

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT 2019 REGULAR SESSION · WEEK ONE (EDITION II)

SPECIAL SESSION ON INFRASTRUCTURE UNDERWAY

Governor Kay Ivey called the Alabama Legislature into a Special Session focused on transportation infrastructure, and lawmakers which commenced on Wednesday. To recap from our newsletter earlier in the week, the governor's proclamation specified three issues for consideration:

- Increasing fuel taxes to fund maintenance and improvements to state and local roads and bridges, as well as the Alabama State Port Authority which will be used to match federal funds that has been secured to deepen the Port of Mobile. This legislation will also establish the registration fee schedule for electric vehicles which will be directed toward general infrastructure as well as be invested in infrastructure specifically for electric vehicles through a new grant program.
- Adjusting legislative oversight of the Alabama Department of Transportation
- Issuing bonds to improve the Alabama State Docks and the Mobile Bay ship channel.

The legislation is expected to be considered and voted on by the House today. It was approved by the House Transportation Committee yesterday after an extended discussion. Representatives from core business associations, including the Business Council of Alabama, Alabama Retail Association and Alabama Trucking Association spoke in favor of the bill. Additionally, the associations for counties and municipalities agree on the legislation. Representatives from the Southern Environmental Law Center and Alabama Rivers Alliance praised the accountability measures addressed in the legislative package. One of only three opponents of the legislation was from the Southern Environmental Law Center, who expressed concern over the fees on electric vehicles. This was countered by praise from the Alabama Clean Fuels Coalition, which expressed strong support for the grant program centered around electric vehicle charging infrastructure. Under current law, electric vehicles operate with no tax burden. The fees were initially \$250 for battery operated vehicles and \$125 for hybrid vehicles. The current version of the bill reflects reduced fees (\$200 and \$100, respectively), a portion of which is reserved for charging stations development. The new legislation clarifies that only plug-in hybrids are subject to the fee, which cures the threat of double taxation.

STATE BUDGET PICTURE LOOKS HEALTHY FOR 2020

When legislators resume the Regular Session, they will approach the budget-writing process with unusually robust revenue forecasts for the upcoming year. Alabama is one of only three states with separate budgets: the Education Trust Fund Budget supports public education from pre-K to the university level, while the General Fund Budget fuels most other functions of state government. Projections for the education budget have gotten most of the buzz, since almost half a billion dollars in additional revenue will be available for fiscal year 2020. With an expected \$7.1 billion in total appropriations, next year should mark the state's largest education budget in history, finally surpassing pre-recession levels. Though less than a third the size of the education budget, the General Fund exceeded its pre-recession peak several years ago. Still, 2020 is on track to be a record-setting budget here too, with projected 3.9 percent growth generating an additional \$76 million.

OTHER ISSUES TO WATCH

Lawmakers completed one day of their annual Regular Session this week before the Special Session on infrastructure began. A little more than 200 bills, either pre-filed or introduced on that first day, are presently on hold as the regular session is in recess. Provided below are brief summaries of some noteworthy legislation in this position.

- **SB4**, sponsored by Sen. Gerald Allen (R—Tuscaloosa), would fully repeal a number of **restrictions on carrying or possessing firearms**, including a repeal of private property owners' right to restrict gun possession on their property. Furthermore, the bill would weaken or narrow several remaining restrictions on carrying or possession of firearms at specific locations.
- **Autonomous vehicles** operated by automated driving systems would be authorized by **SB47**, also sponsored by Sen. Allen. The Alabama Department of Transportation would have sole jurisdiction over these vehicles, and among other provisions, the bill contains some liability protection for original manufacturers of vehicles converted to operate autonomously.
- A pair of proposals seeks to change laws governing **pharmacies** this year. **HB33** by Rep. Ron Johnson (R—Sylacauga) would give pharmacists increased flexibility to dispense generic drugs in lieu of their brand-name counterparts, and Sen. Billy Beasley (D—Clayton) introduced a companion version in the upper chamber. A separate proposal, **SB73** sponsored by Sen. Arthur Orr (R—Decatur), would make it illegal for pharmacy benefit managers to prohibit pharmacies from providing specific drug cost information to consumers.

- Seemingly opposite bills have been introduced regarding the operation of **golf carts on public roads**. SB44 by Sen. Clyde Chambliss (R—Prattville) would expressly authorize golf carts on the streets in municipalities with populations of 12,000-24,999, while Sen. Jimmy Holley (R—Elba) introduced SB3 to ban golf carts and other low-speed vehicles from public highways, except in certain situations. (*Note: Sen. Holley’s proposal is moving in the special session and was amended in committee Thursday)
- On the issue of **immigration**, businesses with five or more employees would have to prove enrollment in E-Verify to receive a business license or permit under SB71 sponsored by Sen. Orr.
- In addition, Sen. Orr introduced SB77 to **privatize retail sales of alcoholic beverages**. The measure would require the Alabama Alcoholic Beverage Control Board to phase out its retail operations by 2024 but continue with its other regulatory and law enforcement responsibilities.
- Current state law provides no **economic incentives for qualified research expenses**, but SB78 introduced by Sen. Orr would establish a grant program for certain activities conducted by public or private Alabama research entities . Under the Alabama Innovation Act, up to \$8 million could be available in the next fiscal year.
- Similar but separate bills seek to address the problem of **distracted driving**. Both HB6 by Rep. Allen Farley (R—McCalla) and SB1 by Sen. Jim McClendon (R—Springville) would prohibit drivers from holding stand-alone electronic devices or watching videos.
- Firefighters would be eligible for expanded **workers’ compensation benefits** under HB2 by Rep. Tommy Hanes (R—Scottsboro). The bill would revise the definition of occupational disease to include cancer of a firefighter in some cases.
- No fewer than four bills attempt to crack down on **telephone solicitations** — SB7 by Sen. Tim Melson (R—Florence), HB29 by Rep. Jimmy Martin (R—Clanton), HB40 by Rep. Craig Lipscomb (R—Gadsden), and HB86 by Rep. Randall Shedd (R—Cullman). If enacted, all four would make intentional use of misleading caller identification a violation of the Deceptive Trade Practices Act, and the attorney general would be responsible for enforcement.

