

# PUBLICATION

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## Alabama Legislative Update - Week 2: Taking Care of Business

February 20, 2012

The Alabama Legislature reconvened on Tuesday, February 14, opting to meet only two days instead of three. Nevertheless, pro-business legislative leaders continued their laser focus on economic development and job creation.

The Alabama House of Representatives successfully passed a legislative package, HB 159 and the enabling bill 160, both from Representative Barry Mask (R - Wetumpka). The constitutional amendment (HB 159 passed by a vote of 66 yeas and 22 nays) would allow voters to give the Governor and the Alabama Development Office more flexibility in offering tax incentives to land major economic development projects and retain companies that might otherwise relocate outside Alabama without having to call a special session of the Legislature. The corresponding enabling bill (HB 160, passed by a vote of 69 yeas and 19 nays) sets strict parameters for how incentives can be used to ensure return on investment. Bipartisan amendments to the bill strengthened investment and job creation requirements, as well as accountability and transparency safeguards.

In addition, the House passed "Heroes for Hire." The effect of this bill would be to double the tax incentive offered to companies when they hire a veteran. The tax break expands from \$1,000 to \$2,000. House Speaker Mike Hubbard expressed his excitement about the House's dedication to bringing more jobs to Alabamians, as well as its commitment to ensuring those who have served on the front lines will "go to the front of the line for new jobs."

The Senate also did its part to encourage companies to move to or expand in Alabama by approving a bill sponsored by Senator Arthur Orr (R - Decatur). If the bill passes, companies that spend at least \$100 million on expansion and hire at least 100 people would be able to hold on to a tax credit for up to four years. Senator Orr explained that if a company invests \$400 million, it can carry over the credit for four additional years; for those that invest \$300 million, the credit can carry over for three years, and so on. This bill is expected to help recruit large companies to Alabama as well as retain the industry that is already here.

Senate Bill 30 was approved in hopes of improving the private sector economy. The bill, sponsored by Senators Arthur Orr (R - Decatur) and Bill Hotzclaw (R - Madison), would require the State Purchasing Division to maintain a statewide database of bid requests or proposals for a public contract with the state so Alabama companies are able to compete for these state contracts. The database will be accessible to the public on [open.alabama.gov](http://open.alabama.gov).

The action in Montgomery, however, was not limited to the legislative chambers. On Tuesday, a rally took place in front of the State House encouraging legislators to repeal Alabama's immigration law, HB 56. State Representative Micky Hammon (R - Decatur), the sponsor of the immigration law, said that while the law may be revised and improved, it will not be repealed.

Other legislative action affecting the business community last week included:

- The House Committee on Commerce and Small Business approved the Reg-Flex bill (HB 150), which defines the term "small business" as one being independently owned and operated and which employs less than 250 employees or has less than \$25 million in sales.
- HB 285 received a favorable report from the House Commerce and Small Business Committee; the bill would establish a one-week waiting period during the first compensable week of unemployment benefits for those seeking them.
- Employment Verification could be made easier for business because of SB 195, which would provide Alabama business entities and employers with options to verify the employment eligibility and immigration status of their workers by means of employees showing a non-expired driver's license or non-driver identification card.
- The film industry could be more attracted to Alabama in the future if HB 243 passes. This bill doubles the aggregate annual amount of taxes production companies in the entertainment industry may recoup via rebate from \$10 million to \$20 million.

The Alabama State Public Policy Team will continue to monitor all proposed and pending legislation and maintain a presence in the State House throughout the legislative session.