

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT 2020 REGULAR SESSION · WEEK ONE FEBRUARY 7, 2020

LEGISLATORS RETURN TO POSITIVE FINANCIAL FORECAST

Alabama's 2020 Regular Session began this week on an upbeat note, as official budget projections showed healthy revenue growth to support routine operations and new initiatives. The state already boasted record low unemployment of 2.7 percent, and the Education Trust Fund budget for the current year reached an all-time high with appropriations totaling \$7.1 billion. However, that record is going to be short-lived, since \$7.5 billion is available to appropriate for fiscal year 2021, with sales and income taxes driving revenue growth. In addition, \$513 million is available to appropriate from the technology fund. All in, over \$900 million is available for education. In addition, Gov. Kay Ivey has proposed a \$1 billion bond issue for education institutions.

In one of the few states with multiple operating budgets, Alabama's General Fund budget is dominated by just two agencies: Medicaid and corrections. Prisons are proving to be a major pressure point on appropriations for next year because time is running out to alleviate overcrowding and other deficiencies before federal officials intervene. The 2020 General Fund budget totaled \$2.2 billion, and an additional \$400 million is available for 2021. In large part, the revenue growth is due to surging online sales and use tax, as well as increasing collections of insurance premium taxes.

As indicated by Gov. Kay Ivey's annual State of the State Address on Tuesday and her proposed 2021 budgets, the governor's legislative priorities this year include:

- Raises for teachers (3%) and state employees (2%);
- Pre-K expansion;
- Establishment of three mental health crisis centers and new incentives to improve access to healthcare in rural areas;
- Enhanced rehabilitation, reentry and community corrections programs for inmates.

As for improving correctional facilities, the administration has requested proposals from private developers to build prisons that the state would then lease, an approach that minimizes legislative involvement.

OPEN RECORDS REWRITE

Alabama's open records law would be comprehensively rewritten by SB57 from Sen. Cam Ward (R—Alabaster). This is the second year in a row that the Alabama Press Association has pursued an overhaul, and the version introduced this week is intended to address concerns raised in 2019. The bill, which is currently pending in the Senate Governmental Affairs Committee, quickly sparked pushback from numerous stakeholders, each with unique concerns. Fine Geddie is compiling a list of objections that will be presented to the bill's sponsor. Please review the legislation and provide feedback.

MILITARY STABILITY COMMISSION RECOMMENDATIONS APPROVED

This week the Senate Veterans and Military Affairs Committee voted to give favorable reports to several recommendations from the Military Stability Commission, headed up by Lt. Gov. Will Ainsworth:

- SB53 by Sen. David Burkette (D—Montgomery) would authorize a city or county to establish a **local redevelopment authority for property contiguous to an active U.S. Air Force installation**. The bill was amended in committee to apply only to Maxwell Air Force Base in Montgomery, where an Olympic training facility is slated for neighboring acreage in a move to improve quality of life for military families as well as boost economic development in the Capital City.
- Children of military families would qualify for **in-state tuition** at Alabama's public colleges and universities under SB51 by Sen. Tom Whatley (R—Auburn).
- Under SB99 by Sen. Tom Butler (R—Madison), **land use protections** around military installations would be revised to take into consideration tall structures and wind energy facilities.
- Two bills would adapt school requirements to better serve military families: SB105 regarding **magnet schools** and SB106 regarding **charter schools**, both sponsored by Sen. Will Barfoot (R—Pike Road).

OTHER ISSUES TO WATCH

ECONOMIC DEVELOPMENT

- Rep. Danny Garrett (R—Trussville) filed HB195, the **Rural and Agribusiness Jobs Act** to benefit rural areas and assist minority and/or female business owners by providing access to capital.
- New income tax credits would be created for in-state **auto and aviation manufacturers** with the passage of HB11 by Rep. Craig Lipscomb (R—Gadsden).
- Two proposals would affect **occupational taxes**. SB85 by Sen. Andrew Jones (R—Centre) would exempt certain economic development sites from occupational taxes, and HB147 by Rep. Chris Sells (R—Greenville)

would limit the establishment of future occupational taxes in the state. As substituted, it received a favorable report from the House County and Municipal Government Committee this week and is currently pending third reading in the House.

TRANSPORTATION

- The act of damaging **critical infrastructure** would carry enhanced penalties under SB45 by Sen. Cam Ward (R—Alabaster). The bill would also clarify that pipelines are critical infrastructure and would make operation of an unmanned drone or aircraft to surveil critical infrastructure a crime.
- A five-member **Transportation Commission** would be established by HB19 by Rep. Chris Pringle (R—Mobile). The companion bill is SB141.
- A **disaster or emergency declaration** would trigger temporary changes for motor vehicle fuel and registration under SB112 by Sen. Vivian Figures (D—Mobile). The companion is HB180.
- **Toll roads, bridges and tunnels** would be affected by three bills introduced by Sen. Chris Elliott (R—Fairhope): SB4, SB151 and SB152.

ETHICS

Rep. Mike Ball (R—Madison) introduced HB179 this week, a lengthy revision of the state ethics law and the Alabama Ethics Commission’s role.

HEALTHCARE

- The state’s **Certificate of Need Board** for healthcare facilities would be abolished by HB126 from Rep. Andrew Sorrell (R—Muscle Shoals).
- Providers would be required to utilize the state’s **immunization registry** if HB103 by Rep. April Weaver (R—Alabaster) is enacted.
- Negotiations continue among **medical marijuana** stakeholders, and no legislation on the subject was introduced in the session’s first week.
- Legislation to impose burdensome restrictions on pharmacy benefit managers and pharmacy networks, which are designed to lower or control prescription drug prices, is expected to be introduced next week.

GAMING

- As a general rule, we will report on **gambling-related proposals** because the issue affects the session’s political dynamic so profoundly.
- Gov. Kay Ivey called for a blue-ribbon study group to analyze the potential revenue impact of gambling expansion before debating the specific options, and no **lottery** measures surfaced this week.
- Rep. Pebblin Warren (D—Tuskegee) is sponsoring HB1 to authorize **electronic bingo in Macon County**.
- Many **campaign contributions from the gaming industry** would be banned pursuant to SB122 from Sen. Jim McClendon (R—Springville).

SCHOOL SPORTS

- Rep. Chris Pringle (R—Mobile) introduced HB35 to **ban transgender participants** in public, K-12 school athletics.
- The **Alabama High School Athletic Association** would be subject to regular audits by the Examiners of Public Accounts under HB184 by Rep. Wes Allen (R—Troy).

ALCOHOLIC BEVERAGES

- There are multiple proposals to expand the **alcoholic beverage marketplace** in Alabama this year, including SB48 by Sen. Chris Elliott (R—Fairhope) regarding **entertainment districts**, which is scheduled for consideration in the Senate Governmental Affairs Committee on Tuesday.
- **Winery regulation** would be revised under HB52 from Rep. Laura Hall (D—Huntsville), while Sen. Andrew Jones (R—Centre) introduced SB37 regarding **wine festivals**. SB37, his proposal affecting **small farm wineries**, received a favorable report from the Senate Agriculture, Conservation and Forestry Committee as substituted and amended.
- Sen. Tom Whatley (R—Auburn) introduced SB155, which would permit sales via **drive-through or walk-up window**.

COMMUNITY COLLEGES

SB 128 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.

HUMAN RESOURCES

- Composition of the **Employees' Retirement System Board of Control** would be altered with HB172 by Rep. Reed Ingram (R—Mathews).
- The **Teacher Recruitment and Retention Act** would create an enhanced, Tier III retirement benefit for educators. It is HB76 by Rep. Alan Baker (R—Brewton).
- Employers would have to follow specified requirements to **determine if a worker is an employee** for purposes of benefits and tax liabilities with HB77 by Rep. Wes Kitchens (R—Arab).
- SB107 by Sen. Arthur Orr (R—Decatur) would require **proof of E-Verify participation** to get a business license or occupational tax certificate.

MISCELLANEOUS

- The Alabama Sunset Committee has recommended continuing the operation of the **State Insurance Department**, the **Alabama Board of Public Accountancy** and the **Public Service Commission** through 2024.
- **Reinsurance** regulations would be revised by SB54 by Sen. Shay Shelnett

(R—Trussville). The companion is HB70.

- The **right to repair electronic equipment** would be established through HB93 by Rep. Ron Johnson (R—Sylacauga).
- State agencies would be prohibited from **selling personal information** of Alabama residents under HB54 by Rep. Laura Hall (D—Huntsville).
- 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).

The House and Senate will reconvene on Tuesday, February 11. There are 28 meeting days remaining in the 2020 Regular Session.