

# FINE GEDDIE

GOVERNMENT RELATIONS

## THE FINE GEDDIE REPORT 2017 REGULAR SESSION · SINE DIE MAY 19, 2017

### *FINAL WEEK OF SESSION FULL OF FIREWORKS*

Week thirteen, the final week of the 2017 Regular Session of the Alabama Legislature, was not short of excitement. The Legislature convened on Tuesday for four consecutive legislative days, meeting until the wee hours of the morning. Democrats used the dilatory tactic of requesting that bills be read at length to slow the process, including the more than 16-hour reading of the reapportionment bill in both houses.

Democrats have expressed concerns with the fairness of the reapportionment proposal, which has been a priority this session pursuant to a federal court order. And, on Wednesday afternoon, things took a turn for the worse when a Republican House member forwarded to many of his colleagues, including members of the black caucus, a controversial email from a constituent that many construed as having racial undertones. The House member apologized for the email and said he read it as being applicable to the entire body, both Republicans and Democrats. While his apology certainly mitigated the controversy, it derailed productivity for the House on Wednesday and most of the day on Thursday. Headed into Friday, many bills remain pending, including the proposal to regulate midwifery, the Uber legislation, and bills of local application.

It is apparent that measures related to transportation infrastructure and prison infrastructure are dead for this session but could be the subject of a special session.

### *HEALTH CARE MANDATE OVERWHELMINGLY APPROVED*

Governor Ivey signed legislation to require employers and Medicaid to provide health care insurance coverage for certain autism therapy. On Tuesday, the Senate approved a substitute version of HB284 by Rep. Patterson (R—Huntsville) after extensive debate and the House concurred with that version before sending the legislation to the governor. Under Alabama law, insurance companies are required to offer coverage of autism therapy, but before the newly-enacted law, employers made the ultimate decision whether to include the coverage in their employee benefit plans. The new law gives them no choice. Further, the bill was never given a fiscal note to assess its cost on the Alabama Medicaid Agency or the state-run health care benefit programs for public employees and teachers. Sen. Pittman (R—Fairhope), Chairman of the Senate Finance and Taxation Committee on the General Fund, and Sen. Sanford (R—Madison) led the effort to alter the legislation to lessen to potential burden on private employers and the State, given the inevitable but uncertain financial burden imposed by the mandate. After extensive debate, the bill was amended on the Senate floor by a vote of 19-13 to cap the mandate at age 18. The legislation was approved with only two dissenting votes by Pittman and Sanford.

### *FY2018 EDUCATION TRUST FUND BUDGET APPROVED*

A conference committee resolved differences between the \$6.4 billion Education Trust Fund Budget passed by each chamber and that agreed-to proposal has been sent to Governor Ivey.

The appropriation act includes level-funding for higher education, which budget chairmen have claimed is due to a \$36 million increase for veteran scholarship funding. Another piece of legislation, SB315 by Sen. Dial (R—Lineville) was approved this week to address the increasing cost to that scholarship so that the program will continue to be solvent and to mitigate its impact on higher education's budget.

Additionally, the ETF budget included funding to hire 150 teachers beginning at the fourth-grade level and additional funding for K-12 programs.

## *GOVERNOR SIGNS MAJOR ECONOMIC DEVELOPMENT BILL AND OTHER LEGISLATION*

Governor Ivey signed the amendment to the Alabama Jobs Act this week. HB574 by Rep. Baker (R—Bay Minette), amends and extends authorization of the tax credits under the Alabama Jobs Act to exempt certain projects from the \$850 million aggregate balance cap on incentives. The original law, enacted in 2015, provided for such incentives until December 2019, but that authorization has been extended to 2023. Additionally, the Department of Commerce may offer tax incentives in an amount beyond the \$850 million cap when qualifying projects employ (and create jobs for) at least 500 workers and include a capital investment of \$100 million or more.

Governor Ivey has also signed into law authorization to create an administrative dispute process for nonconsensual towing and recovery fees and charges related to commercial motor vehicles. SB201 by Sen. Reed (R—Jasper) imposes ethical restrictions on state troopers to provide for a fair regulatory environment, creates a procedure for towing fee disputes between vehicle carriers and towing service providers, and authorizes the Alabama Law Enforcement Agency to issue sanctions for violations.

## *U.S. SENATE SPECIAL ELECTION*

Wednesday was the qualifying deadline for the Special Election for the U.S. Senate to be held in August. The election will be held to fill the office vacated by former Senator Jeff Sessions, who was appointed by President Trump to serve as the U.S. Attorney General. Luther Strange was appointed by Governor Bentley to fill the Senate vacancy. In addition to Senator Strange, 10 other Republicans have qualified to run for the seat and 8 Democrats. We will include a full list of candidates in our final legislative update on Monday.

*BECAUSE THE LEGISLATURE IS STILL IN SESSION, WE WILL ISSUE A FINAL LEGISLATIVE REPORT ON MONDAY.*