

# FINE GEDDIE

GOVERNMENT RELATIONS

## THE FINE GEDDIE REPORT

2021 REGULAR SESSION · WEEK SIX

MARCH 12, 2021

### *HOUSE APPROVES GENERAL FUND BUDGET, PHARMACY BENEFITS MANAGER BILL HITS OPPOSITION IN SENATE COMMITTEE, OMNIBUS PUBLIC RECORDS BILL HELD FOR FURTHER REVIEW*

Legislators continued their steady progress this week, highlighted by the House's passage of the **\$2.474 billion General Fund budget** on Tuesday, with the figure representing a slight increase over prior year appropriations. The smaller of the state's two main operating budgets, the General Fund supports most non-education related functions of state government. As it passed the House, HB309 by Rep. Steve Clouse (R—Ozark) includes a 2% pay raise for state employees. Alabama's state and local government share of the American Rescue Plan, signed by the president this week, totals more than \$4 billion. It is anticipated that legislators will need to pass a supplemental appropriation this session to allocate at least half of the funds. The Senate Finance and Taxation Committee on Education is scheduled to take up the education budget next week.

SB227 by Sen. Tom Butler (R—Madison) would likely raise healthcare costs by about \$1,000 a year for many Alabamians, according to testimony from multiple opponents at the Senate Banking and Insurance Committee's public hearing on Wednesday. The bill would interfere with the ability of **pharmacy benefits managers** to negotiate lower prescription drug costs for group insurance plans, such as the massive program for public school teachers, companies that self-insure and other employer-based plans.

Meanwhile, an extensive rewrite of Alabama's **open records law** was carried over by the Senate Judiciary Committee at the sponsor's request this week. SB165 by Sen. Arthur Orr (R—Decatur) is not expected to be considered again this session.

In other news, Gov. Kay Ivey has reopened the State Capitol and the Governor's Mansion to visitors, another sign of progress in the battle against COVID-19. At the same time, the House and Senate, with the exception of Senate committees, remain closed to the public.

### *OTHER ISSUES TO WATCH*

#### GAMBLING EXPANSION & LOTTERY

- SB214, the comprehensive gambling legislation from Sen. Del Marsh (R—Anniston), failed on the Senate floor Tuesday. The setback was not completely

unexpected in a state with a long history of conflicting attitudes on the issue. However, Marsh is cosponsoring [SB319](#), introduced by Sen. Jim McClendon (R—Springville) on Tuesday, which proposes a state lottery without addressing casinos, existing gambling operations in the state or a compact with the Poarch Creek Indians. McClendon’s bill is assigned to Marsh’s Senate Tourism Committee, which has scheduled a meeting next week without releasing an agenda.

#### REMOTE NOTARIZATION SERVICES

- **Remote notarizations** would be permissible in some situations under [SB275](#) by Sen. Sam Givhan (R—Huntsville). As it passed the Senate this week, the bill would also retroactively ratify remote notarizations done under emergency conditions and set a penalty for violations.

#### HEALTHCARE & PUBLIC HEALTH

- There were no surprises this week on [SB46](#) by Sen. Tim Melson (R—Florence) to authorize **medical marijuana** in the state. The House Judiciary Committee, the first of two House committees expected to vet the bill, conducted a public hearing Wednesday. Rep. Mike Ball (R—Madison), a Judiciary Committee member and retired law enforcement officer, is shepherding the bill in the House. The committee is scheduled to vote on SB46 next week, and the bill appears to be in better position than in years past, due in part to the Biden administration’s posture on the issue coupled with lawmakers’ desire to protect employers and farmers and to avoid federal pre-emption.
- The **governor’s authority to declare a state of emergency** would be limited by [SB97](#) from Sen. Tom Whatley (R—Auburn). The bill was considered on the Senate floor Thursday and is currently carried over to the call of the chair.
- **Transgender treatment for minors** would be criminalized pursuant to [SB10](#) from Sen. Shay Shelnett (R—Trussville). The House Health Committee conducted a public hearing on the proposal Wednesday.

#### 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, lawmakers adjourned before taking up the bill and its pending committee [amendment](#). The proposal to legalize **home delivery of beer, wine and spirits** is again scheduled for House floor consideration on Tuesday, March 16.

#### PROCUREMENT

- [HB187](#) by Rep. Terri Collins (R—Decatur) exempts from competitive bid laws certain **leases and lease/purchases of goods and services** by city and county boards of education or other state and local governmental entities made through national or regional cooperative purchasing agreements. It received a favorable report Tuesday from the Senate Governmental Affairs Committee.

#### TRANSPORTATION

- The definition of **construction zone violations** would be expanded and a \$250

minimum fine set under SB4 by Sen. Gerald Allen (R—Tuscaloosa). It received a favorable report Wednesday from the House Public Safety and Homeland Security Committee.

- Unauthorized entry of **critical infrastructure** is a crime, and protection would be extended to pipelines, mining operations and mining infrastructure under HB516 by Rep. Scott Stadthagen (R—Hartselle). The bill, which would also enhance penalties for violations, was introduced Tuesday.
- Contractors on public road and bridge projects could gain **exemption from sales and use tax** under HB340 by Rep. David Faulkner (R—Birmingham), and it passed the House on Thursday.
- The proposed prohibition of **certain indemnity clauses in public works contracts** and subcontracts for roads and bridges passed the Senate Thursday with no further changes. SB220 is by Sen. Clay Scofield (R—Guntersville).

## INSURANCE

- Adjustments to **small company alternative valuation** by the Department of Insurance would be accomplished with passage of SB136 by Sen. Shay Shelnett (R—Trussville), and the bill received a favorable report Wednesday from the House Insurance Committee.
- Some data and information that insurers file with the state would be considered **trade secrets** and be **shielded from public release** under HB132 by Chip Brown (R—Mobile). The bill, which was substituted and received a favorable report Wednesday from the House Insurance Committee, is in position for consideration on the House floor when selected by the House Rules Committee.

## EDUCATION

- Rep. Kerry Rich (R—Guntersville) is sponsoring HB248 to provide for the **broadcast of public K-12 sporting events**, and the House Education Policy Committee gave the bill as amended a favorable report this week. The amendment limits application to regular season games. The companion – SB127 by Sen. Clay Scofield (R—Guntersville) – received a favorable report as amended from the Senate Education Committee. The bills create potential problems for school funding of athletic programs by restricting their ability to monetize the broadcasts of events. There is also a security concern, potentially putting student athletes at risk for exploitation.
- 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 on the board. It received a favorable report Wednesday from the House Education Policy Committee.

## ECONOMIC DEVELOPMENT & PORT-RELATED ISSUES

- HB219 by Rep. Kyle South (R—Fayette) to extend the \$0.135/ton **coal severance tax** and adjust the distribution formula passed the Senate on Thursday. It is now pending with the governor.

- SB169 by Sen. Vivian Figures (D—Mobile) would increase the number of executive level employees that the director of the **Alabama State Port Authority** may appoint and shield some of the authority’s sensitive information from public disclosure. The bill received a favorable report Wednesday from the House State Government Committee.
- Redevelopment authorities could include non-resident owners of property in the redevelopment district under SB254 by Sen. Clyde Chambliss (R—Prattville), which passed the Senate Thursday.
- To foster economic development, this week Rep. Bill Poole (R—Tuscaloosa) introduced HB540 and HB541 to create the Alabama Innovation Corporation and the **Innovate Alabama Matching Grant Program** to benefit recipients of certain federal small business grants. The bills are pending with the House Boards, Agencies and Commissions Committee.

#### EMPLOYMENT LAW

- **Concealed carry permits for handguns** would be issued on a lifetime basis, rather than annual, under SB308 by Sen. Randy Price (R—Opelika). Introduced Tuesday, the bill received a favorable report Wednesday from the Senate Judiciary Committee.
- SB265 by Sen. Rodger Smitherman (D—Birmingham) would **prohibit discrimination based on hairstyle** and create a cause of action against an employer who does so. It received a favorable report this week from the Senate Judiciary 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, which would also further regulate advertising and marketing of these products, received a favorable report as substituted from the House Judiciary Committee this week.

#### ANKLE MONITORING

- SB178 by Sen. Linda Coleman-Madison (D—Birmingham) would adjust procedures for handling parole violators, including the use of **GPS monitoring devices**. It passed the Senate on Thursday.

*The House and Senate will reconvene on Tuesday, March 16, for the 15<sup>th</sup> legislative day, marking the session’s midpoint.*