

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT 2020 REGULAR SESSION · WEEK SIX MARCH 13, 2020

MEDICAL MARIJUANA PASSES THE SENATE

Late in the day on Thursday, the Alabama Senate voted 22-11 to pass SB165 by Sen. Tim Melson, M.D. (R—Florence). The bill to establish a comprehensive medical marijuana program in the state will go on to the House for consideration.

The proposal to form the Alabama Medical Cannabis Commission to regulate and administer the program – issuing medical cannabis cards to patients and licensing each phase of the supply chain – sparked lengthy, robust debate on the Senate floor. A substitute was adopted and 10 amendments added. Among the changes:

- Provisions were added to ensure minority representation in dispensary licensure;
- For cultivator licenses, minimum experience was increased;
- For integrated facility licenses, minimum years of Alabama residency was boosted from 8 to 15.

In related legislation, there was no action this week on SB267 to revise the criminal penalties for marijuana possession. Senate Minority Leader Bobby Singleton (D—Greensboro) introduced it last week, and the bill is pending in the Senate Judiciary Committee.

STATE FUNDING RELEASED TO BATTLE CORONAVIRUS

The Alabama Legislature acted swiftly Thursday to appropriate \$5 million from the state General Fund to the Alabama Department of Public Health for Coronavirus preparedness and response. The Senate added funding to a routine supplemental appropriation in the morning, the House agreed with the changes and Gov. Kay Ivey signed Act 2020-36 at 3 p.m.

Senate President Pro Tempore Del Marsh (R—Anniston) said the state dollars would be available immediately. Federal funds totaling \$8.1 million are also expected from the Centers for Disease Control. The governor had established a Coronavirus Task Force of disease specialists and cabinet and state agency officials last week.

NEW LOTTERY PROPOSAL CALLS FOR REFERENDUM NOV. 3

On Tuesday, Rep. Steve Clouse (R—Ozark) introduced HB418 to establish an Alabama lottery, subject to a statewide referendum coinciding with the 2020 presidential election. With 70 cosponsors, the bill already has backing from a bipartisan supermajority of House members. Proceeds would be divided equally between pre-K and scholarships. The bill is pending in the House Economic Development and Tourism Committee.

OPEN RECORDS REWRITE DRAWS CRITICISM

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**. Several representatives of local government testified in opposition to the bill supported by the Alabama Press Association. There was no committee vote on the bill.

5G INTERNET CONNECTIVITY MOVES FORWARD AGAIN

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 was approved this week by the House Urban and Rural Development Committee after a public hearing.

TAX CUTS AND JOBS ACT

Recommendations of the **Joint Legislative Task Force on the Tax Cuts and Jobs Act**, dubbed the Alabama Business Tax Competitiveness Act, were the subject of a public hearing this week in the Senate Finance and Taxation Committee on the Education Trust Fund. No vote was taken. The hearing focused on SB250 by Sen. Dan Roberts (R—Birmingham), half of the two-bill package. The companion is HB353 by Rep. Danny Garrett (R—Trussville).

HEALTHCARE ROUNDUP

- Progress was made this week on two proposals endorsed by Gov. Kay Ivey to bolster **mental healthcare and services**. 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. After adopting a floor substitute and two amendments, the House voted to pass the bill on Thursday. House Majority Leader Rep. Nathaniel Ledbetter (R—Rainsville) is sponsoring HB341 to put a mental health service coordinator in every K-12 school system, and the House also passed it Thursday, as amended by the House Education Policy Committee. The companion is SB223 by Sen.

Rodger Smitherman (D—Birmingham).

- When funding for Coronavirus preparedness and response was added to an existing bill, another agency saw increased funding Thursday. The **Department of Mental Health** received an extra million dollars – bringing it to \$2.5 million – for the **Rural County Crisis Diversion Project**.
- Two proposals for **direct access to physical therapy** moved this week. SB104 by Sen. Jim McClendon (R—Springville) was the subject of a public hearing before receiving a favorable report from the Senate Healthcare Committee, as substituted. Meanwhile, Rep. Ron Johnson (R-Sylacauga) introduced a similar measure – HB444 – on Thursday.
- Alabama’s **Business & Nonprofit Entities Code** would be substantially revised and modernized by HB202 from Rep. Bill Poole (R—Tuscaloosa). This week, the bill passed the Senate and was transmitted to the governor for consideration. The companion is SB206 by Sen. Sam Givhan (R—Huntsville). The **ratio of nurse practitioners to physicians** would be adjusted under SB114 from Sen. Jim McClendon (R—Springville), and on Wednesday it was approved by the House Health Committee.
- A **student nurse apprenticeship program** would be established under the umbrella of the state Board of Nursing if HB101 from Rep. April Weaver (R—Alabaster) becomes law. The bill was approved by the Senate Governmental Affairs Committee on Tuesday, and the companion – SB101 by Sen. Greg Reed (R—Jasper) – was approved by the House Boards, Agencies and Commissions Committee on Wednesday.
- **Nursing homes** would see changes under SB278 by Sen. Greg Albritton (R—Atmore), which was approved this week in the Senate Finance and Taxation Committee on the General Fund. The bill would increase the **nursing facility privilege assessment**, set a method for calculating current asset value and authorize the Alabama Medicaid Agency to create a quality incentive program. The companion is HB401 by Rep. Steve Clouse (R—Ozark).

BANKING & INSURANCE ROUNDUP

- To combat **elder abuse**, HB207 by Rep. Chris Blackshear (R—Phenix City) would grant financial institutions authority to delay or refuse certain transactions involving accounts of elderly or vulnerable adults. It was approved by the Senate Banking and Insurance Committee this week, and the companion is SB166 by Sen. Shelnett (R—Trussville).
- In a new proposal this week, Alabama would develop a **statewide residential building code** under HB442 by Rep. Steve McMillan (R—Bay Minette), which also provides for enforcement of minimum standards. The companion is SB311 by Sen. Sam Givhan (R—Huntsville).
- **Warrantors of vehicle protection products** examined by the commissioner of insurance would pay the expenses of examination under SB55 by Sen. Shay Shelnett (R—Trussville), which was approved by the House Insurance

Committee this week. The companion – [HB68](#) from Rep. Kerry Rich (R—Guntersville) – received approval from the Senate Banking and Insurance Committee this week.

- **Reinsurance** regulations would be revised by [HB70](#) from Rep. Kerry Rich (R—Guntersville), and the bill was approved by the Senate Banking and Insurance Committee this week. The companion is [SB54](#) by Sen. Shay Shelnett (R—Trussville).
- Regulation of **captive insurance companies** would be updated under [HB220](#) from Rep. David Faulkner (R—Birmingham). It was approved by the Senate Banking and Insurance Committee this week.

ECONOMIC DEVELOPMENT ROUNDUP

- This week, the Rural and Agribusiness Jobs Act – [HB195](#) by Rep. Danny Garrett (R—Trussville) – was approved by the House Ways and Means Committee on the General Fund with a substitute and an amendment. As it stands now, the bill would create a tax credit against the insurance premium tax to encourage capital investment in growth businesses located in growth zones. Participants would have to be licensed rural business investment companies and invest at least \$100 million in non-public companies in Alabama’s non-metro counties.
- Gov. Kay Ivey has signed [SJR23](#) by Sen. Jabo Waggoner (R—Vestavia Hills), commending **Alabama’s record export sales in 2019**.
- **Tax breaks for airport authorities** would be expanded if [SB295](#) by Sen. Sam Givhan (R—Huntsville) becomes law. The bill, a companion to [HB391](#) by Rep. Rex Reynolds (R—Huntsville), was introduced Tuesday.
- Multiple recommendations from the **Military Stability Commission** advanced this week. [HB66](#) by Rep. Thad McClammy (D—Montgomery) would authorize a **local redevelopment authority for property contiguous to an active U.S. Air Force installation**. It passed the Senate and was delivered to the governor Thursday afternoon for consideration. The companion is [SB53](#) by Sen. David Burkette (D—Montgomery). Also pending with the governor is [SB143](#) by Sen. Donnie Chesteen (R—Geneva), clarifying when **military dependents** can enroll in **virtual schools**. It passed the House on Tuesday. In other action this week, the House Education Policy Committee approved two bills to expand school options for military families – [SB105](#) regarding **magnet schools** and [SB106](#) regarding **charter schools**. Both are sponsored by Sen. Will Barfoot (R—Pike Road). And finally, the Senate passed [SB61](#) by Sen. Andrew Jones (R—Centre), as substituted, to provide licensing reciprocity for psychologists.
- **Community development districts** would be possible in dry counties with passage of [SB133](#) by Sen. Steve Livingston (R—Scottsboro), which this week won approval from the House Economic Development and Tourism Committee.

- Counties and municipalities could designate **tourism improvement districts** if HB382 by Rep. Lynn Greer (R—Rogersville) becomes law. The House Economic Development and Tourism Committee conducted a public hearing on the bill this week.

OTHER ISSUES TO WATCH

GENERAL BUSINESS REGULATION

- A proposed revision of the **Residential Landlord and Tenant Act** by Sen. Jimmy Holley (R—Elba) encountered some resistance this week. SB247 was carried over in the Senate Governmental Affairs Committee on Tuesday.
- As introduced, SB107 by Sen. Arthur Orr (R—Decatur) would have required **proof of E-Verify participation** to get a business license or occupational tax certificate, but the Senate Fiscal Responsibility and Economic Development Committee approved a substitute version requiring payers of the business privilege tax to certify E-Verify compliance.
- Certain **indemnification provisions** would be prohibited in **public works contracts for roads and bridges** under SB259 by Sen. Clay Scofield (R—Guntersville). It was approved by the Senate Governmental Affairs Committee on Tuesday. The companion – HB409 by Rep. Steve McMillan (R—Bay Minette) – was approved this week by the House County and Municipal Government Committee, as substituted.

EDUCATION

- Term limits for **Alabama Community College System trustees** would be clarified under HB402 by Rep. Steve McMillan (R—Bay Minette), which was approved by the House Education Policy Committee this week. Sen. Greg Albritton (R—Atmore) introduced the companion, SB297.
- 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 bill passed the Senate Thursday.
- Schools could offer “**life skills instruction**” to students in grades 6 through 12 under HB414 by Rep. Prince Chestnut (D—Selma), which was introduced this week. Life skills are defined as personal finance literacy, personal rights and good citizenship.

ALCOHOLIC BEVERAGE MARKETPLACE

- HB445 by Rep. Terri Collins (R—Decatur) would require licensed importers and manufacturers of wine to enter into **exclusive franchise agreements with wholesalers**, and it was introduced this week.
- **Direct shipment of wine to consumers** would be authorized by HB365, also by Rep. Collins. It was approved by the House Economic Development and

Tourism Committee this week after a public hearing. The companion is SB240 by Senate Minority Leader Bobby Singleton (D—Greensboro).

- **Deliveries of wine and beer** would be permissible under HB407 by Rep. Gil Isbell (R—Gadsden). After a public hearing, it was substituted and approved by the House Economic Development and Tourism Committee this week. SB264 by Sen. Jabo Waggoner (R—Vestavia Hills) is the companion.

TAX COLLECTION

- **Private auditing or tax collecting firms** working on behalf of a county or municipality are barred from recovering certain costs from taxpayers under Act 2020-31, signed by Gov. Kay Ivey this week. The bill was sponsored by Rep. Paul Lee (R—Dothan).
- The existing **sales tax discount** for timely remittance would be discontinued if SB241 by Sen. Vivian Figures (D—Mobile) becomes law. The bill was the subject of a public hearing this week in the Senate Finance and Taxation Committee on the General Fund, but no vote was taken.

STATE AGENCIES

- SB310 by Sen. Vivian Figures (D—Mobile) was introduced this week for the **Alabama Port Authority**. The bill would increase the number of executive-level employees appointed by the director and allow some former employees to contract with the authority during the transition period after their retirement.
- A bill affecting the **Alabama Department of Labor** would make changes in two separate areas of responsibility for the agency. The bill would alter language governing **unemployment compensation, surface mining** and the **Special Abandoned Mine Reclamation Trust Fund**. HB351 by Rep. Danny Garrett (R—Trussville) passed the House on Tuesday.
- The “**sunset bills**” for continued operation of the state **Insurance Department, Public Service Commission** and **Board of Public Accountancy** through 2024 all passed the House on Thursday. They are pending with the governor.
- SB140 by Senate Minority Leader Bobby Singleton (D—Greensboro) to create a **Statewide Emergency Notification System** made progress this week. The Senate concurred with House changes, and the bill is pending with the governor.

TRANSPORTATION

- Drivers committing any moving violation in a **construction zone** – not just speeding – would face **enhanced penalties** under SB262 by Sen. Gerald Allen (R—Tuscaloosa). The change would apply only when workers are present, and the bill was approved by the Senate Transportation and Energy Committee on Thursday. The companion is HB383 by Rep. Lynn Greer (R—Rogersville).
- **Damaging or surveilling critical infrastructure** would carry enhanced penalties under SB45 by Sen. Cam Ward (R—Alabaster), which passed the Senate this

week, as substituted. The bill would specify what constitutes illegal drone activity, revise the criminal trespass law and clarify that pipelines and mining operations are critical infrastructure. The companion is HB36 by Rep. Chip Brown (R—Mobile).

GUNS

- A **statewide pistol permit** would be created by HB39 by Rep. Proncey Robertson (R—Mount Hope), which was the subject of a public hearing this week in the House Public Safety and Homeland Security Committee. No vote was taken. The companion is SB47 from Sen. Randy Price (R—Opelika).

MISCELLANEOUS

- The **definition of a landfill** has been clarified to include those covered by substances other than earth under Act 2020-30, which the governor signed this week. It was sponsored by Rep. Alan Baker (R—Brewton).
- The loan payback period for **wastewater treatment facilities** would be extended under HB13 by Rep. Randy Wood (R—Anniston), which was approved by the Senate Transportation and Energy Committee this week.

The House and Senate have begun a two-week spring break and will reconvene on Thursday, March 26. There are 18 meeting days remaining in the 2020 Regular Session.