

# PUBLICATION

---

## Alabama Legislative Update - Week 3: Full Steam Ahead

February 27, 2012

Thus far in the regular session, the Alabama House and Senate have wasted no time, refocusing their efforts on pro-business legislation each week. As of adjournment on Thursday, February 23rd, 42 bills and 47 bills, respectively, have been passed.

Extensive discussion has been taking place within the Legislature about the state's current budget crisis. Lawmakers and agency heads are working together to determine what actions should be taken to prepare for the inevitable shortfalls. While no one has come forth with or signed on to a final solution, leaders on both sides of the street are cooperating to solve the crisis.

The coal mining industry took an active interest in the Senate passage of HB 144, the bill that would allow coal mining projects to be eligible for capital credits under the newly passed incentives law, with a 50 percent limitation imposed (50 percent of amounts invested to other industries). Senator Trip Pittman (R-Baldwin) offered an amendment to cut the credit in half and would also exclude other costs, which other industries are allowed. The amended bill now goes back to the House.

The Senate also overwhelmingly passed SB 35, which will impose stricter limitations on the scrap metal recycling industry. Businesses will be required to maintain for one year additional records associated with scrap metal purchases, including a copy of the seller's identification, a photo or video of the seller, their license plate number and state of issuance. Failure to do so could result in criminal charges. This bill will also classify theft of certain metal property taken from a school or church as a felony. Cash transactions will be limited to \$50 or less for copper, air conditioning coils and catalytic converters. People under the age of 18 would not be allowed to sell metal property, and the sale of metal property could only occur between the hours of 6:00 a.m. and 9:00 p.m. The companion bill goes to the House Judiciary Committee this week.

### House News

A small change to the immigration law may take place soon if passed by the Legislature. The House passed HB 38, a bill allowing for the use of military identification cards as proof of citizenship or legal residency. The bill passed 92-0 and will now go to the Senate for its consideration. This is the first alteration to the controversial immigration bill. While not business-related, it does signal a willingness on the part of the Legislature to improve the bill.

HB 286, sponsored by Representative Jay Love (R-Montgomery) revives a bill to address the Department of Revenue's difficulty with the Gross Income issue. This bill, which died on the last night of the 2011 regular session, would clarify the discrepancy found between state statutes and Department regulations.

### Streamlining Government

In hope of saving money, Governor Robert Bentley tasked the Commission on Improving State Government with finding new, innovative ways to streamline government agencies in Alabama. This undertaking will involve studying current agencies and what operations and services they offer, then executing a plan to merge

agencies that perform duplicate services or operations. Senate President Pro Tem Del Marsh is leading this effort.

### **Transportation Infrastructure**

On Thursday, Governor Bentley detailed his plan to upgrade roads and bridges throughout Alabama. The proposed improvements would be financed through Grant Anticipation Revenue Vehicles (GARVEE) bonds. Across the street, however, Senator Paul Bussman sponsored SB 339, which made it out of the Committee on Agriculture, Conservation and Forestry. This bill provides for the issuance of up to \$650 million in bonds for construction and improvements to rural roads and bridges. It also creates the Public Road and Bridge Construction Council, comprised of the Alabama Transportation Department Director, Lieutenant Governor, Commissioner of Agriculture, the Senate President Pro Tem and the Speaker of the House. The bill now moves to the Senate.

### **Extended Term for State's Capital Credits**

SB 48, and its counterpart HB 140, would allow businesses that qualify for the state's income tax capital credits to carry the credits forward for up to four additional years. Qualifying companies that spend or invest at least \$100 million and create at least 100 jobs would have up to an additional four years to take the credits.

### **Redistricting**

A special session could be called in mid-May to address the complex and often contentious issue of legislative redistricting. A committee has been established to draw new lines for 105 House districts and 35 Senate districts. The chairman of the Joint Legislative Committee on Reapportionment, Jim McClendon (R-Springville), said that a major goal of this redistricting is to "make sure we have fair districts that are reflective of the people of Alabama."

### **Changes in Unemployment Compensation Law**

The Senate Business and Labor Committee held a public hearing on SB 137, which would set up a three-year disqualification of unemployment compensation benefits in the case of fraud. The disqualification of benefits would begin on the date fraud is determined and continue until the full amount that was fraudulently received is repaid in cash. The committee delayed voting until further revisions could be completed.

SB 300 received a favorable report from the Senate Job Creation and Economic Development Committee. The bill establishes a one-week waiting period for those seeking unemployment compensation benefits, which would take place during the first compensable week of benefits. This is a change from the current law that which requires the one-week waiting after the 13th week of benefits. The companion bill, HB 285, has cleared committee and is proceeding to the House.

### **Workers' Compensation**

Senator Arthur Orr (R-Decatur) is sponsoring legislation to revise parts of the current workers' compensation law. It has cleared committee with the assurance that Senator Orr will revise the current bill to address stated concerns. This bill would make five changes to current law:

- Require an employee to provide more evidence than only his/her pain complaints at the trial court level in order to receive more compensation than what is allowed under the law for total loss or loss of use of a specific body part;

- Terminate benefits for permanent total disability (PTD) when the employee reaches age 65 or 500 weeks after the date of the injury, whichever is longer;
- Increase the maximum weekly compensation for permanent partial disability (PPD) to \$240 – currently the maximum is \$220 per week;
- Relieve the employer from paying for treatment if the employee does not receive medical treatment related to the claimed injury for a period of two years unless the employee can provide "clear and convincing proof" that the treatment is related to the claimed injury; and
- If the employee does not seek medical treatment for four years after the injury, the employer is fully absolved from payment of medical benefits.

### **Committee Approves "Reg-Flex" Bill**

The Senate Business and Labor Committee approved SB 222, a bill that defines a "small business" as one being independently owned and operated and employing less than 250 employees or having less than \$25 million in sales. It also requires state agencies to conduct an impact analysis on small business and routinely review their rules to determine if they are necessary or overly intrusive and expensive. The bill now moves to the full Senate.

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.