

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT

2018 REGULAR SESSION · WEEK FOUR · FEBRUARY 2, 2018

The Alabama Legislature convened for the seventh and eighth legislative days of the 2018 Regular Legislative Session this week. Both houses tackled full floor agendas on both Tuesday and Thursday with a full committee schedule for each body on Wednesday. This report includes highlights of the week.

SENATE CHANGES CHAMBER RULES TO REMOVE LIEUTENANT GOVERNOR'S AUTHORITY

The Senate approved changes this week to its operating rules that effectively remove the powers vested in the Office of the Lieutenant Governor by Senate rule. Where certain powers were given to the Lt. Governor in the rules, those provisions were changed to direct that authority to the presiding officer or Senate President Pro Tempore. Senators stated that the rule change was made because the Office of the Lieutenant Governor is currently vacant. The Lieutenant Governor retains certain constitutional and statutory powers.

CONSTITUTIONAL AMENDMENT FOR AUTOMATIC SUNSET ON TAX CREDITS PROPOSED

SB187 by Sen. Hightower (R—Mobile) is a constitutional amendment that would impose an **automatic seven-year expiration date on tax credits**, exemptions, deductions and preferential tax rates enacted beginning in the 2019 Regular Legislative Session. The bill was intended to be considered by the Senate Fiscal Responsibility and Economic Development Committee this week, but was removed from the agenda (and the meeting was canceled). Because the automatic sunset applies to tax expenditures “enacted” in 2019 and forward, it is unclear as to the proposed amendment’s intended impact on measures to renew existing credits, exemptions, etc. The business community has expressed concern about the legislation.

ACTION THIS WEEK

A substitute version of SB149 by Sen. Scofield (R—Guntersville) to **establish an incentive program for rural broadband development**, was approved by the Senate on Thursday after extensive floor debate. The proposed program would provide a ten year exemption from the state portion of property taxes for qualifying investments, offer a sales and use tax exemption on equipment used as facilities and provide for an income tax credit in the amount of 10% of the investment. The program would be administered by the Alabama Department of

Economic and Community Affairs. The legislation faces opposition in the House from cable providers and others who do not agree with the incentive structure.

SB234 by Sen. Dunn (D—Bessemer), which would authorize chiropractors to enter into contractual agreements with patients to provide their care, was approved by the Senate Health Committee. Such agreements would not be regulated as insurance.

The **Alabama Jobs Enhancement Act**, HB317 by Rep. K. Johnson (R—Moulton), related to economic development, was approved by the House Economic Development Committee this week. The bill clarifies that site selection contractors are not required to register as lobbyists with the Alabama Ethics Commission in order to preserve confidentiality of pending projects. The bill is pending consideration by the full House.

HB198 by Rep. Fridy (R—Birmingham), the **Alabama Assistance and Service Animal Integrity in Housing Act**, was approved by the House this week and has been assigned to the Senate Judiciary Committee. The bill clarifies a landlord's right to request documentation to support a tenant's need for a service animal and establishes a misdemeanor for misrepresenting a need.

SB125 by Sen. Whatley (R—Auburn), which would allow **truck platooning**, was approved by the Senate this week. A platoon is a group of individual commercial trucks traveling in a unified manner at electronically coordinated speeds at following distances that closer than would be reasonable and prudent without the electronic coordination. It has been assigned to the House Public Safety and Homeland Security Committee.

HB270 by Rep. Weaver (R—Birmingham), which would create a review committee to oversee the **Prescription Drug Monitoring Program**, was approved by the House Health Committee this week.

SB169 by Sen. Singleton (D—Greensboro), which would authorize pilot programs aimed at eradicating **injection-associated infectious diseases**, was carried over to the call of the chair on the Senate floor this week. The program would be administered by the State Department of Public Health.

Legislation to establish a statewide regulatory framework for **transportation network companies** advanced this week. HB190 by Rep. Faulkner was approved by the House on Tuesday by a vote of 97-3. The bill was amended on the House floor to incorporate specific parameters for non-discrimination policies for TNCs, which are mandatory under the bill. The Senate companion bill, SB143 by Sen. Singleton was approved by the House Commerce Committee on

Wednesday. Like its companion bill, it was amended in committee to add the non-discrimination language. The bills, which reflect negotiations over the past two years, have no known opposition at this point.

The Senate Finance and Taxation Committee on the Education Trust Fund voted to indefinitely postpone SB54 by Sen. Chambliss (R—Prattville), which would alter the parameters of the **Alabama G.I. and Dependent’s Education Benefit Act**. It would have removed the filing deadline of July 31, 2023 and, instead, made all qualifying dependents born before July 31, 2017 eligible for the benefits, greatly expanding eligibility.

SB194 by Sen. Reed, a constitutional amendment related to the structure of the **University of Alabama Board of Trustees**, was approved by the Senate this week and has been assigned to the House Education Policy Committee. The measure would clarify that the congressional districts from which trustees are appointed will continue to reflect those as constituted on January 1, 2018 and further proposes the removal of the 70-year age cap for trustees to conform with an amendment previously approved by the Legislature and ratified by voters. It is on the committee agenda February 7, along with the House companion bill, HB 240, by Rep. Garrett.

SB101 by Sen. Orr (R—Decatur), which would establish a grant program to fund **gifted or talented student programs**, passed the Senate on Tuesday and has been assigned to the House Ways and Means Committee on the Education Trust Fund. The grant program to be established by the bill would be administered by the State Department of Education.

SB210 by Sen. Stutts (R—Russellville) would establish a **Physician’s Initiative** that would provide 100 scholarships for medical students who commit to practice family medicine in underserved areas of the state. Because the initiative would be funded by the State Department of Public Health, it was originally referred to the Senate Finance and Taxation Committee on the General Fund, but has been recommitted to the Senate Finance and Taxation Committee on the Education Trust Fund.

SB29 by Sen. Holley (R—Elba) related to **public accountancy** was approved by the House Boards, Agencies and Commissions Committee. The bill would amend the makeup of the Alabama State Board of Public Accountancy; authorize the board to classify a public accountant as retired; and shorten the time period after which the board may determine a licensee to be inactive or take disciplinary action against a licensee for failure to apply for a permit. The legislation is pending final approval by the House, along with the companion HB 82, by Rep. Coleman.

SB135 by Sen. Bussman (R—Cullman), to reauthorize the **Elevator Safety Review Board**, received final passage in the House this week and is pending Governor Ivey’s signature.

JEFFERSON COUNTY AUTOMOBILE RENTAL TAX

Momentum is building for the construction of a new stadium in Downtown Birmingham with Birmingham Mayor Randall Woodfin’s recent commitment to contribute \$3 million annually to finance construction. The project needs an estimated \$21.5 million annually for thirty years to cover anticipated debt. Funding will come from numerous sources such as the County, the Civic Center and UAB.

One planned source of revenue is a local 3 percent automobile rental tax. That tax has been on the books since it was enacted in 2001, but has yet to be collected due to a condition that it only be used to finance construction of a stadium. Due to a technical deficiency in the tax trigger, the Alabama Legislature must approve local legislation to correct the mechanism for certifying that the tax will be used for the intended purpose and allow for its collection. A bill is currently being advertised to amend the trigger on the 3 percent auto rental tax. It will be introduced soon.

In addition, a competing bill to levy an additional 6 percent local auto rental tax is being advertised. That bill would provide for the collection of the 3 percent already pending, plus 6 percent that would be used for the Civic Center, tourism and economic development. Such a heavy tax on auto rental would be excessive and potentially jeopardize the revenue stream for the stadium debt.

There is yet another bill being advertised that would redirect the 3 percent auto rental tax from the stadium to the sewer system. So, within a few weeks, there are likely to be three competing bills related to auto rental taxes in Jefferson County pending in the Legislature.

The House and Senate will reconvene on Tuesday, January 30. There are 24 meeting days remaining in the 2018 Regular Session.