

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT 2020 REGULAR SESSION · WEEK FOUR FEBRUARY 28, 2020

SENATE GIVES FINAL APPROVAL TO OCCUPATIONAL TAX BAN

After more than three hours of debate Thursday, the Alabama Senate approved new limitations on the establishment of future occupational taxes in the state, sending the measure to Gov. Kay Ivey on a split vote. HB147 was sponsored by Rep. Chris Sells (R—Greenville), and Sens. Clyde Chambliss (R—Prattville) and Will Barfoot (R—Montgomery) handled it in the Senate. Their districts are both in commuting distance of the Capital City, which has been moving toward an occupational tax while this legislation has been under consideration.

NEW LEGISLATION JEOPARDIZES SAVINGS ON PRESCRIPTION DRUGS

A bill to regulate **pharmacy benefit managers** and **pharmacy networks** was introduced this week. It is supported by independent pharmacies, but critics say the burdensome restrictions would severely limit ability to contain drug costs for employees' employers and the state. Pharmacy benefit managers save the state more than half a billion dollars a year in the teacher health insurance program alone and save employers hundreds of millions more. SB236 by Sen. Tom Butler (R—Madison) is pending with the Senate Banking and Insurance Committee. The companion – HB345 by Rep. Ron Johnson (R—Sylacauga) – is pending with the House Insurance Committee.

OPEN RECORDS REWRITE CARRIED OVER

This week, the Senate Governmental Affairs Committee conducted a public hearing on SB57 by Sen. Cam Ward (R—Alabaster), the controversial proposed **rewrite of Alabama's open records law**. Supported by the Alabama Press Association, the bill has drawn widespread criticism from the public and private sectors alike. There was no committee vote on the bill.

PORT AUTHORITY APPOINTEES ADVANCE

Three current members of the **Alabama Port Authority** have been reappointed for additional terms by Gov. Kay Ivey. Ben Stimpson Jr., Daryl Dewberry and Horace Horn Jr. all received favorable reports from the Senate Confirmations Committee this week.

HEALTHCARE ROUNDUP

- Gov. Kay Ivey’s legislation to **expand and improve mental health services** was released on Thursday, when the two-bill package was introduced in the House. Rep. Wes Allen (R—Troy), a former probate judge, is sponsoring HB340 to allow law enforcement to take individuals with mental illness into protective custody in certain situations. House Majority Leader Rep. Nathaniel Ledbetter (R—Rainsville) is sponsoring HB341 to put a mental health service coordinator in every K-12 school system.
- HB43 by Rep. Matt Simpson (R—Daphne) would create a **mental health diversionary program** in Baldwin County, funded by taxes on hemp production, **alternative nicotine devices**, and CBD products. This week the Baldwin County Legislation Committee gave it a favorable report as amended (amendment 1, amendment 2).
- HB269 by Rep. Chris Sells (R—Greenville) would **increase Medicaid reimbursement rates for certain ambulance services**. It received a favorable report from the House Health Committee this week.
- A **student nurse apprenticeship program** would be established under the umbrella of the state Board of Nursing if SB101 by Sen. Greg Reed (R—Jasper) becomes law, and it received its third reading in the Senate on Tuesday. The companion is HB101 from Rep. April Weaver (R—Alabaster).
- **Tax credits for physicians practicing in rural areas** would be revised and expanded to include dentists and nurse anesthetists under the latest version of SB195 by Sen. Steve Livingston (R—Scottsboro). This week the bill received a favorable report as substituted by the Senate Fiscal Responsibility and Economic Development Committee.
- **Gender change therapy for minors** would be banned under HB303 from Rep. Wes Allen (R—Troy), which was the subject of a public hearing in the House Health Committee this week. The committee went on to issue a favorable report with one amendment. In the Senate, the Healthcare Committee conducted a public hearing before giving a favorable report as amended to the companion, SB219 by Sen. Shay Shelnett (R—Trussville).
- Alabama’s **Business & Nonprofit Entities Code** would be substantially revised and modernized by a nearly 300-page proposal under consideration this year. HB202 by Rep. Bill Poole (R—Tuscaloosa) received its third reading Tuesday in the House, and the companion, SB206 by Sen. Sam Givhan (R—

Huntsville), received a favorable report from the Senate Judiciary Committee this week.

BANKING & INSURANCE ROUNDUP

- **Actuary requirements for the insurance industry** would be adjusted under HB354 introduced by Rep. Kerry Rich (R—Guntersville) this week.
- **Reinsurance** regulations would be revised by HB70 sponsored by Rep. Kerry Rich (R—Guntersville), and it received its third reading in the House on Tuesday. The companion is SB54 by Sen. Shay Shelnett (R—Trussville).

ECONOMIC DEVELOPMENT ROUNDUP

- Proposed legislation from recommendations of the **Joint Legislative Task Force on the Tax Cuts and Jobs Act** was introduced this week. The package, called the Alabama Business Tax Competitiveness Act, would reform the corporate income, individual income and financial institution excise taxes, subject to a statewide referendum. The bills are SB249 and SB250 by Sen. Dan Roberts (R—Birmingham); and the companions – HB352 and HB353 – are sponsored by Rep. Danny Garrett (R—Trussville).
- Two recommendations of the **Military Stability Commission**, chaired by Lt. Gov. Will Ainsworth, made progress again this week. SB99 by Sen. Tom Butler (R—Madison) to bolster **land use protections** around military installations received a favorable report with one amendment from the House County and Municipal Government Committee. HB100 by Rep. Randall Shedd (R—Cullman) to clarify when military dependents can enroll in **virtual schools** received its third reading in the House on Tuesday, and it has a companion – SB143 by Sen. Donnie Chesteen (R—Geneva).
- SB48 by Sen. Chris Elliott (R—Fairhope) regarding **entertainment districts** received a favorable report from the House Economic Development and Tourism Committee this week.

OTHER ISSUES TO WATCH

EDUCATION

- In her State of the State address, Gov. Kay Ivey proposed an **education bond issue**, and Sen. Arthur Orr (R—Decatur) introduced the legislation Thursday. SB242 would permit the state to borrow \$1 billion to fund capital improvements at public schools, community colleges and institutions of higher education.
- SB128 by Sen. Dan Roberts (R—Birmingham) would give the **Alabama Community College System** trustees control over tenure and discipline of faculty and staff in lieu of the Students First Act of 2011. The Senate Education Policy Committee conducted a public hearing on it this week.

INTERNET CONNECTIVITY

- Wireless providers would be authorized to install **small wireless facilities on the public right-of-way** for the purpose of deploying **5G technology** under SB172 by Sen. Arthur Orr (R—Decatur), which received a favorable report as substituted in the Senate Fiscal Responsibility and Economic Development Committee this week.
- Rep. Chris Sells (R—Greenville) filed HB344 requiring **wireless providers to install filters** that would block material harmful to minors.

ALCOHOLIC BEVERAGE MARKETPLACE

Consumers could begin receiving **direct shipments of wine** with enactment of SB240 by Sen. Bobby Singleton (D—Greensboro), which was introduced Thursday. A task force had been studying the issue since similar legislation failed in 2019. The bill is pending in the Senate Tourism Committee.

TAX COLLECTION

- Pursuant to HB158, **private auditing or tax collecting firms** working on behalf of a county or municipality would be barred from recovering certain costs from taxpayers. The bill from Rep. Paul Lee (R—Dothan) received a favorable report from the Senate Fiscal Responsibility and Economic Development Committee this week, and the companion is SB130 by Sen. Clay Scofield (R—Guntersville).
- The existing **sales tax discount** for timely remittance would be discontinued if SB241 by Sen. Vivian Figures (D—Mobile) becomes law. The bill, introduced this week, would end the practice effective Sept. 1.

STATE AGENCIES

- A single bill affecting the Alabama Department of Labor would make changes in two separate areas of responsibility for the agency. HB351 by Rep. Danny Garrett (R—Trussville) was introduced Thursday, and it would alter language governing **unemployment compensation**. Of more narrow interest are the bill's provisions relating to **surface mining** and the **Special Abandoned Mine Reclamation Trust Fund**.
- The “**sunset bills**” for continued operations of the **State Insurance Department**, the **Alabama Board of Public Accountancy** and other agencies received favorable reports from the House Boards, Agencies and Commissions Committee this week. A separate proposal to continue operation of the **Public Service Commission** received its third reading in the Senate on Tuesday.
- Some professional licensing boards and other state agencies would **publish their expenditures on the individual agency's website** instead of the comptroller's website pursuant to HB61 by Rep. Chris Pringle (R—Mobile), which received a favorable report from the House State Government

Committee this week.

- Composition of the **Employees' Retirement System Board of Control** would be altered with SB154 by Sen. Greg Reed (R—Jasper), which received a favorable report from the Senate Governmental Affairs Committee on Tuesday. The companion is HB172 by Rep. Reed Ingram (R—Mathews).
- State agencies would be prohibited from **selling personal information** of Alabama residents under HB54 by Rep. Laura Hall (D—Huntsville). The proposal was debated again in the House State Government Committee this week and an amendment added before the bill was carried over for the second time.

MISCELLANEOUS

- A **disaster or emergency declaration** would trigger temporary changes for **motor vehicle fuel tax and registration** under SB112 by Sen. Vivian Figures (D—Mobile), which received a favorable report this week from the Senate Governmental Affairs Committee. The companion is HB180 by Rep. Steve McMillan (R—Bay Minette).
- The **definition of a landfill** would be clarified by HB140 by Rep. Alan Baker (R—Brewton), and it received a favorable report from the Senate Fiscal Responsibility and Economic Development Committee this week. The companion is SB117 from Sen. Greg Albritton (R—Atmore).
- Violators of the **Memorial Preservation Act** would be subject to increased penalties under SB127 by Sen. Gerald Allen (R—Tuscaloosa), which received a favorable report Tuesday from the Senate Governmental Affairs Committee.

The House and Senate will reconvene on Tuesday, March 3. There are 22 meeting days remaining in the 2020 Regular Session.