

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT 2017 REGULAR SESSION · WEEK TWELVE MAY 12, 2017

PRODUCTIVITY STALLED IN THE HOUSE; HEALTH CARE MANDATE DICTATES MOOD OF THE SENATE

Week Twelve was dominated by two issues: reapportionment and a health care mandate that would require employers to provide coverage for a specific form of autism therapy. On Tuesday in the House, the body approved legislation that would amend the Alabama Jobs Act to provide for the extension of tax incentives critical to economic development and then began debate on the House redistricting proposal. After extensive debate and filibustering, Democrats requested that the massive bill be read at length which consumed House business on Tuesday and through Thursday evening.

The Senate tackled long special order calendars on both Tuesday and Thursday, but many lawmakers, both Republicans and Democrats, expressed strong support for the health care mandate – specifically asking that it be brought to a vote on the Senate floor before the session expires. HB284 by Rep. Patterson (R—Huntsville), which would require employers to include health insurance coverage for Applied Behavior Analysis therapy in their benefit plans, was approved by the Senate Finance and Taxation Committee on the General Fund on Wednesday and is expected to be debated on the Senate floor on Wednesday. The lengthy committee meeting resulted in two amendments being added to the bill. One amendment would limit the measure to large employers with more than 50 employees and the other measure amends current law to state that coverage is mandatory for children up to age 16.

The Senate gave final passage to the Revised Uniform Fiduciary Access to Digital Accounts legislation (HB138 by Rep. Givan (D—Birmingham)). Despite disagreement between digital custodians and Alabama lawmakers last year, this bill is in uniform, negotiated form and states that a custodian’s ability to seek or require a court order to clarify whether access to digital assets should be granted is not limited. The bill has been sent to the Governor.

EDUCATION FUND IN LIMBO; GENERAL FUND SENT TO GOVERNOR

The General Fund Budget for Fiscal Year 2018 has been sent to Governor Ivey. Yesterday, the House voted to concur with the version approved by the Senate last week. The budget includes \$120 million for the judicial branch, \$31.6 million for the legislative branch, and \$1.59 billion for the executive branch, which includes \$701 million for the Alabama Medicaid Agency (reflecting a \$500,000 increase from FY2017) and level funding in the amount of \$413 million for the Department of Corrections.

The House and Senate have approved different versions of the Education Trust Fund Budget and a conference committee has been appointed to resolve those differences. It will meet next week. The Senate conferees are Sens. Marsh (R—Anniston), Orr (R—Decatur), and Ross (D—

Montgomery). The House conferees are Reps. Poole (R—Tuscaloosa), Tuggle (R—Alexander City), and Scott (D—Birmingham).

COMMITTEE ACTION THIS WEEK

The Senate Transportation and Energy Committee approved two bills related to the coal industry this week. HB467 by Rep. South (R—Fayette) would provide that reclamation permits for surface mining are payable over the life the mine and HB468, also by Rep. South, would direct additional severance tax revenue from the coal severance tax to the Surface Mining Commission.

The Senate Education Policy Committee approved SB415 by Sen. Smith (I—Slocomb) to repeal the Common Core education standards in Alabama.

The Senate Tourism and Marketing Committee approved HB283 by Rep. Faulkner (R—Birmingham) which would define transportation network companies and give the Public Service Commission regulatory authority over those entities. to create a uniform state law to govern TNCs, such as Uber, currently subjected to various municipal ordinances. The committee approved the bill in substitute form to address the concerns of certain municipal authorities and the Alabama State Port Authority.

After its approval by the House on Tuesday, the Senate Finance and Taxation Committee on the General Fund approved HB574 by Rep. Baker (R—Bay Minette), legislation to amend and extend authorization of the tax credits under the Alabama Jobs Act to exempt certain projects from the \$850 million aggregate balance cap on incentives, is on the House Special Order Calendar. The current law, enacted in 2015, provides for such incentives until December 2019, but the bill would extend that authorization to 2023. Additionally, the bill would allow the Department of Commerce to offer tax incentives in an amount beyond the \$850 million cap when the projects would employ (and create jobs for) at least 500 workers and includes a capital investment by the recipient of \$100 million or more.

The Senate Finance and Taxation Committee on the General Fund also approved SB367 by Sen. Pittman (R—Fairhope), which would establish a state *qui tam* cause of action for Medicaid-related false claims.

The House and Senate will reconvene on Tuesday, May 16 for what is expected to be a four-day week. There are 4 meeting days remaining in the 2017 Regular Session.