

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT 2023 REGULAR SESSION · WEEK SEVEN

APRIL 28, 2023

\$3 BILLION GENERAL FUND BUDGET CLEARS HOUSE, BRINGS FIRST HALF OF SESSION TO CLOSE

Lawmakers completed yet another productive week in Montgomery, headlined by the House's progress on one of the state's major operating budgets for next year. Alabama is one of the few states with two major operating budgets, and the smaller of the two passed the House Tuesday. This **FY2024 General Fund budget** totals \$3.024 billion, a \$169 million increase over the current year. This growth was made possible by strong revenue trends. The House also passed **HB125** by Rep. Rex Reynolds (R—Huntsville) appropriating **\$202 million of General Fund budget surplus** for the current fiscal year. It reflects about a \$13 million increase above the governor's recommendation.

The \$8.8 billion **FY2024 Education Trust Fund budget** is expected to be debated in the Senate next week, as well as a **supplemental bill appropriating \$2.8 billion** for the current fiscal year.

Significant legislation is still being introduced, such as **HB389** filed by Rep. Rex Reynolds (R—Huntsville) on Tuesday. The bipartisan 2020 National Suicide Hotline Designation Act, signed by former President Trump made **988 the three-digit emergency phone number for mental health crises**. Reynolds' bill proposes a \$0.98 assessment per month on telephone and cell phone lines to support Alabama's mental health crisis services, the comprehensive and foundational structure of which has been established through legislative measures passed in previous sessions. The bill is pending with the House Ways and Means Committee on the General Fund.

Another notable bill introduced this week is **SB261** by Sen. Dan Roberts (R—Birmingham), which **would prohibit governmental entities from contracting with companies that engage in the economic boycott of businesses** in certain sectors and industries that fail to commit to certain environmental standards; that fail to commit to certain corporate governance criteria; or that fail to facilitate certain activities. The bill was filed Thursday and assigned to the Senate Fiscal Responsibility and Economic Development Committee.

It is halftime for the session with 15 legislative days left and tensions are emerging as the work becomes more deliberative and time grows short. However, legislators still found a moment this week to celebrate Sen. Jabo Waggoner (R—Vestavia Hills) for 50 years of legislative service.

OVERVIEW OF THE WEEK

CANNABIS

- **Psychoactive cannabinoids from hemp** could not be sold to anyone younger than 21 under SB66 by Sen. Tim Melson (R—Florence), which was approved as substituted by the House Health Committee this week. Melson’s bill is expected to be taken up on the House floor on Tuesday. HB219 by Rep. Russell Bedsole (R—Alabaster) is the companion.

PUBLIC SAFETY

- The **Volunteer Rescue Squad Tuition Reimbursement Act** of 2018 would receive multiple updates including some expansion of eligibility and increased reimbursement for the Alabama Community College System under HB213 by Rep. Joe Lovvorn (R—Auburn). The House Ways and Means Committee on Education approved a substitute version of the bill on Wednesday, and the House is expected to consider it on the floor Tuesday. SB145 by Sen. Steve Livingston (R—Scottsboro) is the companion bill, and it was approved in substitute form this week by the Senate Fiscal Responsibility and Economic Development Committee.

TOBACCO

- **Smoking or vaping in a motor vehicle in the presence of a child** would be banned pursuant to HB3 by Rep. Rolanda Hollis (D—Birmingham), which passed the Senate on Tuesday. It is now pending with the governor.
- HB319 by Rep. Barbara Drummond (D—Mobile) would enhance enforcement of **tobacco and vape laws administered by the Alabama Alcoholic Beverage Control Board** and increase penalties for violations. It would also set standards for manufacturers of e-liquids and alternative nicotine products under the oversight of the Alabama Department of Revenue. The House Judiciary Committee conducted a public hearing on the bill Wednesday but took no further action.

ECONOMIC DEVELOPMENT & PORT-RELATED ISSUES

- State law on **boating and boating violations** would be comprehensively revised according to HB358 by Rep. Ginny Shaver (R—Leesburg). The House Public Safety and Homeland Security Committee approved the bill Wednesday with two amendments (1, 2).
- **Tax credits for rehabilitating historic buildings** would double to \$40 million a year under HB253 by Rep. Adline Clarke (D—Mobile). The House Ways and Means Committee on Education conducted a public hearing on the proposal Wednesday but did not take a vote.

ENERGY & TRANSPORTATION

- A bill to exclude certain **industrial access roads** from the public highway and street system of the state passed the Senate on Tuesday. SB192 is by Sen. Greg Albritton (R—Atmore). The House version is HB291 is by Rep. Donna Givens (R—Loxley).

- The proceeds from **fuel taxes levied by counties and municipalities** could only be used for roads and bridges with limited exceptions under HB254 by Rep. Steve Clouse (R—Ozark). The House is expected to consider the bill and its substitute on Tuesday. Sen. Shay Shelnett (R—Trussville) is sponsoring the companion bill.
- **Municipal authority to set speed limits on county-maintained roads** within a municipality would be limited somewhat under SB33 by Sen. Steve Livingston (R—Scottsboro), which won final passage Thursday in the House after contentious debate. The House sponsor is Rep. Debbie Wood (R—Valley), and SB33 is now pending with the governor.
- Law enforcement would have a new tool to **combat exhibition driving** under HB29 by Rep. Allen Treadaway (R—Morris), which received approval from the Senate Veterans, Military Affairs and Public Safety Committee on Wednesday. The Senate version is by Sen. Rodger Smitherman (D—Birmingham).

HEALTHCARE

- The **Physician Workforce Act seeks to address workforce shortages** by providing for certain contingency licenses for physicians who under current law may not otherwise be given a path to board certification. HB243 by Rep. Paul Lee (R—Dothan) passed the House on Tuesday, and the Senate passed the companion Thursday, SB155 by Sen. April Weaver (R—Alabaster).
- The business community has shown concern about SB220 by Sen. Tom Butler (R—Madison) related to **pharmacy benefit managers (PBMs)**, which was scheduled for a public hearing in the Senate State Governmental Affairs Committee this week. The hearing was cancelled, and no action was taken on the bill. The companion version is HB367 by Rep. Phillip Rigsby (R—Huntsville). The bill would allow a pharmacist to refuse to fill a prescription if he is not satisfied with the reimbursement amount.
- The **scope of practice for podiatrists** would be revised under SB28 by Sen. Tim Melson (R—Florence), which passed the House Tuesday. It is pending with the governor.
- The **scope of practice for social workers** would expand under HB56 by Rep. Frances Holk-Jones (R—Foley), which passed the Senate on Tuesday and is now pending with the governor. A similar bill advanced in the House this week; SB109 by Sen. Linda Coleman-Madison (D—Birmingham) was approved Wednesday by the House Health Committee.
- People with disabilities could not be **discriminated against in organ transplants**, according to SB208 by Sen. Randy Price (R—Opelika). The bill was considered on the Senate floor Thursday and carried over. The companion is HB122 by Rep. Debbie Wood (R—Valley).
- A proposed **income tax credit for students in certain health professions who train in rural or underserved areas** passed the House this week. HB133 is by Rep. Neil Rafferty (D—Birmingham), and Sen. April Weaver (R—Alabaster) has the companion.

- **Emergency medical personnel and services** would gain the same liability protections as other healthcare providers pursuant to HB162 by Rep. Ed Oliver (R—Dadeville), which passed the Senate Tuesday. The bill, sponsored in the Senate by Sen. Sam Givhan (R—Gurley), is now pending with the governor.
- The Alabama Medicaid Agency would be authorized to revise the **ceiling or maximum reimbursement rate for nursing facilities** more often under HB279 by Rep. Kyle South (R—Fayette), which passed the House on Tuesday. The Senate version — SB189 by Sen. Greg Albritton (R—Atmore) — passed the Senate on Tuesday. The bill resulted from a collaboration of the nursing home industry and the Medicaid commissioner to make a technical fix to the commissioner’s authority with regard to reimbursement in the event of budgetary stress.
- Under existing law, each manufacturer, bottler, packager, wholesale drug distributor, or other entity in the **supply chain for pharmaceutical products** is required to obtain an annual permit from the Board of Pharmacy and pay an annual permit fee. HB79 by Rep. Phillip Rigsby (R—Huntsville) would require each permit holder to designate a representative to register with the board and pay an additional annual registration fee. This week, the bill passed the Senate, where it was sponsored by Sen. Billy Beasley (D—Clayton). It is now pending with the governor.
- HB314 by Rep. Phillip Rigsby (R—Huntsville) proposes adjustments to **one-time emergency refills** dispensed by pharmacists, and it passed the House Tuesday with one floor amendment.
- The Board of Pharmacy is gaining authority to regulate **remote work by pharmacists**, a need that emerged during the pandemic. SB16 by Sen. Tom Butler (R—Madison) and Rep. Phillip Rigsby (R—Huntsville) passed the legislature last week and was signed by the governor on Thursday, becoming Act 2023-60.
- Pharmacists are already authorized to administer vaccines, and HB290 by Rep. Phillip Rigsby (R—Huntsville) would also **authorize pharmacists to prescribe vaccines**. This week the House Health Committee approved the bill as amended. The companion is SB229 by Sen. Billy Beasley (D—Clayton).
- **Licensure standards for prosthetists and orthotists** would be updated pursuant to SB18 by Sen. Billy Beasley (D—Clayton), which passed the Senate on Thursday.

STATE RETIREMENT

- **Local governments in the Employees’ Retirement System** would have more time to opt in to the provisions of Act 2022-229, which allows for a one-time bonus payment to retirees. SB92 by Sen. Josh Carnley (R—Ino) passed the House Tuesday and is pending with the governor. The House version is by Rep. Reed Ingram (R—Mathews).
- One bill affecting **hazardous duty time** passed the Senate this week and is pending with the governor. HB66 by Rep. Joe Lovvorn (R—Auburn) would remove the time limit for firefighters, law enforcement and correctional officers in the Retirement Systems of Alabama to purchase hazardous duty time. SB69 by Sen. Andrew Jones (R—Centre) is similar; it was scheduled for consideration this week

by the House Ways and Means Committee on the General Fund but did not advance.

- A bill to revise the **state police tier II plan** within the Employees' Retirement System passed the House last week. SB68 by Sen. Clyde Chambliss (R—Prattville) remains pending with the governor.
- The **corrections commissioner and deputy commissioners who maintain APOSTC certification** would be designated as correctional officers or law enforcement officers for the purposes of state retirement under SB129 by Sen. Bobby Singleton (D—Greensboro). The bill passed the Senate on Thursday.
- State retirees working as **school resource officers** are subject to the same earnings cap as other retirees if they want to continue to draw retirement. The inflation-adjusted cap stands at \$37,000 presently, and SB174 by Sen. Arthur Orr (R—Decatur) would exempt school resource officer earnings from afterschool events from the cap. The bill passed the Senate on Thursday.

EDUCATION

- The state's **ban on transgender athletes** in K-12 schools would be extended to higher education under HB261 by Rep. Susan DuBose (R—Birmingham), which was amended and approved this week by the Senate Education Policy Committee. Sen. April Weaver (R—Alabaster) is sponsoring the Senate version.
- The **ReEngage Alabama Grant program** would provide financial aid to certain adult Alabamians who return to two- or four-year college to complete a degree under SB175 by Sen. Arthur Orr (R—Decatur), subject to funding availability. The bill passed the Senate on Thursday.
- High school students would be required to complete a **financial literacy course** in order to graduate with passage of HB164 by Rep. Andy Whitt (R—Ardmore), which was approved Wednesday by the Senate Education Policy Committee.

INSURANCE

- In post adjudication situations, rules for **driver license suspension** for failure to appear in court or a missed payment would change under SB154 by Sen. Will Barfoot (R—Pike Road) to extend some grace so citizens can continue driving to work and other responsibilities. The new standard would be two missed court appearances or six missed payments. The bill passed the Senate on Tuesday, and Rep. Tim Wadsworth (R—Arley) has the companion.
- **Health insurers** could conduct all communication with enrollees electronically according to SB167 by Sen. Josh Carnley (R—Ino), which passed the Senate Tuesday in substitute form.
- **Disability insurers could offer coverage for paid family leave** under HB141 by Rep. Corley Ellis (R—Columbiana), which passed the Senate Thursday and is pending with the governor. The companion is SB84 by Sen. Shay Shelnett (R—Trussville).
- HB60 by Rep. Corley Ellis (R—Columbiana) would streamline some aspects of **insurance industry licensure**. On Thursday, the bill passed the Senate, and it is currently pending with the governor. A similar measure — SB139 by Sen. Shay

Shelnutt (R—Trussville) — is carried over to the call of the chair in the Senate.

- **Public notice requirements for the Alabama Department of Insurance** would be revised pursuant to HB161 by Rep. David Faulkner (R—Birmingham), which passed the Senate Thursday with an amendment. Because of the amendment, the bill must return to the House for concurrence. The companion by Sen. Shay Shelnutt (R—Trussville) is SB138, and it was amended and approved by the House Insurance Committee on Wednesday.
- An exception allowing active-duty military to secure **mandatory motor vehicle liability insurance** in the state where they reside won approval from the Senate Veterans, Military Affairs and Public Safety Committee this week. HB210 is by Rep. Rhett Marques (R—Enterprise), and Sen. Josh Carnley (R—Ino) has the Senate companion, SB201, which passed the Senate on Thursday.
- Local governments could not enforce **building codes requiring the installation of certain latent, non-operable features** (such as an electric vehicle charger) in a residential structure according to SB40 by Sen. Chris Elliott (R—Josephine), which passed the House last week and is pending with the governor. Rep. Reed Ingram (R—Mathews) is sponsoring the House version.

EXECUTIVE POWERS

- This week the House approved SB62 by Sen. Sam Givhan (R—Gurley) to clarify the state’s ban on **price gouging during a state of emergency** so that the governor could specify if and where price controls should accompany a state of emergency. The bill is now pending with the governor, and Rep. Jamie Kiel (R—Russellville) sponsored the House version.

GOVERNMENT PROCUREMENT

- Multiple **competitive bidding thresholds** in state law would increase with SB108 by Sen. Linda Coleman-Madison (D—Birmingham), which would also establish an inflation adjustment going forward. The bill passed the House on Thursday and is pending with the governor.

MILITARY AFFAIRS

- HB44 by Rep. Chris Blackshear (R—Smiths Station) to expand the **Alabama Job Creation and Military Stability Commission** was approved by the Senate Veterans, Military Affairs and Public Safety Committee this week. Also this week, the companion bill, SB19 by Sen. Billy Beasley (D—Clayton), was approved by the House Military and Veterans Affairs Committee.
- The House is expected to consider a bill Tuesday that would update the **Military Family Jobs Opportunity Act** to extend professional license reciprocity to spouses of U.S. Department of Defense civil servants. HB280 is by Rep. Phillip Rigsby (R—Huntsville), and the companion is by Sen. Sam Givhan (R—Gurley).

BANKING

- Financing arrangements for the **sale or lease of motor vehicles** would be adjusted under SB15 by Sen. Shay Shelnutt (R—Trussville). The bill, which affects

insurance of motor vehicle value protection agreements, passed the Senate this week.

- The procedures for **redeeming a property sold at a tax sale** would be revised under HB190 by Rep. Tim Wadsworth (R—Arley), which was scheduled for consideration in the House Judiciary Committee this week but no action was taken. The companion is SB172 by Sen. Sam Givhan (R—Gurley).
- SB11 by Sen. Will Barfoot (R—Pike Road) would revise the **Alabama Uniform Trust Code** to increase the threshold at which a noneconomic trust can be terminated. It is expected to be considered Tuesday on the House floor, and House members have already passed the companion bill by Rep. Cynthia Lee Almond (R—Tuscaloosa).

STATE GOVERNMENT

- A proposal to **decentralize motor vehicle registration data** was the subject of a public hearing in the Senate County and Municipal Government Committee on Tuesday. Numerous concerns were raised about SB214 by Sen. April Weaver (R—Alabaster). It would potentially jeopardize many programs that rely on centralized data storage and multiple interfaces such as the fleet vehicle registration and International Registration Plan for trucks.
- The **Alabama Ethics Commission** would be required to provide exculpatory evidence to alleged violators according to SB103 by Sen. Arthur Orr (R—Decatur), which passed the Senate Tuesday with an amendment to require the commission to identify accusers.
- The **Board of Pardons and Paroles** would change the way it maintains, leases, and purchases motor vehicles subject to HB121 by Rep. Randall Shedd (R—Cullman). The bill, which would also affect how the agency disposes of used vehicles, was again scheduled for consideration by the House Ways and Means Committee on the General Fund this week, but it was removed from the agenda.

EMPLOYMENT LAW

- When **determining if a driver is an employee or an independent contractor**, a motor carrier's implementation of safety requirements for drivers could not be considered under SB183 by Sen. Garlan Gudger (R—Cullman). It passed the Senate as amended on Tuesday, and Rep. Rhett Marques (R—Enterprise) is sponsoring the House version, HB256.
- **Overtime earnings would be exempt** from state income tax under HB217 by Rep. Anthony Daniels (D—Huntsville). The bill was approved this week by the House Ways and Means Committee on Education with an amendment that, among other changes, sunsets the tax break in a few years. It is expected to be considered on the House floor Tuesday.
- Employers would generally be **prohibited from requesting the wage history** of a prospective employee under HB331 by Rep. Adline Clarke (D—Mobile). It was scheduled for consideration Wednesday by the House Commerce and Small Business Committee but did not advance.

- It would be **illegal for employers to microchip employees** under HB4 by Rep. Prince Chestnut (D—Selma), which passed the House on Thursday.
- A **tax break for health insurance premiums** paid is available for some small businesses and some of their employees, and this income tax deduction would be expanded to businesses employing less than 50 employees under HB273 by Rep. Jamie Kiel (R—Russellville), which passed the House Thursday. Sen. Arthur Orr (R—Decatur) is sponsoring the Senate version.

MANUFACTURING

- Public works projects utilizing iron would be required to use **iron produced in the United States** according to HB157 by Rep. David Faulkner (R—Birmingham), which was approved Wednesday by the Senate Fiscal Responsibility and Economic Development Committee.

CONFIRMATIONS

- The Senate voted to confirm four people to the **State Board of Public Accountancy** — Michael Kintz, Alan Skinner, Tod Etheredge and Connie Sheppard-Harris.

TAX REFORM

- A new attempt to **reduce the sales tax on groceries** made a splash Thursday when it was introduced with support from all 35 members of the Alabama Senate and Lt. Gov. Will Ainsworth. Sen. Andrew Jones (R—Centre) is the lead sponsor of SB257, which would gradually eliminate half of the state sales tax on groceries, cutting it from 4% to 2%.
- A **tax break for retirees** was approved by the House Ways and Means Committee on Education this week. HB117 by Rep. Danny Garrett (R—Trussville) would exempt the first \$10,000 of taxable retirement income from defined contribution sources, up from the current exemption of \$6,000. Sen. Arthur Orr (R—Decatur) is sponsoring the companion.

RECREATION

- **Amusement rides and water slides** would be subject to new safety requirements pursuant to HB352 by Rep. Alan Baker (R—Brewton), which was approved this week by the House Public Safety and Homeland Security Committee with three amendments (1, 2, 3). Baker's bill is expected to be considered on the House floor Tuesday. Similarly, the Senate version of the bill — SB230 by Sen. Greg Albritton (R—Atmore) — was approved by the Senate Tourism Committee with three amendments (1, 2, 3).

TECHNOLOGY

- **Manufacturers of some internet-enabled devices** would be required to automatically activate filters to block access to pornography if HB298 by Rep. Chris Sells (R—Greenville) becomes law. After conducting a public hearing Wednesday, the House Commerce and Small Business Committee approved the bill.

RETAIL

- The **crime of shoplifting** would be established, separate from theft, with passage of SB206 by Sen. Clyde Chambliss (R—Prattville). The bill, to be known as the Retail Theft Crime Prevention Act, was approved Wednesday by the Senate Judiciary Committee. Lt. Gov. Will Ainsworth has made it one of his top priorities in collaboration with district attorneys. Also Wednesday, the House Judiciary Committee approved the companion, HB288 by Rep. Allen Treadaway (R—Morris).

LOCAL GOVERNMENT

- HB114 establishes a process and timeline by which **unclaimed funds in the county treasury** would be forfeited, and forfeited funds could be spent on road and bridge infrastructure. The bill by Rep. Matt Woods (R—Jasper) passed the Senate Tuesday and is pending with the governor.

The Alabama Legislature will reconvene on Tuesday, May 2, for the 16th of 30 possible working days in the regular session. It is expected to be a three-day week.