

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT 2021 REGULAR SESSION · WEEK SEVEN MARCH 19, 2021

SENATE APPROVES EDUCATION BUDGET AHEAD OF RECESS

With the Senate's passage of a \$7.673 billion education budget, lawmakers hit another milestone in this fast-paced session before departing Montgomery for their one-week spring break. Representing a \$455 million increase over the current fiscal year, the Senate-passed budget is the largest education budget in Alabama history. It provides a 2% raise for education employees from K-12 to two-year colleges and invests in a new incentive pay program to bolster math and science in K-12.

OTHER ISSUES TO WATCH

GAMBLING EXPANSION & LOTTERY

- The Senate Tourism and Marketing Committee took up gambling again this week, despite the Senate's rejection of comprehensive lottery and gaming legislation the week before. Most notably, the committee conducted a public hearing on a **lottery-only bill**, SB319 by Sen. Jim McClendon (R—Springville), before giving it a favorable report as substituted. The committee also gave a favorable report as substituted to McClendon's SB320, the enabling legislation that would distribute proceeds evenly between the state's General Fund and Education Trust Fund. Sen. Del Marsh (R-Anniston) has not given up on his full-scale gaming proposal and is still working to get more votes for another attempt to pass it.

HEALTHCARE & PUBLIC HEALTH

- Another attempt to change the role of **pharmacy benefits managers (PBM)** was filed this week. Sen. Tom Butler (R—Madison) introduced SB344 Tuesday, and while the bill appears to address some objections brought by PBMs to previous proposals, it still limits an employer's options to curb drug costs for employees. Senate leadership are leaning in to put pressure on health plan sponsors and PBMs to make concessions to independent pharmacists, despite cost implications for businesses and their employees.
- Functions of the state's **Medical Licensure Commission** would have been transferred to the **Board of Medical Examiners** pursuant to SB239 by Sen. Jim McClendon (R—Springville). The lengthy bill would make numerous further changes, including giving the governor appointing authority for board members. The Medical Association opposed the bill and although the Senate Healthcare

Committee conducted a public hearing this week, the committee rejected the proposal.

- Alabama's existing **vaccine registry procedures** would be updated pursuant to HB184 by Rep. Paul Lee (R—Dothan). It passed the House this week, and the House-passed version includes two floor amendments. It is assigned to the Senate Healthcare Committee.
- **Medical marijuana** was in a holding pattern this week after a committee meeting was cancelled due to severe weather. (Preliminary reports indicate tornadoes touched down in a dozen central Alabama counties on Wednesday). The House Judiciary Committee, the first of two House committees expected to vet the bill, had been expected to vote this week on SB46 by Sen. Tim Melson (R—Florence).
- **Transgender treatment for minors** would be criminalized pursuant to SB10 from Sen. Shay Shelnett (R—Trussville). The House Health Committee added three amendments (1, 2, 3) and gave it a favorable report on Tuesday.

ALCOHOLIC BEVERAGE MARKETPLACE

- The House's working agenda for Tuesday indicated that SB126 by Sen. Jabo Waggoner (R—Vestavia Hills) was scheduled for a floor vote, but, once again, the bill and its pending committee amendment were not considered. The proposal would legalize **home delivery of beer, wine and spirits**.

TRANSPORTATION

- A streamlined sales and use **tax exemption for airport authorities** would be created by SB11 by Sen. Sam Givhan (R—Huntsville), and the exemption could be extended to contractors working for the authorities in some situations. The bill passed the Senate on Tuesday.
- The definition of **construction zone violations** would be expanded and a \$250 minimum fine set under HB245 by Rep. Lynn Greer (R—Rogersville). It passed the House on Tuesday. It is assigned to the Senate Committee on Transportation and Energy.
- This week the proposed prohibition of **certain indemnity clauses in public works contracts** and subcontracts for roads and bridges received a favorable report from the House Transportation, Utilities and Infrastructure Committee as substituted and amended. SB220 is by Sen. Clay Scofield (R—Guntersville).
- Roadbuilders would be **shielded from certain civil liability** with passage of SB248 by Sen. Clay Scofield (R—Guntersville). The Senate Judiciary Committee gave the bill a favorable report.
- SB 332 by Sen. Kirk Hatcher (D-Montgomery) to update state safety regulations related to entry level training for commercial driver licenses and bring them into compliance with federal law was approved by the Senate Committee on Transportation and Infrastructure.

BANKING AND INSURANCE

- Larry K. Deason was confirmed by the Senate to the **Alabama Banking Board** this week.

- Some data and information that insurers file with the state would be considered **trade secrets** and be **shielded from public release** under HB132 by Rep. Chip Brown (R—Mobile). The bill, which was substituted and amended, passed the House Tuesday.

EDUCATION

- **Textbook publishers** would be required to provide evidence of standards correlation, and textbooks could be subject to additional review with SB217 by Sen. Tim Melson (R—Florence). It passed the Senate on Tuesday, and the Senate-passed version incorporates the committee substitute and a floor amendment.
- **High school athletics** are the subject of two bills filed this week by Sen. Tom Butler (R—Madison). SB342 would require the Alabama High School Athletic Association to be audited by the Examiners of Public Accounts, and SB343 would force the AHSAA to institute procedures for review and appeal on decisions of athlete eligibility.
- **Transgender athletes** would be prohibited from competing in public school sports unless the event specifically includes both genders under HB391 by Rep. Scott Stadthagen (R—Hartselle). The bill passed the House Thursday.
- HB472 by Rep. Steve McMillan (R—Bay Minette) would change the term limits for trustees of the **Alabama Community College System**, stipulating that appointed board members may not serve more than two consecutive full terms. It is scheduled for consideration in the House after the recess.

ECONOMIC DEVELOPMENT & PORT-RELATED ISSUES

- There was movement this week on three **Etowah County** local bills arising from an economic development prospect there. On Thursday, the Senate passed SB247 by Sen. Andrew Jones (R—Centre), which would call a public referendum on **eliminating occupational taxes**. Jones is also sponsoring SB131, which would require an **animal byproduct processing facility (rendering)** to compensate neighbors for loss of property value. After two unsuccessful attempts Thursday, the Senate passed it late in the day upon considering it a third time. A third Jones bill, SB246, passed a procedural hurdle for Senate floor consideration but was carried over presumably due to lack of votes. It would call a public referendum on **prohibiting certain animal byproduct processing facilities** in the county.
- **Redevelopment authorities** could include non-resident owners of property in the redevelopment district under SB254 by Sen. Clyde Chambliss (R—Prattville), which received a favorable report Wednesday from the House County and Municipal Government Committee.
- To foster economic development, this week Senate President Pro Tempore Greg Reed (R—Jasper) introduced SB338 and SB339 to create the Alabama Innovation Corporation and the **Innovate Alabama Matching Grant Program** to benefit recipients of certain federal small business grants.
- HB 219, by Rep. Kyle South to renew the expiring Coal Severance Tax passed the Senate and has been delivered to the governor. The severance tax is distributed to numerous entities but supports debts of the State Port Authority.

MANUFACTURED HOUSING

- The following members of the **Alabama Manufactured Housing Commission Advisory Board** were confirmed Tuesday by the Senate: Eric Boehm, Walter G. Bracy and William Aycok.

LOCAL LEGISLATION OF GENERAL INTEREST

- In **Shelby County** only, **privately owned sewer systems** using public rights-of-way would be subject to regulation by the Public Service Commission under SB74 by Sen. Jabo Waggoner (R—Vestavia Hills). The bill proposes a constitutional amendment, so if it passes the Legislature it would then go to a public referendum. This week, the bill, likely to result in higher sewer rates for residents, received a favorable report from the House Transportation, Utilities and Infrastructure Committee.

NICOTINE PRODUCTS

- The **legal age to purchase tobacco and nicotine products** would be raised to 21 under HB273 by Rep. Barbara Drummond (D—Mobile). The bill, as substituted by the House Judiciary Committee, is scheduled for floor consideration in the House after the spring recess.

*The House and Senate will be taking their spring break recess next week.
The Alabama Legislature will reconvene on Tuesday, March 30.*