

Alabama Legislative Report
April 11, 2025

Senate Passes Education Budget, Sending it to the House

The Alabama Senate has approved the Education Trust Fund (ETF) budget, totaling \$9.909 billion for FY26. This represents a \$561 million increase from the current fiscal year and now moves to the House for consideration.

Key drivers of this increase include:

- **\$166 million** for weighted funding through the RAISE Act, aimed at better supporting special needs students, students in poverty, and English learners.
- **\$143 million** increase to the Foundation Program, the primary funding source for Alabama's public schools.
- **\$101 million** for the CHOOSE Act, the state's new universal school choice program set to begin in the fall of 2025.
- Over **\$110 million** in additional funding for Alabama's colleges and universities.

In addition to the ETF budget, the Senate also passed a **\$525 million FY25 supplemental budget** to authorize immediate spending. Highlights of this supplemental include:

- **\$15 million** for school safety initiatives under the Alabama School Security Act.
- **\$30 million** for summer and afterschool programs.
- **\$10 million** for college and career readiness grants.
- **\$56.6 million** for deferred maintenance and programming within the Alabama Community College System.
- **\$37.5 million** for construction expenses related to the new Alabama State House.
- **\$8.8 million** for the Department of Veterans Affairs' Veterans Education Benefits Program.

Furthermore, the Senate advanced a **\$1.25 billion supplemental appropriation** from the Education Trust Fund Advancement and Technology Fund, which is funded by excess revenues. This funding is allocated as follows:

- **\$342 million** for public institutions of higher education.
- **\$808 million** for K-12 schools.
- **\$100 million** to the Department of Education to develop regional career technology centers.

While the Senate's education funding package does not include a cost-of-living raise, it fully funds the increases requested by the RSA for a higher retirement match and an increased monthly

allotment for insurance costs, preventing a rise in premiums for education employees. All of these bills are now awaiting consideration in the House.

Prescription Fee Bill Heads to Governor Ivey After House Passage

A bill (SB252), sponsored by Senator Billy Beasley, requiring pharmacy benefit managers (PBMs) to pay independent pharmacies a dispensing fee at or above the Alabama Medicaid Agency rate of \$10.64 per prescription, has passed the House. Following the House's approval, the Senate quickly concurred, sending the bill to Governor Ivey for her consideration.

During the House proceedings, an amendment was added allowing PBMs to pass on 100% of received rebates. This provision has an exception if the health benefit plan instructs the PBM to apply rebates to individuals at the point of sale or to retain a portion as an administrative fee.

Concerns have been raised by multiple business groups, who have cautioned legislators that the increased fees mandated by SB252 could lead to higher insurance premiums and costs for employers and their employees.

House Approves Hemp Regulation Bill, Sending it to Senate

A bill (HB445), sponsored by Representative Andy Whitt, which would task the Alabama ABC Board with regulating all hemp products, has passed the House. The legislation includes several key provisions:

- Restricting the sale of hemp products to retail establishments inaccessible to minors.
- Imposing an additional 7% tax on hemp manufacturers and wholesalers.
- Directing the generated tax revenue with 50% going to the General Fund, 25% allocated to counties based on population, and 25% to cities based on population.
- Requiring the ABC Board to license hemp manufacturers, wholesalers, and retailers of consumable products.

The House passed the bill 76-15, with 11 abstentions. It now moves to the Senate, which advanced three related bills out of committee this week. Senators are expected to negotiate a compromise version from these different proposals.

Alfa Health Plan Bill Clears House After Extensive Debate

The Alabama Farmers Federation's proposal to offer health plans to its members secured House approval on Thursday. The approval followed a lengthy floor debate, much of which centered on the removal of Department of Insurance oversight amendment that had been added in committee earlier in the week.

House Bill 477, sponsored by Representative David Faulkner (R-Mountain Brook), has undergone several amendments in recent days to incorporate more required coverage and consumer protections. These include provisions preventing the plan from dropping customers due to serious illness.

Opponents of the bill have contended that while the proposed plans resemble insurance, they cannot be legally classified as such because they would not be subject to all the state and federal regulations that govern traditional insurance companies.

The bill now moves to the Senate for further consideration.

Phone Filter and App Protection Bills Face Senate Roadblock

Two bills sponsored by Senator Clyde Chambliss encountered a setback in the Senate on Wednesday due to a Democrat-led filibuster.

- **SB186** would mandate that smartphones and tablets sold to minors come equipped with an activated filter to block sexually explicit content, starting in 2027.
- **SB187** would require app store providers, such as Apple's App Store and Google's Play Store, to verify user ages and link minors' accounts to their parents' accounts, effectively requiring parental consent for app downloads.¹

While both bills were carried over, they could potentially be placed back on the Senate calendar for further consideration during the remainder of the legislative session.

Cell Phone Ban in Alabama Schools Moves Forward

Senator Donnie Chesteen's SB92, which would mandate a ban on cell phone use during school hours for K-12 students, has passed the Senate with a unanimous 27-0 vote. The bill includes exceptions for students with special needs, use under staff supervision, and life-threatening emergencies.

This bill now heads to the House, where a similar version of the legislation was passed last week. For the ban to become law, both chambers must approve the exact same bill before it can be sent to Governor Ivey for her signature.

Lawmakers to Reconvene Next Week with Nine Legislative Days Remaining

Lawmakers are scheduled to return to Montgomery on **Tuesday, April 15th**, with only **nine legislative days** left in the 2025 Regular Session. This limited timeframe suggests a potentially busy and decisive period as they aim to finalize pending legislation before the session concludes.

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Bill	Sponsors	Title	Last Action	Latest Version
AL 2025rs HB 526	Brown (C)	Alabama 21st Century Fund, further distribution of funds, one-time appropriation to the Department of Commerce House Calendar: Special Order Calendar (April 15, 2025) Position: 1	House, Apr 9, 2025: Read for the Second Time and placed on the Calendar (Ways and Means General Fund)	Introduced
AL 2025rs HB 435	Whitt	Economic development, references to outdated economic development plan and NAICS Codes updated House Calendar: Regular Calendar (April 15, 2025) Position: 87 Companion Bills: SB 243	House, Apr 9, 2025: Read for the Second Time and placed on the Calendar (Commerce and Small Business)	Introduced
AL 2025rs SB 243	Weaver	Economic development, references to outdated economic development plan and NAICS Codes updated Senate Calendar: Regular Calendar (April 15, 2025) Position: 89 Companion Bills: HB 435	Senate, Apr 1, 2025: Read for the Second Time and placed on the Calendar (Fiscal Responsibility and Economic Development)	Introduced
AL 2025rs HB 407	Ingram	Local redevelopment authorities, transient occupancy taxes use as payment in lieu of tax authorized, reporting (County and Municipal Government (Senate)) On the agenda - Senate County and Municipal Government Standing Meeting	Senate, Apr 9, 2025: Pending Committee Action in Second House (County and Municipal Government)	Introduced

Bill	Sponsors	Title	Last Action	Latest Version
		Apr 15, 2025 01:00pm Finance and Taxation		
AL 2025rs HB 253	Colvin	Taxation; certain aircraft and aircraft parts are exempt from sales, use, and lease taxes Senate Calendar: Regular Calendar (April 15, 2025) Position: 165 Companion Bills: SB 175	Senate, Apr 9, 2025: Read for the Second Time and placed on the Calendar (Fiscal Responsibility and Economic Development)	Engrossed
AL 2025rs SB 175	Kitchens	Taxation; certain aircraft and aircraft parts are exempt from sales, use, and lease taxes Senate Calendar: Regular Calendar (April 15, 2025) Position: 31 Companion Bills: HB 253	Senate, Feb 27, 2025: Read for the Second Time and placed on the Calendar (Finance and Taxation Education)	Introduced
AL 2025rs SB 313	Smitherman	Alabama 21st Century Authority, use of available funds further provided for (Fiscal Responsibility and Economic Development (Senate))	Senate, Apr 8, 2025: Pending Committee Action in House of Origin (Fiscal Responsibility and Economic Development)	Introduced
AL 2025rs SB 311	Carnley	Public highways; procedure for issuance of permit for access to state rights-of-way on public highways, further provided (Fiscal Responsibility and Economic Development (Senate))	Senate, Apr 8, 2025: Pending Committee Action in House of Origin (Fiscal Responsibility and Economic Development)	Introduced
AL 2025rs SB 304	Orr	Powering Growth Act established, Alabama Energy Infrastructure Bank and the Strategic Energy Procurement Fund established under the State Industrial Development Authority to assist in obtaining equipment and providing financing for qualified energy infrastructure projects (Fiscal Responsibility and Economic Development (Senate))	Senate, Apr 8, 2025: Pending Committee Action in House of Origin (Fiscal Responsibility and Economic Development)	Introduced
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	House, Apr 8, 2025: Re-referred to Committee in Second House (Ways and Means Education)	Engrossed

Bill	Sponsors	Title	Last Action	Latest Version
		incentives carried forward (Ways and Means Education (House)) Companion Bills: HB 373		
AL 2025rs HB 373	Kiel	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 (Ways and Means Education (House)) Companion Bills: SB 177	House, Apr 3, 2025: Re-referred to Committee in House of Origin (Ways and Means Education)	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.	House, Apr 3, 2025: Enacted	Act Number 2025-84
AL 2025rs HB 311	Wilcox	Alabama Improvement Districts; to streamline enforcement and collection of assessments; authorize revenue commissioner to collect reasonable compensation; provide additional rights and protections; eliminate certain remedies for failure to pay an assessment House Calendar: Regular Calendar (April 15, 2025) Position: 54	House, Mar 19, 2025: Read for the Second Time and placed on the Calendar (Economic Development and Tourism)	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