

# FINE GEDDIE

GOVERNMENT RELATIONS

## THE FINE GEDDIE REPORT 2017 REGULAR SESSION · WEEK FIVE MARCH 10, 2017

### *LEGISLATURE COMPLETES WEEK FIVE*

The Alabama Legislature is now one-third of the way through the 2017 Regular Legislative Session, having completed ten legislative days.

### *IMPEACHMENT COMMITTEE CONVENES*

The House Judiciary Committee voted to direct the Special Counsel to the Committee, Jack Sharman, to resume his impeachment investigation of Governor Bentley. The committee had suspended its investigation at the request of then-Attorney General Luther Strange while he conducted “related work”. Newly-appointed Attorney General Steve Marshall has recused himself from the investigation of Governor Bentley who appointed Marshall. Marshall appointed former District Attorney Ellen Brooks to oversee the criminal investigation into Bentley. Brooks has indicated that investigation is not completed, but pursuant to this week’s vote the House Judiciary Committee is no longer putting its activities on hold. Clearly activities around the various investigations of the governor are heating up. This week Governor Bentley was admitted to a hospital to undergo a medical procedure to correct atrial fibrillation. He is recovering.

If the Judiciary Committee votes to recommend impeachment, the articles of impeachment would go directly to the House floor. The House rules require a three-fifths vote to consider the articles and a majority vote to impeach him. If so charged by the House, Bentley would be immediately removed and Lt. Governor Kay Ivey (R) would assume the Office of Governor. The Senate would have 10 days to begin deliberations, at which point it would cease all business of the Regular Session, effectively killing the session. A two-thirds vote is required to convict and permanently remove the governor from office. Less than a two-thirds vote would restore him to office if there is time remaining in his term.

### *THIS WEEK IN THE STATE SENATE*

The Senate Judiciary Committee approved a **\$775 million prison construction bill**. It would authorize borrowing \$775 million to build three new prisons and renovate other existing facilities, including Julia Tutwiler Prison for Women in Wetumpka. Governor Bentley had initially proposed to build four and close existing facilities.

The bond plan currently being considered is premised on generating savings through efficiencies in the new system. By transitioning to fewer, larger facilities in urban areas that have modern designs and updated technologies, the updated system should be able to run at lower cost with fewer staff and house more inmates, according to the Administration. The prison system is currently overcrowded by over 170 percent of design capacity.

Additionally, the committee rejected the design-build proposal, which would award the

prison design and construction to one vendor and has opted to bid the project in phases to multiple contractors—a decision that the Administration says will increase the cost to the state, but will give local contractors more opportunity to participate in the project. Still, other legislators oppose closing small facilities in rural communities to build large urban prisons. A concession was made in the bill to allow local communities to potentially borrow money and build a prison to lease back to the state. There are sceptics and the bill is expected to face opposition on the Senate floor where it is expected to be debated soon.

The Senate approved controversial legislation by Sen. Allen (R—Cottondale) that would **protect historic monuments** from being removed or renamed. It is principally aimed to protecting confederate monuments but broad enough to apply to civil rights and other monuments. It passed on a 24-7 vote and now goes to the House for consideration.

A Senate committee approved **tax credits for the rehabilitation of historic buildings**. SB 262, by Sen. Waggoner (R—Vestavia), would provide \$20 million of income tax credits a year for ten years. The bill would renew a popular credit that is expiring after just three years. It now goes to the Senate floor, but the House companion bill is expected to become the focus of the effort because revenue bills, including tax credits, must generally begin in the House.

The Senate approved the **Revised Uniform Fiduciary Access to Digital Accounts** legislation this week. Despite disagreement between digital custodians and Alabama lawmakers last year, SB110 by Sen. Ward (R—Alabaster) includes uniform negotiated language giving a custodian unlimited ability to seek or require a court order to clarify whether access to digital assets should be granted is not limited. The bill goes to the House for consideration. Likewise, the companion bill, HB138 by Rep. Givan (D—Birmingham) is pending consideration by the Senate Judiciary Committee.

## *THE WEEK IN THE HOUSE*

This week the House Insurance Committee held a public hearing on HB284 by Rep. Patterson (R—Huntsville) that would **require all employers to provide insurance coverage for treatment of Autism**, including applied behavior analysis therapy. The public committee hearing featured families who testified to the need for help in providing valuable and expensive therapy for their autistic loved ones, as well as representatives of employers and insurers who oppose more costly government mandates for health services that increase the cost of employer sponsored health insurance.

The House Ways and Means Committee on the General Fund approved a **\$1.8 billion General Fund Budget for Fiscal Year 2018**. The proposal provides most agencies with level-funding. Under the plan, the Alabama Medicaid Agency would receive \$701 million, which is \$43 million less than Governor Bentley’s recommendation for the agency and reflects an amount double what the agency received just 11 years ago (\$399 million in 2007). Lawmakers are concerned about the rising Medicaid costs. Medicaid’s funding from the General Fund budget will be combined with the \$105 million from the BP oil spill settlement funds, a supplement that will not be available in the future.

The budget proposal also departs from Governor Bentley’s recommendation with regard

to a pay raise for state employees. Bentley had asked for a four-percent raise, approximately \$19 million, but the budget approved this week reflects a \$9.6 million increased contribution to state employee and retiree insurance plans.

The budget sets aside \$97 million to be held aside until 2019 or, alternatively, to be used to counter a potential decrease in critical federal funding.

In related news, the House Ways and Means Committee on the General Fund approved two bills to extend the assessments imposed on **nursing facilities** (HB347) and **private hospitals** (HB348), both by Rep. Clouse (R—Ozark). The assessments are Medicaid funding mechanisms and are renewed on an annual basis.

The General Fund budget and related bills are expected to be debated by the full House next week.

Congratulations to Rolanda Hollis (D—Birmingham) who won a special election to House District 58. She replaces Oliver Robinson (D) who resigned his seat last Fall.

### *BUDGET REFORM GROUP SEEKS TO CONTINUE WORK*

Members of the Alabama Legislature have filed a House Joint Resolution to extend the **Joint Legislative Task Force on Budget Reform**, which was created during the special legislative session in September 2016. The task force commissioned consultants to perform assessments of several tax credit programs administered by the Department of Commerce, including the historical tax credit program and the CAPCO program, which incentivizes local venture capital investment for small business revitalization or start up. Additionally, the committee has investigated budget reform proposals such as merging the Education Trust Fund and the State General Fund budgets. The task force has indicated they need more time to continue their work.

### *OTHER NEWS*

This week, Governor Bentley signed legislation to establish the **Judicial Resources Allocation Commission**. SB90 by Sen. Orr (R—Decatur) sets up a commission tasked with allocating funding for the judicial system, which has struggled with related issues for many years. In particular, the commission would have the authority to create new or eliminate judgeships.

Beverlye Brady's appointment to the Alabama Ethics Commission was confirmed by the Senate on Thursday. She will take the seat formerly held by Jerry Wood. Brady is an attorney and resides in Auburn.

*The House and Senate will reconvene on Tuesday, March 14. There are 20 meeting days remaining in the 2017 Regular Session.*