

LWVAL LEGISLATIVE REPORT – SECOND SPECIAL SESSION

The following list is current on legislative action through 09/12/2015.

GENERAL FUND REVENUE ENHANCEMENTS BILLS

Although some of the bills below include earmarking provisions which League believes should be removed from the budgetary process, the bills may be supported or simply monitored by League rather than opposed due to the severe cuts and resulting hardships so many Alabamians face due to the shortfalls in the General Fund.

League supports adequate funding for provisions of state services and comprehensive budgetary reform. The bills assist with delivery needed services to the citizens of the state, and hopefully, some of the changes they create represent an incremental step toward tax reform.

The League, however, still believes that comprehensive tax reform efforts lead by the leadership of the House and Senate together with Executive Branch support is the only way the State of Alabama will be on a sound economic footing for the long-term.

On 09/11/2015 the House passed a budget and sent it to the Senate. Although it contained monies for prison reform implementation and Medicaid, most state agencies are targeted for a 10% cut in funding. Many essential state services will suffer if the Senate adds more cuts and/or votes down the House passed tax increases.

HB3.

Sponsor(s): Representatives Rowe, Greer, Faust, Martin, Collins and M. Hill

Summary/Synopsis: Currently, the State of Alabama levies a tax on various tobacco products. This bill would increase the tax on cigarettes from \$.425 a pack to \$.675 a pack and provide for its distribution and would decrease the tobacco tax stamp discount from 7.5 percent to 4.75 percent.

League Action and Justification: Support

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

09/09/2015: Read for the second time and placed on the calendar; pending 3rd read.

09/10/2015: 3rd Reading Passed; Shedd Amendment (171785-1) Offered; Clouse motion to Table adopted by Roll Call; Ainsworth Amendment (171858-1) Offered; Rowe motion to Table adopted by Roll Call; Ainsworth motion to question the ruling of the chair fails by Roll Call;

Warren intended to vote Nay; M. Holmes Amendment (171885-1) Offered; ; Rowe motion to Table adopted by Roll Call; J Hill intended to vote Yea and Harbinson intended to vote Nay; Motion to Read a 3rd Time and Pass adopted.

Senate action:

09/10/2015: Read for the 1st time and referred to the Senate Committee on Finance and Taxation GF

09/11/2015: 2nd Reading and placed on the calendar with 1 amendment (171956-1); pending 3rd Read and Favorable from F&T GF with 1 amendment; F&T GF 1st Amendment Offered.

HB7 and SB29

HB7

Sponsor(s): Representative Wilcox

SB29

Sponsor(s): Senator Hightower

Summary/Synopsis: These companion bills seek to take half of the BP Oil Spill Settlement funds that would otherwise go to the General Fund and send this money instead to: (1) the Department of Transportation for road and bridge projects in Mobile and Baldwin Counties, and (2) to the Department of Insurance to institute programs (especially grants) that would reduce insurance premiums.

League Action and Justification: Oppose

League believes the current focus on the Legislature should be on funding essential services equitably and fairly. In addition to raiding a General Fund in crisis, these bills are poorly disguised local pork. We need insurance reform but this is only a band-aid. Finally, none of the money is directed toward the continued restoration of the Gulf.

Bill Progress in Legislature:

HB7

09/08/2015: First reading and referred to the House committee on Ways and Means General Fund

SB29

09/09/2015: First reading and referred to the Senate committee on Finance and Taxation General Fund

HB8

Sponsor(s): Representative Beech

Summary/Synopsis: Under existing law, there is a privilege tax upon providers of pharmaceutical services. This bill will create a supplemental privilege tax of 15 cents for each

prescription filled or refilled for a citizen of Alabama to be collected during fiscal years 2016 and 2017.

It is the intent of the Legislature that the revenue generated from this supplemental privilege tax will be eligible for Federal Medicaid Assistance Percentage (FMAP), being that portion of funds paid by the federal government to the State of Alabama for its federal share of expenditures for providing and administering the State's Medicaid Program. The supplemental privilege tax imposed under this Act shall immediately cease to be imposed if CMS determines that the supplemental privilege tax under this Act is not eligible for FMAP.

The Alabama Medicaid Agency shall file with CMS a Medicaid State Plan amendment requesting an appropriate increase in the pharmacy dispensing fee included in the state reimbursement amount paid to participating pharmacies and/or pharmacist no later than 60 days after the effective date of this Act.

League Action and Justification: Support

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF;

09/09/2015: 2nd Read and placed on the calendar

09/10/2015: 3rd Reading Passed; Beech Amendment (not available) Offered; Motion to Adopt adopted by Roll Call; Rogers Amendment (not available) Offered; Beech motion to Table adopted by Roll Call; Motion to Read a 3rd Time and Pass adopted; Engrossed

Senate action:

09/10/2015: Read for the 1st time and referred to the Senate Committee on Finance and Taxation GF

09/11/2015: Read for the second time and placed on the calendar; F&T GF

HB9

Sponsor(s): Representative Beckman

Summary/Synopsis: In determining the amount of income that is subject to tax under current law, taxpayers are allowed to deduct, from income, the full amount of Federal Insurance Contribution Act (FICA) taxes withheld from wages and the full amount of taxes paid on self-employment income. FICA and self-employment taxes are composed of two components, Medicare taxes and Social Security taxes.

This bill would amend Section 40-18-15 to limit the amount of FICA and self-employment taxes that can be claimed as a deduction against income. The bill seems to say that the Medicare portion and one-half of the Social Security taxes would be deductible.

League Action and Justification: Support

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

HB10

Sponsor(s): Representative Beckman

Summary/Synopsis: This bill would amend Sections 40-23-61, 40-23-85 and 40-23-174, Code of Alabama 1975 to provide further for the distribution of use tax funds. All monies coming to the state would be placed in the General Fund.

League Action and Justification: Support

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

HB12

Sponsor(s): By Representative Clouse

Summary/Synopsis: Under existing law, a privilege assessment, a supplemental privilege assessment, and a monthly surcharge are imposed on each bed in a nursing facility. This bill would add a secondary supplemental assessment of \$401.28 on each bed in a nursing facility for fiscal years 2016 and 2017, contingent upon a minimum general fund appropriation of \$735,000,000 to the Medicaid program in the 2016 fiscal year.

League Action and Justification: Monitor

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

09/09/2015: Read for 2nd time and placed on the calendar;

09/10/2015: 3rd Reading Passed Motion to Read a 3rd Time and Pass adopted by Roll Call; Beech intended to vote Yea and Garrett intended to vote Abstain

Senate Action:

09/10/2015: First Reading and referred to the House Committee on Ways and Means GF

09/11/2015: 2nd Read and placed on the calendar; pending 3rd Read and Favorable form F&T GF

HB13 and HB21 are similar but not identical bills.

HB13

Sponsor(s): Representative Greer

HB21

Sponsor(s): Representatives Hill (M), Baker, Collins, Faust, Rowe, Sanderford, Brown, Wood, Poole and Tuggle

Summary/Synopsis: Under current law, all entities doing business or registered to do business in Alabama have an annual filing obligation for business privilege tax. The business privilege tax is calculated based on an entity's net worth, apportioned to Alabama. There is a minimum of \$100 business privilege tax imposed annually on all entities subject to this tax. Currently, most taxpayers have an annual maximum business privilege tax due of \$15,000. Financial institutions are subject to a minimum tax based on their Alabama deposits.

In addition, under current law, the business privilege tax due date for financial institutions is March 15. The Alabama excise tax return filed by financial institutions is due April 15. Taxpayers often need to extend the filing date of the business privilege tax in order to have complete information not available until the financial institution excise tax return is completed. All other entity types have corresponding due dates for both the business privilege tax and the Alabama income tax return.

HB13 would:

1. increase the annual maximum amount of business privilege tax due from \$15,000 to \$25,000.
2. increase the tax rates and the minimum tax due.
3. increase the minimum tax rates for financial institutions and will require financial institutions with in-state deposits to calculate their tax based on those deposits.
4. amend the business privilege tax due date for taxpayers subject to the financial institution excise tax from March 15 to April 15, to provide for corresponding tax return due dates for financial institutions.

HB21 would:

1. eliminate the annual Business Privilege Tax filing obligation for all business entities with less than \$10,000 in Alabama taxable net worth.
2. Increase the annual maximum amount of Business Privilege Tax due from \$15,000 to \$30,000
3. increase tax rates and the minimum tax due.
4. increase the minimum tax rates for financial institutions
5. Require financial institutions with in-state deposits to calculate their tax based on those deposits.
6. amends the Business Privilege Tax due date for taxpayers subject to the financial institution Excise Tax from March 15 to April 15, to provide for corresponding tax return due dates for financial institutions.

In both bills, Section 12 of Act 99-665, as amended by Act 2000-705, is codified as part of Section 40-14A-22. Other technical corrections from these acts are also codified

League Action and Justification: Support

The actions outlined in the bills would assist in making the tax system less regressive.

Bill Progress in Legislature:

HB13

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

HB21

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

09/10/2015: 2nd Reading and placed on the calendar; 34d Reading Carried Over; Davis motion to Carry Over Temporarily adopted by Voice Vote; Further Consideration.

09/11/2015: 3rd Reading Carried Over; Gaston motion to Carry Over Temporarily adopted Voice Vote; Further Consideration

HB14

Sponsor(s): Representatives Ingram and Sells

Summary/Synopsis: Under current law, the Department of Revenue collects a fee for issuing and processing certain motor vehicle titles. This bill will increase the fee to \$28.00 for issuing and processing such titles. Each application for a title history of a vehicle or mobile home shall be \$15.00.

League Action and Justification: Support

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

09/09/2015: 2nd Read and placed on the calendar with 1 Amendment (171771-2)

09/10/2015: W&MGF amendment offered; Motion to Adopt adopted by Roll Call; Motion to Read a 3rd Time and Pass Adopted

09/10/2015: Engrossed

Senate Action:

09/10/2015: Read for the First Time and referred to the Senate committee on Finance and Taxation Education.

HB15

Sponsor(s): Representatives Sells, Clouse and Faulkner

Summary/Synopsis: This bill would increase the motor vehicle rental tax from 1½ percent to 2 percent of the gross proceeds.

League Action and Justification: Support

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

09/09/2015: 2nd Read and placed on the Calendar

09/10/2015: 3rd Reading passed; Shedd Amendment (171892-1 Offered; Sell motion to Table adopted by Roll Call; Motion to Read a 3rd Time and Pass adopted by Roll Call; Ingram intended to vote Nay.

Senate Action:

09/10/2015: Read for the first time and referred to the Senate committee on Finance and Taxation General Fund

HB17

Sponsor(s): By Representatives Williams (JD), Williams (JW), Fridy, Faust, Shiver, Nordgren, Johnson (K), Martin, Baker, Patterson, Faulkner, Wingo, Whorton (R), Scott and Butler

Summary/Synopsis: To levy an excise tax on the receipts from the sale of sexually-oriented materials and a certain other charges related to sexually-explicit businesses. [Note; one of the taxes is set at 40%]

The bill describes the tax as a way to protect minors in the same way taxes are used to protect minors from alcohol and tobacco products.

Movies rated R or -17 by the Motion Picture Association of America are excluded from the tax as are sales of contraception devices or medication and any medication that is prescribed by a physician that is intended to enhance sexual performance or sexual enjoyment.

League Action and Justification: Monitor

Passage of this bill most likely will result in court litigation over excess taxation and based on censorship through taxation.

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

09/09/2015: 2nd Read and placed on the calendar

09/10/2015: 3rd Read Carried Over; JD Williams motion to Carry Over Temporarily adopted by Voice Vote; Further consideration.

09/11/2015: 3rd Reading Carried Over; Gaston motion to Carry Over Temporarily adopted Voice Vote; Further Consideration

HB22

Sponsor(s): Representative Shedd

Summary/Synopsis: This bill would create the Priority Budgeting and Responsibility Fund in which revenue generated from any general legislation enacted during the 2015 Second Special Session shall be deposited.

This bill, commencing on October 1, 2015, and continuing each fiscal year thereafter, would require money in the fund to be appropriated to specific state agencies and programs for specific purposes according to the priority delineated in the bill.

The priority list in order of application is as follows:

1. Department of Veterans Affairs: \$3,200,000 to be used for staff and support for offices to be open and wait times minimized.
2. Medicaid: \$60,000,000 to be used to ensure that children's hospitals, rural health care, and services for senior citizens, including nursing home care, and other portions of the Medicaid Program are adequately funded.
3. Implementation of Act 2015-185, 2015 Regular Session (Prison Reform): \$26,000,000.
4. Alabama Department of Public Health: \$1,200,000 to be used for restaurant and food inspections.
5. Department of Senior Services: \$4,000,000 for the funding of, or matching federal funds for, the purchase of meals for homebound senior citizens and congregate meals at senior centers.
6. Alabama Department of Forensic Sciences: \$10,000,000 for staff, facilities, and operations necessary for the timely performance of its duties.
7. Department of Agriculture and Industries: \$1,600,000 for staff, facilities, and operations at Poultry Diagnostic Centers necessary for the timely performance of the centers' duties.
8. Alabama Law Enforcement Agency: \$2,000,000 for the operation of driver's license offices throughout the state. The amount of revenue directly generated in a fiscal year by the agency from the increase in driver's license fees adopted in 2015 shall be deducted from the amount specified in this subdivision prior to an appropriation from the Priority Budgeting and Responsibility Fund.
9. Department of Conservation and Natural Resources, Alabama State Parks Division: \$3,000,000 for the maintenance and operation of state parks.

League Action and Justification: Support

Adequate funding of many programs supported by League positions, including assured access to voter IDs.

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

HB24

Sponsor(s): Representative Shedd

Summary/Synopsis: Under current law, there is no specific excise tax on bottled or canned soft drinks or bulk syrup or powders used to produce such drinks.

This bill would levy an excise tax on certain bottled or canned soft drinks (including nonalcoholic malt drinks and bulk syrup or powders used to produce drinks sold at wholesale in this state and would provide for the distribution of the proceeds. The tax rates specified are:

1. Five cents (\$.05) for each separate container 12 ounces or less of soft drinks sold or offered for sale in the state.
2. An additional five cents (\$.05) for each additional 12 ounces of capacity of soft drinks sold or offered for sale in the state.
3. One dollar (\$1) per gallon of syrup or soft drink syrup sold or offered for sale in the state.
4. Where a container of powder or other base product, other than syrup or soft drink syrup, is sold or offered for sale in the state, the tax on the sale of each container shall be equal to three cents (\$.03) for each 12 ounces of soft drink which may be produced from each container by following the manufacturer's directions.

Distribution of monies collected would go to the following:

“Section 5. (a) If House Bill No. ____ of the 2015 Second Special Session is enacted into law and creates the Priority Budgeting and Responsibility Fund, the net proceeds from the tax levied by this act shall be deposited in the Priority Budgeting and Responsibility Fund.”

If the Fund is not created in this session, “the net proceeds . . . shall be appropriated to state agencies and programs in accordance with the following priority, respective appropriation amounts, and restricted uses:”

“(1) Department of Veterans Affairs: Three million two hundred thousand dollars (\$3,200,000) to be used for staff and support for offices to be open and wait times minimized.

(2) Medicaid: Sixty million dollars (\$60,000,000) to be used to ensure that children's hospitals, rural health care, and services for senior citizens, including nursing home care, and other portions of the Medicaid Program are adequately funded.

(3) Implementation of Act 2015-185, 2015 Regular Session (Prison Reform): Twenty-six million dollars (\$26,000,000).

(4) Alabama Department of Public Health: One million two hundred thousand dollars (\$1,200,000) to be used for restaurant and food inspections.

(5) Department of Senior Services: Four million dollars (\$4,000,000) for the funding of, or matching federal funds for, the purchase of meals for homebound senior citizens, and congregate meals at senior centers.

(6) Alabama Department of Forensic Sciences: Ten million dollars (\$10,000,000) for staff, facilities, and operations necessary for the timely performance of its duties.

(7) Department of Agriculture and Industries: One million six hundred thousand dollars (\$1,600,000) for staff, facilities, and operations at Poultry Diagnostic Centers necessary for the timely performance of the centers' duties.

(8) Department of Economic and Community Affairs: One million dollars (\$1,000,000) for litter control grants to local governments and nonprofit organizations.

(9) Department of Conservation and Natural Resources, Alabama State Parks Division: Three million dollars (\$3,000,000) for the maintenance and operation of state parks.

(10) Any funds remaining after distributions are made pursuant to this subsection shall be transferred to the State General Fund.

League Action and Justification: Support

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

HB25

Sponsor(s): Representative Shedd

Summary/Synopsis: Under existing law, the Legislature is authorized to transfer funds from certain state agencies to offset the costs of state services provided to the agencies by state entities that are supported by appropriations from the State General Fund.

This bill, for the fiscal year beginning October 1, 2016, and every fiscal year thereafter, would prohibit the transfer of funds from the State Parks Division within the Department of Conservation and Natural Resources to the State General Fund.

League Action and Justification: Monitor

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

HB28

Sponsor(s): Representative McCutcheon

Summary/Synopsis:

This bill would amend the existing gasoline and diesel fuel tax by providing for the indexing of five cents per gallon of gasoline and diesel fuel with an additional indexing of two cents per gallon annually in the event certain criteria are satisfied.

League Action and Justification: Support

The legislation would tie tax increases to prices increases and ensure realistic funding increases. Despite inflation the gas tax has not increased.

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Transportation, Utilities and Infrastructure

09/10/2015: 2nd Read and places on the calendar with 2 substitutes; pending 3rd read with 2 substitutes; Transportation, Utilities and Infrastructure second Substitute (171847-2) Offered

Note: ALISON gives only 1 substitute but says there are 2.

HB29

Summary/Synopsis: This bill amends the Education Trust Fund Rolling Reserve Act of 2011 to provide further for the determination of the annual appropriation cap, for the disposition of revenues received in excess of the cap, for the appropriation of funds in the Education Trust Fund Advancement and Technology Fund, and for the temporary transfer of funds from the Education Trust Fund Budget Stabilization Fund.

This bill amends the Wallace-Folsom College Savings Investment Plan Act to delete certain obsolete provisions concerning PSCA debt service. This bill further clarifies the fiscal status of holding or clearing accounts created as an administrative convenience to implement the statutory and/or constitutional distribution of earmarked tax revenues so as to prohibit the appropriation of such funds.

Sponsor(s): Representative Poole

League Action and Justification: Monitor as bill is evaluated

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means Education

09/09/2015: 2nd Read and placed on the calendar with 1 Amendment (171768-2); 3rd Reading Passed; W&M E Amendment Offered; Motion to Adopt adopted by Roll Call; Motion to Read a 3rd Time and Pass adopted by Roll Call

09/10/2015: Engrossed

Senate Action:

09/10/2015: Read for the First Time and referred to the Senate Committee on Finance and Taxation GF

09/11/2015: 2nd read and placed on the calendar; pending 3rd Read and Favorable from T&TGF

HB30

Sponsor(s): Representative Poole

Summary/Synopsis: This bill would amend Sections 40-23-61, 40-23-85 and 40-23-174, Code of Alabama 1975 to provide further for the distribution of use tax funds.

Beginning with appropriations made for the fiscal year ending September 30, 2017, the agencies and related programs listed in subsection shall be funded from the State General Fund in an amount to be determined by the Legislature and shall no longer be funded from the Education Trust Fund. In the event that any of these programs receives an appropriation from the Education Trust Fund in any fiscal year beginning after September 30, 2016, than an amount equal to the amount appropriated for the program from the Education Trust Fund shall be distributed from the use tax revenues to the Education Trust Fund for that fiscal year. This

distribution shall be in addition to any other distribution of use tax revenues to the Education Trust Fund.

The entities that will be included in the State General Fund are: Legislative Fiscal Office; Legislative Reference Service; Legislature; Archives and History; Child Abuse & Neglect Prevention, Department of; Geological Survey; Health, Department of Public -- Public Health Services Program; AIDS Alabama; Alabama Kidney Foundation; Statewide Trauma System ; Continuing Education for EMT Personnel; . Higher Education Commission (ACHE); National Computer Forensics Institute; Historical Commission; Human Resources, Department of -- OBS Program and Family and Children Services Program, Child Advocacy Centers, Child Care & After School Child Care Program, Black Belt Eye Care Consortium. Greater Alabama Child Development Program for rural day care, Wiregrass Rehabilitation Center for day care. Mental Health-Eagles' Wings; Law Enforcement Agency, State; Mental Health, Department of -- Institutional Treatment and Care of Mental Illness Program, Substance Abuse Program; Special Services Program -- Alabama Interagency Autism Coordinating Council, Mental Health-Rainbow Omega, Institutional Treatment and Care of Intellectually Disabled Program, Mental Health-ARC programs, Mental Health-Camp ASCCA; Rehabilitation Services, Department of -- Homebound Program, Hemophilia Program, Children's Rehab Services, Dependents of Blind Parents Rehabilitation Services, Teaching Children with Disabilities, Early Intervention, Respite Related Services & Training, Rehabilitation Projects, Federal Medicaid Assistance Program; Youth Services, Department of -- Youth Services Program; Talladega College; Special Programming for Achievement Network SPAN)

League Action and Justification: Support

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means Education
09/09/2015: 2nd Read and placed on the calendar with 1 Substitute (171737-1); 3rd Reading Passed;
W&ME 1st Substitute Offered; Motion to Adopt adopted by Roll Call; Motion to Read a Third Time and Pass adopted Roll Call; Engrossed

Senate Action

09/10/2015: Read for the first time and referred to the Senate committee on Finance and Taxation
General Fund

09/11/2015: 2nd read and placed on the calendar; pending 3rd Read and Favorable from FT&T GF

HB32 and SB7

League has no position on lotteries but is monitoring the following bills to keep members informed.

Summary/Synopsis: This is a proposed constitutional amendment to enable Alabama to participate in multi-state lotteries. The revenue, after payment of all expenses and prizes, would be designated for the General Fund.

SB7

Sponsor: Representative Sanford

Bill Progress in Legislature:

09/08/2015: Read for the first time and referred to the Senate committee on Tourism and Marketing

HB32

Sponsor: Representative Beckman

Bill Progress in Legislature:

09/09/2015: Read for the first time and referred to the House of Representatives committee on Economic Development and Tourism

SB1 and HB38

SB1

Sponsor(s): Senator Sanford

HB38

Sponsor(s): Representative Ainsworth

Summary/Synopsis: This bill provides for the establishment of the Alabama Shared Revenue Fund and provides for the distribution of the proceeds of the shared revenue sources of the Education Trust Fund and the State General Fund initially into this fund to be allocated to the Education Trust Fund and the State General Fund based upon the percentages established in this bill (Ed Fund 78%; GF 22%). Funds specifically earmarked by prior law are still earmarked.

League Action and Justification:

Bill Progress in Legislature:

SB1

09/08/2015: First Reading and referred to the Senate Committee on Finance and Taxation GF

09/09/2015: Read for the second time and placed on the calendar

09/10/2015: 3rd Reading Carried Over; Marsh motion to Carry Over adopted Voice Vote; Further Consideration.

HB38:

09/10/2015: First Reading and referred to the House Committee on Ways and Means Education

SB2

Sponsor(s): Senator Bussman

Summary/Synopsis: This bill provides for the one-time transfer of certain funds into the State General Fund for the fiscal year ending September 30, 2016. Transferred are the “total amount of the excess funds distributed to the Education Trust Fund Budget Stabilization Fund from the Education Trust Fund for the fiscal year ending September 30, 2015. . .’ Normally the funds would go to the Capital Fund in the EF.

League Action and Justification: Support this one time measure.

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the Senate Committee on Finance and Taxation GF

SB4

Sponsor(s): Senator Pittman

Summary/Synopsis: This bill would amend Section 40-23-85, Code of Alabama 1975 to provide further for the distribution of use tax funds – “. . . after the distributions to the Department of Revenue to pay the salaries and the cost of operation and the management of the department, the taxes collected under and pursuant to Section 40-23-61, excluding remote use tax, shall be distributed as follows for the fiscal year beginning October 7 1, 2015; forty-three percent (43%) to the State General Fund and fifty-seven (57%) to the Education Trust Fund.

League Action and Justification: Monitor

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the Senate Committee on Finance and Taxation Education

09/09/2015: Read for the second time and placed on the calendar 1 amendment (171766-2); Finance and Taxation Education first Amendment Offered; pending third reading on day 3 Favorable from Finance and Taxation Education with 1 amendment

SB5

Sponsor(s): Senator Livingston

Summary/Synopsis: This bill provides for a transfer from the Education Trust Fund Budget Stabilization Fund to the State General Fund for fiscal year 2016. This bill also requires proceeds from the BP Settlement Agreement to be utilized to repay the transfer made from the Budget Stabilization Fund.

The transferred amount would be the \$50 million in excess funds in the Stabilization Fund.

Sponsor(s): Senator Livingston

League Action and Justification: Monitor
There is concern over the use of the BP funds.

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the Senate Committee on Finance and Taxation GF

SB10 (Constitutional Amendment)

Sponsor(s): Senators Figures, Coleman, Sanders, Beasley, Singleton, Ross and Dunn

Summary/Synopsis: Currently, the state levies a 6.5 mill annual ad valorem tax on the assessed value of taxable property in the state.

This bill would propose a constitutional amendment to levy an additional five (5) mill annual state ad valorem tax. The net proceeds of the additional levy would be distributed to the State General Fund for Medicaid purposes.

League Action and Justification: Support

League supports adequate health care funding and expansion of Medicaid. This amendment if passed by the public would insure a steadier funding stream for Medicaid which is much needed, especially as an aging population needs long-term care.

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the Senate Committee on Finance and Taxation GF

SB12

Sponsor(s): Senators Coleman and Singleton

Summary/Synopsis: Under current law, each entity, subject to the Alabama corporate income tax, is required to file a separate return and calculate the income tax on its separately accounted for taxable income, regardless whether the entity is part of a larger business that consists of an affiliated group of entities. This filing method allows large corporate taxpayers to take advantage of tax planning options to shift income to other entities within the affiliated group located in tax favorable states.

Most large corporate businesses consist of a parent corporation and a number of corporate subsidiaries. This bill would amend the corporate income tax law to require the operations of all related entities, involved in a unitary business, file one corporate income tax return on a combined basis, known as combined reporting

League Action and Justification: Support

League supports development of a more equitable, efficient and effective tax system.

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the Senate Committee on Finance and Taxation Education

SB13

Sponsor(s): Senator Pittman

Summary/Synopsis: Existing law requires that the ad valorem tax due at the time of registration on a new motor vehicle registered for the first time with a manufacturer's certificate of origin where the motor vehicle meets the definition of Class IV property shall be deferred until the first renewal or other subsequent registration, whichever comes first.

The bill would remove the deferral of ad valorem taxes on a new motor vehicle registered for the first time with a manufacturer's certificate of origin where the motor vehicle meets the definition of Class IV property.

Note: Section 40-8-1 of the Alabama Code defines Class IV as: " All private passenger automobiles and motor trucks of the type commonly known as "pickups" or "pickup trucks" owned and operated by an individual for personal or private use and not for hire, rent, or compensation."

League Action and Justification: Support

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the Senate Committee on Finance and Taxation Education

09/09/2015: 2nd Read and placed on the Calendar; 3rd Reading Passed; Motion to Read a 3rd Time and Pass adopted by Roll Call

House Action:

09/10/2015: Read for the first time and referred to the House of Representatives committee on Ways and Means Education

SB20

Sponsor(s): Senator Melson

Summary/Synopsis: This bill would provide for an amnesty program for all taxes administered by the Department of Revenue, except the motor fuel taxes.

Those ineligible for amnesty would be: "...taxpayers who have been contacted by the [Revenue] department, who are parties to any criminal investigation or criminal litigations in any court of the United States or the state of Alabama pending on the effective date of this Act for nonpayment, delinquency, or fraud in relation to any state tax imposed by a law of the state of Alabama and administered by the department. Further, a taxpayer who delivers or discloses any false or fraudulent application, document, return, or other statement to the department in connection with an amnesty application shall be ineligible for amnesty and shall be subject of the fraud penalty under Section 40-2A-11(d), Code of Alabama 1975, or a penalty of ten thousand dollars, whichever is greater."

League Action and Justification: Support

League supports efficient tax systems. Amnesty bill have been effective in many states and have reduced the cost of collecting delinquent taxes.

Bill Progress Legislature:

09/08/2015: First Reading and referred to the Senate Committee on Finance and Taxation GF

09/09/2015: Read for the 2nd time and placed on the calendar

09/10/2015: 3rd Reading Passed; Motion to Read a 3rd Time and Pass adopted by Roll Call

House Action

09/10/2015: Read for the 1st time and referred to the House committee on Ways and Means General Fund

09/11/2015: 2nd read and placed on the calendar; pending 3rd Read and Favorable from W&M GF

SB25

Sponsor(s): Senator

Summary/Synopsis: This bill is a constitutional amendment which allows private entities besides the State department of Conservation and Natural Resources to operate and maintain state park facilities that include sleeping and/or eating accommodations or a golf course.

League Action and Justification: Oppose

This is a clever smokescreen that allows the proposed Gulf State Park Convention Center to be financed with state issued bonds, to be located on state land, and to be managed and maintained by a private company. This is privatization and could result in the state being liable for paying for a development (like a hotel) that it does not control or run.

Additionally, the construction of a luxury hotel in an ecologically sensitive place like Gulf Shores violates LWVAL's position on coastal development.

Bill Progress in Legislature:

09/08/2015: First reading and referred to the Senate committee on Finance and Taxation General Fund

09/10/2015: Carried Over

SB37

Sponsor(s): Senator Orr

Summary/Synopsis: Use tax receipts, portions redistributed from Education Trust Fund to State General Fund,

League Action and Justification: Monitor -- Actual bill was not listed in ALISON as of 09/12/2015

Bill Progress in Legislature:

09/10/2015: Read for the first time and referred to the Senate committee on Finance and Taxation General Fund

09/11/2015: 2nd Read and placed on the calendar; pending 3rd read and Favorable from F&T GF

OTHER LEGISLATION (NONREVENUE)**HB34**

Sponsor(s): Representative Ford (Constitutional Amendment)

Summary/Synopsis: Under existing law, lotteries and gift enterprises are prohibited. This bill would propose an amendment to Section 65 of the Constitution of Alabama of 1901, to establish an Alabama Lottery to fund scholarships, to create an Alabama Lottery Corporation to implement and to regulate the operation of such lottery, and to prohibit the operation of casinos in the State.

The amendment dedicates the net proceeds from the lottery to the Lottery Trust Fund for scholarships for qualifying students to attend a college or junior college located in Alabama. The amendment establishes the Lottery Trust Fund and authorizes the Legislature to pass general laws to implement the amendment.

League Action and Justification: Monitor -- LWVAL has no position on lotteries.

Bill Progress in Legislature:

09/09/2015: First Read and referred to the House Committee on Economic Development and Tourism; 2ND Read and placed on the calendar

09/10/2015: 3rd Reading Passed; Motion to Read a 3rd Time and Pass adopted by Roll Call

House Action

09/10/2015: Read for the first time and referred to the House of Representatives committee on Ways and Means General Fund

HB27

Sponsor(s): By Representatives Faulkner, Mooney, South, Baker, Hill (M), Williams (JW), Martin, Rich, Williams (JD), Fridy, Weaver, Drake, Carns, Ainsworth, Jones, Davis, Wingo, Garrett, Standridge, Butler, Sells, Ledbetter, Moore (B), Gaston, Clouse, Faust, Whorton (I), Whorton (R), Sessions, Beech, Greer, Farley, Chesteen, Lee, Holmes (M), Brown, McCutcheon, Shiver, Wadsworth, McMillan, Wilcox, Rowe and Sanderford

Summary/Synopsis: The bill would prohibit municipalities, counties, or other political subdivisions within the state from establishing a minimum wage that exceeds the federal law.

League Action and Justification: Monitor

League has no position on the minimum wage but is a strong supporter of home rule. However, individual local minimum wage laws can have negative consequences on nearby jurisdictions.

Bill Progress in Legislature:

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

SB19

Sponsor: Representative Beasley

Summary/Synopsis: Synopsis: This bill would expand the Medicaid program to provide assistance to all persons for whom federal matching funds are available to the state under the Patient Protection and Affordable Care Act. The bill also requires the State to appropriate the necessary funding to the state Medicaid agency to carry out the purposes of this bill.

League Action and Justification: Support

The LWVAL position on health care states as a goal, "The LWVAL supports access to basic health care services for all Alabama citizens." Enactment of this bill would further that goal

Bill Progress in Legislature:

SB21 and HB41

SB21

Sponsor: [Senator](#) Albritton

Representative Hill

Summary/Synopsis: The state would no longer issue marriage licenses. Instead, parties would file a marriage contract with the Probate Judge, who would then forward it to the Office of Vital Statistics.

Probate Judges would have no authority to make any determination of the eligibility of the parties to make the contract, except for age requirements. The recording of a civil contract of marriage with the office of the judge of probate shall be presumptive evidence of the validity of the marriage. The contract must include the names of the parties, a statement that they are legally authorized to be married and are acting voluntarily, and signatures of both parties and two witnesses. The parties could, if they wish, also have a civil or religious ceremony, but it is not required.

The bill states that it shall not affect any other legal aspects of marriage in this state, including, but not limited to, divorce, spousal support, child custody, child support, or common law marriage. This last part is incredibly vague, and therefore difficult to determine what it means, beyond the continuation of common law marriage. There is no way of knowing how this type of "marriage" will be construed in other states and federal law.

League Action and Justification: Oppose

It is understood that this is a reaction to the Supreme Court's decision recognizing same-sex marriage, and it is intended to provide cover for those probate judges who do not want to issue marriage licenses to same-sex couples. Because of its homophobic provenance, LWVAL opposes the bill.

SB21

Bill Progress in Legislature:

09/08/2015: Read for the first time and referred to the Senate committee on Finance and Taxation General Fund

09/10/2015: 2nd Read and placed on the calendar; pending 3rd Reading and Favorable from F&TGF

HB41

09/08/2015: Read for the first time and referred to the House committee on the Judiciary

SB24 and HB45

SB24

Sponsor(s): Senators Holtzclaw, Scofield, Williams, Livingston, Sanford, Shelnutt, Melson, Albritton, Stutts, Orr, Reed, McClendon, and Waggoner

HB45

Sponsor(s): Representative Lee

Summary/Synopsis: Under current law, there is no administrative procedure available prior to the closing of state parks, offices, or agencies. This bill would provide for such procedure in conjunction with the process outlined in the Alabama Administrative Procedure Act.

The procedure outlined in the bill requires 45 days' notice of a closing be sent to the chairman of the Legislative Council. If the Council does not act, the closing is allowed.

If the Council disapproves the action, a public hearing will be allowed the agency. If the agency does not appear at the hearing after appropriate notice, and if no adjournment is granted, the hearing would proceed and the Council may approve or disapprove the closing or closings in the absence of the agency.

"If the Legislative Council disapproves or approves the closing or closings, it shall notify the agency in writing. If the Legislative Council disapproves the closing or closings, the closing or closings shall not become effective until adjournment of the next regular session of the Legislature that commences after the disapproval unless, prior to that time, the Legislature adopts a joint resolution that upholds the disapproval by the Legislative Council. If the Legislative Council approves the closing or closings, the closing or closings may proceed as scheduled. If the Legislative Council fails to either approve or disapprove the closing or closings within 30 days after the hearing, the closing or closings shall be deemed approved and the closing or closings may proceed as scheduled."

League Action and Justification: Support

Oversight of executive branch decisions and actions is part of an effective checks and balance system and approved by League.

Bill Progress in Legislature:

SB24

09/08/2015: First Reading and referred to the House Committee on Ways and Means GF

09/09/2015: Read for the second time and placed on the calendar; Motion to Read a 3rd Time and Pass adopted

House Action: Read for the first time and referred to the House of Representatives committee on Ways and Means General Fund 09/10/2015:

HB45

09/11/2015: First Reading and referred to the House committee on Ways and Means General Fund

SB32 and HB44

SB32

Sponsor(s): Senator Hightower

HB44

Sponsor(s): Representative Sessions

Summary/Synopsis: This bill creates a special trust fund called the Alabama Gulf Coast Sand Restoration Trust Fund and reallocates the moneys earned by the state's sale of sand in state waters to this fund. [Currently such moneys are placed in the General Fund.] The fund is to be given to Mobile County to maintain and preserve Mobile County waterways and beaches. Beach erosion is a very real issue on Alabama's barrier island.

League Action & Justification: Monitor

This bill creates an earmarked fund which League opposes in general terms and move monies from the General Fund. It also allows the artificial renourishment of beaches, which may not be economically justified or ecologically viable. Beach erosion is a very real issue on Alabama's barrier islands.

Bill Progress in Legislature:

SB32

09/09/2015: First reading and referred to the Senate committee on Finance and Taxation
General Fund

HB44

09/10/2015: Read for the first time and referred to the House of Representatives committee on
Agriculture and Forestry