

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT for the
Alabama Society of CPAs
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LOTTERY PROPOSAL PASSES SENATE

The Alabama Legislature capped off another productive week in Montgomery when the Senate narrowly gave the green light to a **lottery referendum** Thursday afternoon. SB220 by Sen. Greg Albritton (R—Atmore), a constitutional amendment, advanced with the bare minimum needed for passage – 21 votes – only after Sen. Shay Shelnett (R—Trussville) changed his “nay” to an “aye” at the last minute. Twelve senators voted in opposition.

It is important to note that Sen. Albritton’s hometown is home to the Poarch Band of Creek Indians, which signals the heart of this conflict: how would a state lottery would impact existing gaming operations in the state? The Poarch, the state’s only federally-recognized tribe, offer electronic gambling machines at multiple locations around the state, and there are also four pari-mutuel tracks and charity bingo in a few locations. To secure passage, Sen. Albritton found it necessary to accept floor amendments, including some aimed at protecting existing gaming in Jefferson County. Amendments to protect certain electronic bingo operations and authorize online fantasy sports games were rejected. The proposal’s fate in the House will be a statement not on the lottery, but on the future of other gaming operations. Central to that question is whether the Poarch will have a monopoly on gaming operations in Alabama.

If the lottery bill passes the House, Alabama voters could decide the lottery question in the March 2020 presidential primary. Revenue generated would be divided between the state General Fund, which supports most non-education functions of state government, and a General Fund reserve.

Senate President Pro Tempore Del Marsh (R—Anniston), who has now officially announced that he is not running for the U.S. Senate, praised the state Senate’s deliberations this week, noting that the legislative process worked smoothly and filibusters were avoided. Work also proceeded in a businesslike manner in the House. However, 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 Constitution requires the legislature to approve both budgets during the session; the General Fund budget, which has been approved by the House, is pending Senate committee consideration and the Education Trust Fund budget has yet to be considered by the Senate, its house of origin. Initial committee consideration of the ETF budget is slated for this week. The session must end no later than Monday, June 17.

*IMPORTANT COMMITTEE ACTION THIS WEEK:
Sunshine and Franchisee Protection Proposals Stalled, Compromise Reached on
Broadband Bill, Gun Bill Defeated*

The “Protect Small Business Act” to **regulate interactions between franchisors and franchisees** was the subject of a lengthy and intense public hearing in the House Commerce and Small Business Committee on Wednesday. House Speaker Mac McCutcheon (R—Huntsville) said afterward that in seeking to protect small businesses, the Legislature must strike a balance to avoid government overreach. The bill is supported by the newly organized Alabama Franchisee Association but has drawn pointed criticism from a larger trade group, the International Franchise Association. There are two versions of the bill moving: HB352 by Rep. Connie Rowe (R—Jasper) and SB129 (with committee amendment) sponsored by Sen. Chris Elliott (R—Fairhope).

A far-reaching expansion of Alabama’s **open records law** encountered significant opposition in another lengthy public hearing this week. News organizations and open government advocates are supporting SB237 by Sen. Cam Ward (R—Alabaster), but local government representatives said the processes and timelines set out are simply unworkable, especially for those with small staffs. The proposal was prepared without opportunity for input, and concerns have also surfaced about preserving existing exemptions and security protocols. Sen. Ward has discussed establishing a task force to work through the issues, but next steps for the legislation are not clear.

This year’s attempt to allow **concealed carrying of firearms without a permit** jammed in the Senate Tourism Committee on Tuesday, narrowly defeated by bipartisan opponents. SB4 is sponsored by Sen. Gerald Allen (R—Tuscaloosa), who has introduced this proposal repeatedly, asserting that citizens should not have to buy a permit to exercise their second amendment rights. The National Rifle Association is securely in his corner, but sheriffs pushed back, saying the permits are an important law enforcement tool. The group Moms Demand Action for Gun Sense in America also opposed the bill.

CYBERSECURITY FOR THE INSURANCE INDUSTRY

The state insurance commissioner would gain regulatory authority over **data security** in the industry if SB54 becomes law. The bill, sponsored by Sen. Shay Shelnutt (R—Trussville), earned final passage in the House on Tuesday, and it is now pending on Gov. Kay Ivey’s desk.

ADJUSTMENTS IN THE ALCOHOLIC BEVERAGE MARKET

Several interesting developments occurred this week regarding **alcoholic beverages**. The point of **taxation for breweries and brewpubs** would shift if HB494 sponsored by Rep. Becky Nordgren (R—Gadsden) becomes law. Another piece of new legislation would allow **licensed retailers to deliver alcoholic beverages** to consumers. That one is HB519 by Rep. Gil Isbell (R—Gadsden). On Tuesday,

the Senate voted in favor of authorizing **wine festivals**, sending SB269 by Sen. Andrew Jones (R—Centre) on to the House. It was a mixed week for **entertainment districts**. On the plus side, a Senate committee gave a favorable report to SB276 by Sen. Rodger Smitherman (D—Birmingham). But opposition emerged to the bill’s House companion which was the subject of a public hearing on Wednesday. HB474 is sponsored by Rep. Neil Rafferty (D—Birmingham).

K-12 EDUCATION POLICY COMES INTO FOCUS

Computer science courses would become part of the mandatory school curriculum with the passage of HB216 by Rep. David Faulkner (R—Birmingham). The bill, which also proposes to create a Computer Science Education Task Force, was amended and approved in a House committee this week. The **Alabama Literacy Act**, a revision of the Alabama Reading Initiative, bounced out of committee this week in its original form. Concerns raised by the Alabama State Department of Education and others are expected to be addressed next week in a substitute to HB388 carried by Rep. Terri Collins (R—Decatur). There was no movement on the Senate companion. Additionally, Senate President Pro Tempore Del Marsh (R—Anniston) is sponsoring the Alabama School Choice and Student Opportunity Act (SB311) to increase **charter school funding**.

A NEW ATTITUDE TOWARD MARIJUANA

A comprehensive **medical marijuana** proposal was overhauled and approved in a Senate committee this week. The bill would establish a commission to administer a medical cannabis program in the state with the agriculture department overseeing growers. Sen. Tim Melson (R—Florence), a physician, introduced SB 236 (committee-approved substitute). A House companion is sponsored by Rep. Mike Ball (R—Madison), a retired state law enforcement investigator. Some **criminal penalties for marijuana possession** would be reduced under another bill moving this session, amid pressure from the U.S. Department of Justice for the state to reform its overcrowded prisons. Sen. Bobby Singleton (D—Greensboro) is sponsoring SB98 (as substituted in committee), which would punish possession of small quantities of marijuana with a fine rather than arrest.

OTHER ISSUES TO WATCH

- HB479 by Rep. Grimsley (D—Headland) to lower the age of eligibility for a **commercial drivers’ license** was approved by a House committee this week.
- A pair of cost-saving **pharmacy** proposals are making progress. SB245 by Sen. Tom Butler (R—Madison) to permit pharmacists to substitute **interchangeable biological products** crossed the 50-yard-line on Tuesday and has moved to the House. Sen. Butler and the House sponsor, Rep.

Ron Johnson (R—Sylacauga) are both pharmacists. Rep. Johnson introduced a new House companion this week with [HB499](#). A House floor vote is anticipated on Tuesday for [HB69](#) (as [amended](#)) by Rep. Arnold Mooney (R—Birmingham) to require **electronically transmitted prescriptions** to indicate if generic drugs may be dispensed.

- Amid heightened federal scrutiny of the state’s **prison system**, committees in both the House and Senate put their stamp of approval on a multi-faceted proposal to boost compensation for correctional officers. [HB468](#), sponsored by Rep. Chris England (D—Tuscaloosa), is the third general bill expected on the House floor Tuesday.
- **Streamlined registration and licensing for fleet vehicles** sped forward again this week, getting a favorable nod in a Senate committee. [HB278](#) by Rep. A.J. McCampbell (D-Gallion) is poised for final passage in the Senate, where Sen. Dan Roberts (R—Birmingham) sponsors the companion bill.
- A clarification regarding the **Contract Review Permanent Legislative Oversight Committee** is pending with Gov. Kay Ivey after winning House approval this week. [SB80](#), sponsored by Sen. Arthur Orr (R—Decatur), stipulates that all four budget committee chairs – two from each chamber – would serve on the contract review panel.
- To help Alabama put its best foot forward in the economic development game, House members unanimously supported legislation this week to recompile the Alabama constitution and eliminate outdated language. [HB328](#) by Rep. Merika Coleman (D—Birmingham) calls for a statewide referendum to authorize the recompilation, which would then be subject to a citizen vote on ratification. The Senate version of the bill also advanced through a Senate committee this week.
- **Call centers** receiving economic development incentives would have a new requirement under [SB110](#) by Sen. Cam Ward (R—Alabaster). The bill, which passed the Senate this week, would require these call centers to notify the state prior to relocating or face penalties. The bill also has provisions requiring state agencies and their contractors to use in-state call centers for customer service and support.
- A bill to combat **distracted driving** had first priority for a floor vote in the House yesterday, but, in an unusual move, Rep. Allen Farley (R—McCalla) killed his own legislation ([HB6](#), [amendment 1](#), [amendment 2](#)) and urged colleagues to instead support [HB404](#) (with [amendment](#)) by Rep. K.L. Brown (R—Jacksonville) when they have the opportunity to vote on it.
- **Taxing online transactions** has been a growing challenge for jurisdictions throughout the country, and there are at least three attempts to modify Alabama’s innovative approach, the **Simplified Sellers Use Tax** remittance program. Only one of the proposals progressed this week: [HB183](#) by Rep. Rod Scott (D—Fairfield), which would update amnesty and class action

provisions, is nearing the finish line after winning approval in a Senate committee. Companion legislation introduced in the Senate did not move. There was no action this week on Rep. Scott's related bills: HB318 (or its Senate companion) and HB418 as amended.

- A proposal to **reduce unemployment compensation** cleared the Senate this week in its original form, but next week could change that. SB193 by Sen. Arthur Orr (R—Decatur) is on the agenda for the House Commerce and Small Business Committee on Wednesday. Earlier in the session, this committee adopted a substitute version of the House companion to Orr's bill, HB364 by Rep. Danny Garrett (R—Trussville).
- As for **equal pay**, HB225 would prohibit an employer from paying any employees less than what is paid to employees of another sex or race for substantially similar work when viewed as a composite of skill, effort and responsibility. The measure, sponsored by Rep. Adline Clarke (D—Mobile), was introduced in March and has not been brought up in committee thus far, nor does it appear on the current committee schedule for next week. The Women's Fund of Greater Birmingham appears to be taking the lead on this issue.

The House and Senate will reconvene on Tuesday, April 23. There are 17 meeting days remaining in the 2019 Regular Session.