

FINE GEDDIE

GOVERNMENT RELATIONS

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GOVERNOR KAY IVEY SIGNS REBUILD ALABAMA ACT INTO LAW

State lawmakers overwhelmingly passed a landmark infrastructure package on Tuesday, and Governor Kay Ivey signed the Rebuild Alabama Act into law within hours. The centerpiece of the three-bill package is HB2, sponsored by Rep. Bill Poole (R—Tuscaloosa), which increases state fuel taxes a total of 10 cents per gallon in the next three years to fund improvements to state and local roads and bridges as well as the Port of Mobile. The bills were handled in the Senate by Sen. Clyde Chambliss (R—Prattville). The first 6-cent step of the increase is effective September 1. The additional gasoline and diesel fuel taxes could generate estimated gross receipts of \$194 million in 2020, and \$323 million in 2022 when fully phased in. The act also created an inflation adjustment for fuel taxes beginning in 2023. In the nearer term, a registration fee for electric vehicles and plug-in hybrid electric vehicles will go into effect January 1, with receipts targeted to both to improve road and bridge infrastructure and also to expand availability of charging stations. Altogether, legislative analysts project revenue of \$194 million next year from the Rebuild Alabama Act. The act is flanked by two other new laws:

- HB3, also by Rep. Poole, authorized the issuance of up to \$150 million in bonds to expand the Mobile Ship Channel. State dollars will be used to match federal funds, and debt service will be paid with \$12 million a year from the increased fuel taxes.
- HB1, again by Rep. Poole, adjusted legislative oversight of the Alabama Department of Transportation.

Just one week ago today in her State of the State address, Governor Ivey said Alabama needed to boost infrastructure investment for the safety of citizens and for the benefit of the state's economy. The Rebuild Alabama Act, which enjoyed support from Alabama's business community and local governments, represents a significant win for her and legislative leaders. The tax increase passed with bipartisan support, 84-20 in the House and 28-6 in the Senate.

Legislators ended the Special Session on Tuesday, and they are scheduled to resume the Regular Session on Tuesday, March 19.