

# FINE GEDDIE

GOVERNMENT RELATIONS

## THE FINE GEDDIE REPORT 2023 REGULAR SESSION · WEEK THREE MARCH 24, 2023

### REGULAR SESSION RESUMES: MONEY MATTERS CONTINUE TO DOMINATE

With the special session in the rearview mirror, lawmakers turned their gaze to the work of the annual regular session. Their No. 1 job now is **appropriating more than \$14,000,000,000** — a combination of surplus funds in the present fiscal year with operating budgets for the next. This week Gov. Kay Ivey released FY2024 budget proposals. Work on the education budget is beginning in the Senate, where Sen. Arthur Orr (R—Decatur) introduced the governor's **\$8.79 billion Education Trust Fund budget** as SB88. It represents a 6.5% increase over the current spending plan, lauded as the largest in state history. The governor's recommended **\$2.97 billion general fund budget**, which supports operation of most state agencies, reflects an 8.4% increase over the current year. It is HB124 by Rep. Rex Reynolds (R—Huntsville). One sign of the rosy financial picture is the governor's proposed raises for teachers and state employees. These executive recommendations generally function as a starting point for lawmakers.

In some ways the more urgent matter is spending surplus funds. Gov. Kay Ivey also released her plan for these dollars this week, led by a proposed **\$2.8 billion supplemental appropriation from the Education Trust Fund**. Of that, she tabbed about a third, or \$967 million, for income tax rebates for Alabamians in SB87 by Sen. Arthur Orr. A separate bill — HB125 by Rep. Rex Reynolds — contains the governor's preferences for the **\$189 million surplus from the general fund**. Again, just like the governor's budgets, these are recommendations and changes are expected as the bills move through the legislative process.

Amid a hectic three-day work week and undercurrents of tension, legislators made important decisions about how they will govern themselves for the next four years. Elections were held, and the **Legislative Council**, a joint body with significant authority over legislative operations and other matters, conducted its first meeting of the quadrennium this week. Sen. Sam Givhan (R—Gurley) was elected chairman for two years, which will be the first time in several years that the council has been led by an attorney. Rep. Chris Pringle (R—Mobile) was elected to chair the council for the following two years. Other members from the Senate are Greg Albritton (R—Atmore), Clyde Chambliss (R—Prattville), Vivian Davis Figures (D—Mobile), Steve Livingston (R—Scottsboro), Arthur Orr (R—Decatur), Greg Reed (R—Jasper), Clay Scofield (R—Guntersville), Bobby Singleton (D—Greensboro) and Rodger Smitherman (D—

Birmingham). Other House members serving on the council are Anthony Daniels (D—Huntsville), David Faulkner (R—Birmingham), Danny Garrett (R—Trussville), Nathaniel Ledbetter (R—Rainsville), Joe Lovvorn (R—Auburn), Mary Moore (D—Birmingham), Rex Reynolds (R—Huntsville), Randall Shedd (R—Cullman) and Scott Stadthagen (R—Hartselle).

In notable legislative action this week, the House unanimously passed a bill to enhance criminal penalties for **fentanyl trafficking** under HB1 by Rep. Matt Simpson (R—Daphne). 101 members of the House co-sponsored the legislation which has been urged by voters and business entities alike, due to its workforce implications.

As planned, lawmakers are taking their spring break recess next week and there will be no report next Friday. However, throughout the week *the Fine Geddie Team will be available to assist you! Please don't hesitate to call on us.*

## OVERVIEW OF THE WEEK

### ECONOMIC DEVELOPMENT & PORT-RELATED ISSUES

- One of Gov. Kay Ivey's priorities is reauthorizing some of the state's major **economic development incentives**. This week, she announced to stakeholders the broad outlines of a four-bill package to thoroughly modernize the state's offerings to suit the current marketplace. Bills are expected to be introduced after the spring break recess.

### OCCUPATIONAL TAX

- The Senate County and Municipal Government Committee conducted a public hearing Tuesday on a proposal to reduce or eliminate certain existing local occupational taxes, limit their application and block establishment of new ones. The committee voted 5-4 in favor of SB65 by Sen. Andrew Jones (R—Centre) as substituted to limit application to future annexations and amended to shield occupational taxes that have been used to secure debt until the debt is retired.

### HEALTHCARE

- Legislation concerning **healthcare facility visitation** was approved by the Senate this week with some changes on the floor. SB113 by Sen. Garlan Gudger (R—Cullman) was prompted by concern for citizens who were not able to visit loved ones in hospitals or nursing homes during the pandemic, and the bill is named in memory of Harold Sachs, a constituent in Gudger's district, and Ann Roberts, wife of Sen. Dan Roberts (R—Birmingham). SB113 is scheduled for consideration by the House Health Committee on April 5.
- This week, the Senate Healthcare Committee heard testimony from licensees regarding SB28 by Sen. Tim Melson (R—Florence), which would revise the **scope of practice for podiatrists**. There was no vote on the bill.
- **Licensure standards for prosthetists and orthotists** would be updated pursuant to SB18 by Sen. Billy Beasley (D—Clayton), which was approved by the Senate Healthcare Committee on Wednesday.

## CANNABIS

- **Psychoactive cannabinoids from hemp** could not be sold to anyone younger than 21 under SB66 by Sen. Tim Melson (R—Florence). The bill, which would levy a 5% tax on these products, was approved by the Senate Healthcare Committee this week.

## STATE RETIREMENT

- **Retired state employees and teachers** can return to work and while drawing retirement as long as their pay does not exceed an inflation-adjusted cap that is \$37,000 at present. SB61 by Sen. Sam Givhan (R—Gurley) would increase the cap to \$52,000 plus an inflation adjustment. The Senate Finance and Taxation Committee on the General Fund discussed the bill Tuesday before carrying it over. However, the companion bill — HB41 by Rep. Rex Reynolds (R—Huntsville) — was approved Wednesday by the House Ways and Means Committee on the General Fund.
- Firefighters, law enforcement and correctional officers in the Retirement Systems of Alabama would no longer have a time limit for purchasing hazardous duty time under HB66 by Rep. Joe Lovvorn (R—Auburn). The bill passed the House Ways and Means Committee on the General Fund on Wednesday.

## TOBACCO

- **Smoking or vaping in a motor vehicle in the presence of a child** would be banned with passage of HB3 by Rep. Rolanda Hollis (D—Birmingham). The bill was approved by the House Public Safety and Homeland Security Committee on Wednesday.

## DISTRACTED DRIVING

- It would be **illegal to hold a cell phone while driving** for the purpose of talking or taking a photo/video under HB8 by Rep. Randy Wood (R—Anniston). It would still be permissible to talk while driving using handsfree technology. A substitute version of the bill was approved by the House Public Safety and Homeland Security Committee Wednesday.

## EDUCATION

- As substituted by the House Ways and Means Committee on Education, HB65 by Rep. Terri Collins (R—Decatur) would increase the **competitive bidding floor for county and city boards of education** from \$15,000 to \$40,000 and add an inflation adjustment to the threshold.

## TAX REFORM

- At present, businesses must make **monthly estimated sales tax payments** to the state if their average monthly sales tax liability reaches \$5,000. HB77 by Rep. Danny Garrett (R—Trussville) proposes to increase the threshold to \$20,000 per month. The bill, projected to benefit 3,100 small businesses, was approved Wednesday by the House Ways and Means Committee on Education.
- Three bills **cutting Alabama’s individual income tax** received approval by the

Senate Finance and Taxation Committee on Education this week; all are sponsored by the committee's chair, Sen. Sen. Arthur Orr (R—Decatur). SB47 as amended would make an individual's first \$500 of income tax free. SB48 as amended would gradually shave 0.05% off the top tax rate, which stands at 5%. And finally, SB49 would exempt from tax the first \$10,000 of taxable retirement income from defined contribution sources, up from the current exemption of \$6,000.

## INSURANCE

- Two updates to **insurance industry licensure** were approved by the House Insurance Committee on Wednesday. HB60 by the committee chairman, Rep. Corley Ellis (R—Columbiana), lifts a requirement for three types of licensees to take a course before sitting for their exam. The bill would also phase out the service representative license.
- A measure to **regulate lender-placed insurance on real property** was carried over by the House Insurance Committee on Wednesday. HB58 is by Rep. Corley Ellis (R—Columbiana).
- The Senate approved a **civil liability bill** Thursday developed with input from the business community and the plaintiff's bar. SB104 by Sen. Chris Elliott (R—Josephine) would change the standard that courts use to hold **sellers of alcoholic beverages** liable for injuries caused by an intoxicated customer.

## WORKFORCE

- The House Education Policy Committee on Wednesday approved a comprehensive workforce development bill in HB109 by Rep. Terri Collins (R—Decatur). Among its provisions, the bill would create a 24-member **Alabama Workforce Council Committee on Credential Quality and Transparency** to advise the Alabama Committee on Credentialing and Career Pathways and make credential and competency data publicly available.

## EXECUTIVE POWERS

- The Senate Fiscal Responsibility and Economic Development Committee was scheduled to consider a clarification to the state's ban on **price gouging during a state of emergency** this week, but the committee meeting was cancelled. SB62 is sponsored by Sen. Sam Givhan (R—Gurley).
- HB89 by Rep. Chris Sells (R—Greenville) would revise the definition of a rule for purposes of the **Administrative Procedure Act** to exclude communications within an agency or with another agency. The bill was approved by the House State Government Committee on Wednesday.

## EMPLOYMENT LAW

- It would be **illegal for employers to microchip employees** under HB4 by Rep. Prince Chestnut (D—Selma), which won approval from the House Judiciary Committee.

## PROCUREMENT

- Under HB51 by Rep. Corley Ellis (R—Columbiana), the **competitive bidding threshold** for certain local and education agencies would increase from \$15,000 to

\$30,000 with a mechanism to adjust for inflation in the future. The bill was approved by the House State Government Committee on Wednesday.

## JUDICIARY

- A bill to create **three new circuit judgeships** in growing areas of the state was carried over in the Senate Judiciary Committee on Wednesday. SB39 is sponsored by Sen. Sam Givhan (R—Gurley).

## CONFIRMATIONS

- On Wednesday, the Alabama Senate confirmed four members of the **University of Alabama System board of trustees** — new member Jeff Gronberg and returning members W. Davis Malone, Scott M. Phelps and W. Stancil Starnes.
- The Senate on Wednesday also confirmed the appointment of Billy Ainsworth and the reappointment of Robert Dumas and Jimmy Rane to the **Auburn University board of trustees**. Ainsworth is the father of Lt. Gov. Will Ainsworth.

## MILITARY AFFAIRS

- The **Military Family Jobs Opportunity Act** would be updated with passage of SB37 by Sen. Sam Givhan (R—Gurley). The bill, which would extend professional license reciprocity to spouses of U.S. Department of Defense civil servants, was approved by the Senate Veterans, Military Affairs, and Public Safety Committee on Thursday. The House version of the proposal — HB44 by Rep. Chris Blackshear (R—Smiths Station) — is scheduled for consideration by the House Military and Veterans Affairs Committee after the recess.
- Another bill seeks to expand the **Alabama Job Creation and Military Stability Commission**. SB19 by Sen. Billy Beasley (D—Clayton) was also approved by the Senate Veterans, Military Affairs, and Public Safety Committee on Thursday.

## BANKING

- A bill was introduced this week to prohibit consideration of **environmental, social, and governance (ESG) criteria** when awarding a public contract and to require a responsible bidder to certify that its employees will not be subject to a personal ESG rating as a basis of hiring, firing, or evaluation. HB188 is by Rep. Chip Brown (R—Mobile).

*Next week is the Alabama Legislature's scheduled spring break recess.  
Legislators will reconvene on Tuesday, April 4,  
for the 5th of 30 possible working days in the regular session.*