Alabama Act; to clarify the tax rebates under the Sweet Home Alabama Tourism Investment Act for certain businesses for certified tourism destination projects are only available for projects placed into service after the effective date of this act; to amend Section 41-7-3, Code of Alabama 1975 to include the Chairs of the Senate Finance and Taxation Education Committee and Ways and Means Education Committee and the ranking minority member of each committee to the Tourism Advisory Board; and to amend Sections 41-10-47.03 and 41-10-47.04, Code of Alabama 1975, from Section 1 of Act 2023-35 of the 2023 Regular Session, to align rural population provisions of the Site Evaluation Economic Development Strategy with the Jobs Act.</p>		
<p>AL 2023rs <a href="#">HB 291</a></p>	<p><a href="#">Donna Givens</a></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 • May 31, 2023: Indefinitely Postpone</p>	<p><a href="#">Introduced</a></p>
<p>AL 2023rs <a href="#">SB 261</a></p>	<p><a href="#">Dan Roberts</a></p>	<p>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</p>	<p>Senate • May 31, 2023: Enrolled</p>	<p><a href="#">Enrolled</a></p>

Bill	Sponsors	Title	Last Action	Latest Version
		<p>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.</p>		
<p>AL 2023rs <a href="#">HB 429</a></p>	<p><a href="#">Jamie Kiel</a></p>	<p>Relating to the Entertainment Industry Incentive Act of 2009; to amend Sections 41-7A-40, 41-7A-41, 41-7A-42, 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 increase the cap on incentives to fifty million dollars annually, and to allow for the inclusion of music and virtual reality as qualified production companies.</p>	<p>Senate • May 31, 2023: Read Second Time in Second House</p>	<p><a href="#">Engrossed</a></p>
<p>AL 2023rs <a href="#">HB 443</a></p>	<p><a href="#">Danny Garrett</a></p>	<p>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</p>	<p>House • May 31, 2023: Indefinitely Postpone</p>	<p><a href="#">Introduced</a></p>

Bill	Sponsors	Title	Last Action	Latest Version
		required guidelines for all new incentive legislation.		
AL 2023rs <a href="#">HB 378</a>	<a href="#">Chip Brown</a>	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	House • May 25, 2023: Enrolled	<a href="#">Enrolled</a>
AL 2023rs <a href="#">HB 439</a>	<a href="#">David Faulkner</a>	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.	House • May 25, 2023: Enrolled	<a href="#">Enrolled</a>
AL 2023rs <a href="#">HB 467</a>	<a href="#">Anthony Daniels</a>	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)	<a href="#">Introduced</a>
AL 2023rs <a href="#">SB 293</a>	<a href="#">Garlan Gudger</a>	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	Senate • May 04, 2023: Introduced and Referred (Finance and Taxation Education)	<a href="#">Introduced</a>

Bill	Sponsors	Title	Last Action	Latest Version
		<p>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)</p>		
<p>AL 2023rs <a href="#">HB 241</a></p>	<p><a href="#">Danny Garrett</a></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.</p>	<p>House • Apr 20, 2023: Enrolled</p>	<p><a href="#">Enrolled</a></p>
<p>AL 2023rs <a href="#">HB 247</a></p>	<p><a href="#">Anthony Daniels</a></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</p>	<p>House • Apr 20, 2023: Enrolled</p>	<p><a href="#">Enrolled</a></p>

Bill	Sponsors	Title	Last Action	Latest Version
		<p>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 <a href="#">SB 165</a></p>	<p><a href="#">Arthur Orr</a></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</p>	<p>Senate • Apr 20, 2023: Enrolled</p>	<p><a href="#">Enrolled</a></p>

Bill	Sponsors	Title	Last Action	Latest Version
		Development Authority and certain economic development organizations from certain state laws.		
AL 2023rs <a href="#">SB 151</a>	<a href="#">Garlan Gudger</a>	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	<a href="#">Enrolled</a>
AL 2023rs <a href="#">HB 240</a>	<a href="#">Cynthia Almond</a>	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	<a href="#">Introduced</a>
AL 2023rs <a href="#">HB 257</a>	<a href="#">Danny Garrett</a>	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	Senate • Apr 19, 2023: Read Second Time in Second House	<a href="#">Engrossed</a>



Bill	Sponsors	Title	Last Action	Latest Version
		Development Authority and certain economic development organizations from certain state laws.		
AL 2023rs <a href="#">HB 259</a>	<a href="#">Margie Wilcox</a>	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)	House • Apr 12, 2023: Carry Over (State Government)	<a href="#">Introduced</a>
AL 2023rs <a href="#">SB 152</a>	<a href="#">Bobby D. Singleton</a>	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)	<a href="#">Introduced</a>

Bill	Sponsors	Title	Last Action	Latest Version
<p>AL 2023rs <a href="#">SB 164</a></p>	<p><a href="#">Greg J. Reed</a></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><a href="#">Introduced</a></p>