

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT for the
Alabama Society of CPAs
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*ETHICS BILL FOR ECONOMIC DEVELOPERS AWAITS GOVERNOR'S
SIGNATURE*

An ethics measure preserving **confidentiality for certain economic development professionals** earned swift final passage this week in the Senate, as promised by Senate President Pro-Tempore Del Marsh (R—Anniston). HB 289 by Rep. Alan Baker (R—Brewton) only needs Gov. Kay Ivey's signature to become law.

This accomplishment highlighted a productive legislative week, marked by reduced partisan tension compared to the week before. Lawmakers will need to accelerate their pace by putting in a few longer weeks if they intend to utilize all of the allotted meeting days this year. The session must end no later than Monday, June 17.

Sen. Marsh did introduce a likely crowd-pleaser Thursday with SB 313, which would set a statewide referendum to add language to the state constitution ensuring that **only U.S. citizens have the right to vote**.

There was no movement on the state's two operating budgets this week, although it is anticipated that the Education Trust Fund will be in committee next week. Pre-K expansion will be on deck, and Alabama's program was just named the highest-quality state-funded pre-K in the country for the 13th consecutive year by the National Institute for Early Education Research.

A rewrite of the **open records law** is scheduled for committee consideration Tuesday afternoon in the Senate, marking the first test for SB 237 sponsored by Sen. Cam Ward (R—Alabaster). This far-reaching expansion of a succinct statute has stirred many questions, and ***clients are encouraged to review the bill carefully for impacts or unintended consequences for your entity. Please contact Fine Geddie with any concerns you identify.***

FIREARMS: ADVOCATES, OPPONENTS PACK PUBLIC HEARINGS

When it comes to **concealed carrying of firearms without a permit**, the debate is sharply polarized, as evidenced by Wednesday's public hearing in the Senate Judiciary Committee. With SB4, Sen. Gerald Allen (R—Tuscaloosa) has once again proposed eliminating pistol permits. The National Rifle Association is fully supportive, but Alabama sheriffs and an advocacy group called Moms Demand Action are opposed on safety grounds. On Thursday, the bill was sent to a different committee, and now the Senate Tourism Committee – chaired by Sen. Marsh – is set to vote on SB4 on Tuesday afternoon.

A related but far more limited bill is nearing the finish line. HB17 sponsored by Rep. Connie Rowe (R—Jasper), a former police chief, would establish a deadline for sheriffs to issue or reinstate a **pistol permit after a successful appeal**. The bill won approval in a Senate committee this week and just needs a favorable vote on the Senate floor to send it on to the governor’s desk.

It was a difficult beginning for another firearms proposal. Known as a “red flag” measure, HB265 by Rep. Merika Coleman-Evans (D—Birmingham) would establish **new restrictions on gun possession** for people who pose a danger to themselves or others. After an extended public hearing, the bill was referred to a subcommittee of the House Judiciary Committee.

POTENTIAL CHANGES TO ALCOHOLIC BEVERAGE MARKET

Authorization for **beer festivals** was scrapped in committee this week, leaving only **wine festivals** in SB269 by Sen. Andrew Jones (R—Centre) as amended. The senator’s proposal (SB271) to **allow direct shipment of wine** to consumers advanced through a Senate committee without alteration. In the House, a bill introduced this week would adapt **entertainment district regulations** to better accommodate manufacturers (wineries, distilleries and breweries). The House bill is a companion to SB276 sponsored by Sen. Rodger Smitherman (D—Birmingham).

LOTTERY AND GAMING PROPOSALS CREATING BUZZ

Daily fantasy sports contests would be legalized under HB361, sponsored by Rep. Kyle South (R—Fayette). The bill was approved in a House committee on Wednesday with one amendment. The leading voice against gambling testified against the bill, but Rep. South maintains that these contests are games of skill and should be exempted from the state’s prohibition on gambling.

A **state lottery** is still nonexistent in Alabama, but legislation has been introduced to spend part of the proceeds of any future lottery on cost-of-living raises for retired teachers. Sen. Tom Whatley (R—Auburn) is the sponsor of SB299. Creation of a lottery is scheduled for a committee vote Tuesday afternoon, with SB220 by Sen. Greg Albritton (R—Atmore) on the agenda in Sen. Marsh’s Tourism Committee. The devil is in the details when it comes to consideration of a lottery, and points of contention will likely come to light should SB220 advance for Senate floor consideration. Stay tuned.

Meanwhile, another proposal regarding a game of chance is nearing the finish line. HB53 by Rep. Randy Wood (R—Anniston) would allow **bingo** nearer to residential areas inside Calhoun County municipalities. A favorable vote on the Senate floor would send the question to a public vote. Under legislation introduced this week, lawmakers could send three other bingo proposals to voters: SB321 by Sen. Bobby Singleton (D—Greensboro) for Greene County, HB422 by Rep. Pebblin Warren (D—Tuskegee) for Macon County and HB446

by Rep. John Rogers (D—Birmingham) for Jefferson County. On a related issue, Rep. Rogers has also introduced a pair of bills ([HB315](#) and [HB412](#)) regarding sports wagering.

OTHER ISSUES TO WATCH

- **HB419** by Rep. Kyle South (R—Fayette), the **Financial Institution Excise Tax Reform Act of 2019**, was approved by the House Ways and Means Committee on the General Fund this week. The bill codifies certain FIET procedures, imposes estimated FIET payments (effectively changing the post-payment system under current law to a pre-payment model), and provides for an alternative distribution formula for counties and municipalities. The bill was amended in committee to address a potential issue for tax-exempt credit unions that report no federal taxable income.
- **HB475** by Rep. Garrett, the **Rural and Agribusiness Jobs Act**, was introduced this week and has been assigned to the House Ways and Means Committee on Education.
- **Data security in the insurance industry** is a step closer to regulation by the state insurance commissioner, with progress of [SB54](#) this week. The bill, sponsored by Sen. Shay Shelnett (R—Trussville), is scheduled for final consideration by the legislature on the House floor Tuesday. (There was no movement this week on a House companion.)
- Two **pharmacy** measures of note were modified this week before being favorably reported out of committee. [HB69](#) by Rep. Arnold Mooney (R—Birmingham) to require **electronically transmitted prescriptions** to indicate if generic drugs may be dispensed was amended for clarification purposes by the House Insurance Committee. [SB245](#) by Sen. Tom Butler (R—Madison) to permit pharmacists to substitute **interchangeable biological products** was amended by the Senate Health Committee.
- **Streamlined registration and licensing for fleet vehicles** passed the House this week and has been assigned to the Senate Government Affairs Committee; it is on that committee’s agenda for Tuesday. [HB278](#) is sponsored by Rep. A.J. McCampbell (D—Gallion).
- **Taxing online transactions** has been a growing challenge for jurisdictions throughout the country, and Alabama’s innovative approach, the **Simplified Sellers Use Tax** remittance program, would be adjusted under [HB418](#) sponsored by Rep. Rod Scott (D—Fairfield). The bill cleared its first hurdle this week, earning a favorable report in committee and picking up an amendment. Among several technical changes, the bill would also direct a portion of revenues to **K-12 public schools** for the first time.
- Funding for **inland port and intermodal facility enhancements** made progress in a Senate committee this week, but concerns remain, especially in the area of financial accountability as the proposal provides for an unconditional transfer from the Public Road and Bridge Fund to ADECA

to fund a grant program. SB268 is sponsored by Sen. Arthur Orr (R—Decatur).

- A **broadband expansion** bill's public hearing in a House committee drew a standing-room only crowd this week. HB 400, sponsored by Rep. Randall Shedd (R—Cullman), proposes the use of electric easements to increase availability of high-speed internet access.
- A **franchisee protection** proposal — SB129 by Sen. Chris Elliott (R—Fairhope) — was approved in a Senate committee with an amendment to what is billed as the Protect Alabama Small Businesses Act.
- **Autonomous vehicle regulation** appears to be at a standstill, with no movement yet on SB47 by Sen. Gerald Allen or its twin in the House. It appears the subject will be taken up after the session by a revived **Joint Legislative Committee to Study Self-Driving Vehicles**, authorized by Act 2019-29 by Sen. Whatley.
- Under pressure from the U.S. Department of Justice, Alabama has taken steps forward on **prison reform**. A multi-faceted bill to boost compensation for correctional officers was introduced this week, and the Senate Governmental Affairs Committee is scheduled to vote on it — SB303 by Sen. Ward — on Tuesday. On the facilities front, Governor Ivey released names of companies that submitted formal expressions of interest to construct three new men's prisons.
- Bills to **decrease unemployment compensation** advanced in both houses this week, but the companion bills have diverged somewhat. SB 193 by Sen. Orr won committee approval without changes, but the House version was substituted. The House sponsor is Rep. Danny Garrett (R—Trussville).

The House and Senate will reconvene on Tuesday, April 23. There are 19 meeting days remaining in the 2019 Regular Session.