

Alabama Legislative Report
February 21, 2025

Pharmacy Reimbursement Bills Get Senate Hearings

Two bills that would increase fees paid to pharmacists for prescription drugs were heard this week in the Senate Banking & Insurance Committee. Senator Andrew Jones's SB93 and Senator Larry Stutts's SB99 seek to address concerns voiced by pharmacies that they are being unfairly compensated for certain drugs.

SB93 would require PBMs to reimburse pharmacies a dispensing fee equivalent to the Medicare rate, currently \$10.64 per prescription. SB99 includes the same \$10.64 fee, plus an additional amount equal to either 2 percent of the prescription cost or \$25, whichever is less.

While there may be agreement on the rising cost of prescription drugs, employers express concern about the financial impact of these fees, arguing it will ultimately affect employees and employers.

The Business Council of Alabama stressed to the committee that "shifting the burden from pharmacies to employers is not the solution."

The Retirement Systems of Alabama, in a letter opposing both bills, estimates additional costs of \$31 million for SB93 and \$36 million for SB99 to the state teachers and public education employees' insurance plan.

No vote was taken on either bill.

House Takes Up Immigration Bills

Following swift action by the Senate on immigration-related bills earlier this session, the House began advancing its own bills targeting illegal immigration. Senator Lance Bell's SB63 is poised for final passage in the House after clearing the Ways and Means General Fund Committee this

week. This bill mandates that law enforcement agencies collect and submit fingerprints and DNA from any illegal alien for testing and cataloging.

Several key House immigration bills are now positioned for committee hearings and potential approval in the House:

- **HB7 (Representative Ernie Yarbrough):** This bill empowers state law enforcement to arrest individuals based on their status as an illegal alien. It also authorizes law enforcement agencies to partner with federal agencies on immigration enforcement and requires them to make reasonable efforts to determine the nationality of anyone arrested.
- **HB297 (Representative Jennifer Fidler):** Similar to other wire transfer bills, this legislation imposes a 4% fee on money transfers originating in Alabama and sent to foreign countries. The revenue generated would be split between immigration enforcement and the county where the transfer originated.
- **HB302 (Representative Ben Robbins):** This bill mandates that labor brokers recruiting six or more foreign workers annually use the federal E-Verify program, with penalties for non-compliance.
- **HB304 (Representative Jamie Kiel):** This bill authorizes the impoundment of vehicles driven by Alabamians without a valid driver's license.

Occupational License Reform Bill Introduced in Senate

Senator Chris Elliott has reintroduced legislation to establish the Office of Occupational and Professional Licensing within the Department of Workforce (formerly the Department of Labor). Occupational licensing reform has gained significant attention both nationally and in Alabama, due to concerns about the regulations and requirements individuals face to work in specific professions. Several Alabama licensing boards have faced criticism for inefficiency and wasteful spending in recent years.

Senator Elliott's SB193 proposes consolidating nearly 20 boards—including the State Board of Midwifery, the Alabama Athletic Commission, and the Alabama Board for Registered Interior Designers—under the Department of Workforce. This consolidation aims to create uniformity in fees, funding, and staffing across the affected boards.

In addition to these board transfers, the bill also proposes moving the Sickle Cell Oversight and Regulatory Commission to the Department of Public Health and the Alabama Drycleaning Environmental Response Trust Fund Advisory Board to the Alabama Department of Environmental Management.

Veterans Affairs Restructuring Bill Passes Senate, Pending House Review

Senator Andrew Jones's SB67, concerning the State Board of Veterans Affairs, has passed the Senate by a 21-9 vote. While the original version of the bill proposed significant changes to the board's appointment process, a substitute amendment removed those changes before passage.

Currently awaiting consideration in the House, SB67 still includes provisions that elevate the head of the Alabama Department of Veterans Affairs to a cabinet-level position, appointed by the Governor. The bill also shifts the board's role to be more advisory.

The bill is on the agenda for the House Military and Veterans Affairs Committee on Wednesday.

Veterans Resource Center Pending Governor's Signature

A bill to establish the Alabama Veterans Resource Center received final passage by the Legislature this week and is awaiting signature by Governor Ivey. The legislation is intended to help veterans find employment, mental health services, and transition into civilian life.

Public Safety Bills Advance in the Legislature

Two public safety-related bills are making their way through the Alabama Legislature.

Senator Keith Kelley's SB40, which allows citizens to voluntarily surrender firearms to local law enforcement or registered gun dealers without consequence, passed the Senate unanimously on Thursday.

Senator Will Barfoot's SB116, which prohibits devices that convert pistols into machine guns, has cleared the Senate Judiciary Committee and is awaiting a full Senate vote. While federal law already bans "Glock switches," recent shootings in Birmingham and Montgomery have highlighted the importance of having state restrictions and enforcement for the devices.

Lawmakers will return to Montgomery on Tuesday, February 25th, with 22 legislative days left in the 2025 Regular Session.

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Bill	Sponsors	Title	Last Action	Latest Version
AL 2025rs SB 177	Bell	Alabama Film Office renamed, Entertainment Industry Incentive Act of 2009 amended, maximum expenditure threshold eligible for rebates increased, annual cap increased, unspent incentives carried forward	Senate, Feb 20, 2025: Read for the Second Time and placed on the Calendar (Fiscal Responsibility and Economic Development)	Introduced
AL 2025rs HB 243	Whitt	To unabate a portion certain state ad valorem and construction related transaction taxes to deposit into the Alabama Development Fund.	Senate, Feb 20, 2025: Read for the Second Time and placed on the Calendar (Fiscal Responsibility and Economic Development)	Introduced
AL 2025rs SB 175	Kitchens	Taxation; certain aircraft and aircraft parts are exempt from sales, use, and lease taxes (Finance and Taxation Education (Senate)) Companion Bills: HB 253	Senate, Feb 18, 2025: Pending Committee Action in House of Origin (Finance and Taxation Education)	Introduced

Bill	Sponsors	Title	Last Action	Latest Version
AL 2025rs HB 253	Colvin	Taxation; certain aircraft and aircraft parts are exempt from sales, use, and lease taxes (Ways and Means Education (House)) Companion Bills: SB 175	House, Feb 11, 2025: Pending Committee Action in House of Origin (Ways and Means Education)	Introduced
AL 2025rs HB 292	Rafferty	Economic development tax incentives; value of the repayment of awarded tax incentives required to be published. (Economic Development and Tourism (House))	House, Feb 18, 2025: Pending Committee Action in House of Origin (Economic Development and Tourism)	Introduced
AL 2025rs SB 22	Coleman (M)	Alabama Jobs Act, further provides for recapture of incentives (Ways and Means Education (House))	House, Feb 13, 2025: Pending Committee Action in Second House (Ways and Means Education)	Engrossed
AL 2025rs HB 259	Robbins	Establish income tax credit for recruited or remote workers (Ways and Means Education (House))	House, Feb 11, 2025: Pending Committee Action in House of Origin (Ways and Means Education)	Introduced