

PUBLICATION

Alabama Legislative Update – Sine Die – The 2014 Legislative Session Ends

April 08, 2014

The Alabama Legislature adjourned sine die on Thursday, April 3, 2014 at 7:30 p.m. In previous years, sessions have ended just minutes before midnight on the 30th legislative day. This year was different. As soon as both chambers approved the education budget, they adjourned to avoid a head-to-head dispute with Governor Robert Bentley. Despite a compromise being announced between the governor and House and Senate budget chairmen on fully funding the Public Education Employees' Health Insurance Plan, the governor informed legislators that unless the education budget included a two percent raise for education employees, he would return the budget. However, because the Legislature adjourned, Governor Bentley cannot amend the budget and send it back. His only option is to sign the budget by April 13 as it was presented or kill it and bring legislators back for a Special Session of the Legislature to adopt a different budget. As of the drafting of this update, Governor Bentley had not yet decided what action he would take.

Both Chambers Move Bills Through to Final Passage

SB 184, the 2014-2015 Education Budget by Senator Trip Pittman, R-Montrose, passed the Senate on a close 18-16 vote Tuesday after coming from the conference committee. The committee made certain that education employees would not have to pay more for their health insurance, but did not include the two percent pay raise the governor wanted.

At \$5.931 billion, the Senate budget version included funds for 70 new middle school teachers and \$10 million for an additional 1,950 Pre-K program students in a hundred additional classrooms.

The House passed **HB 24** by Representative Bill Roberts, R-Jasper, which will require public agencies to pay contractors working on public jobs within 35 days after the contracting agency approves payment instead of the current 45 days. It also set time limits for reviewing contracts in excess of \$50,000, excludes the Department of Transportation, the University of Alabama, Auburn University and some professionals - such as architects - who do not provide construction services and for public health and safety reasons. On a 97-1 vote, the bill was sent to Governor Bentley for consideration.

The Senate passed **HB 98**, the Tax Elimination Act, sponsored by Representative Jim Patterson, R-Meridianville, 25-1 on Tuesday and it was sent to Governor Bentley. If he signs the legislation, it will authorize the Alabama Department of Revenue to administratively suspend collection of a tax or fee if the cost of collecting the tax is greater than the amount to be collected. The ADOR said that some antiquated taxes and fees cost more to collect than any amount that would be collected.

The Senate and House passed **HB 49**, written by Representative Alan Boothe, R-Troy. It codifies the establishment of the Alabama Drought Assessment and Planning Team that was created by Executive Order in June 2011. It would establish a Monitoring and Impacts Group Subcommittee, codify the charge given to the Alabama Office of Water Resources (a division of the Alabama Department of Economic and Community Affairs) to develop a State Drought Plan, and periodically issue drought declarations. The bill reaffirms the governor's ability to respond to extreme drought conditions under the powers provided under the Alabama Emergency Management Act of 1955, and allows the Office of Water Resources to promulgate rules.

The Senate and House passed **SB 36**, the Revolving Door Act, by Senator Del Marsh, R-Anniston, to strengthen the state's ethics laws by discouraging legislators from leaving office early to pursue lobbying careers. It prohibits legislators from lobbying either chamber of the Legislature for a period of two years after their terms end. To ensure that leaving office early has consequences, the bill establishes that the two-year prohibition from lobbying a former legislative body does not begin until the end of the term to which the official was elected. This means that if an elected official was elected to a four-year term in 2010 and resigned in 2012, they could not lobby either legislative body until 2016, which would translate to a four-year delay. The Senate vote was 32-0 and the House vote was 72-25. The bill was sent to the governor for consideration.

The House and Senate passed **HB 108**, the Business Personal Property Streamlining Act, that will create an online electronic filing system allowing businesses to file annual business personal property tax returns at no charge to the taxpayer or to the taxing jurisdiction. Businesses will get optional, non-itemized short forms for filing a business personal property tax return if their original acquisition costs were less than \$10,000 prior to October 1. The Department of Revenue will develop, maintain, and administer an online business personal property tax filing system before September 30, 2016. The Senate passed the bill 29-0 on Thursday but amended it to allow a CPA or other third party, authorized by the taxpayer, to file the return. The House voted 97-0 to approve the amended bill and sent it to Governor Bentley for consideration.

The Senate and House passed **HB 151**, the Small Business Tax Relief Act, by Representative Barry Moore, R-Enterprise, to raise the average monthly tax liability threshold from \$1,000 to \$2,500 for businesses to make estimated sales tax payments. By increasing the threshold, more than 4,000 businesses would be relieved from making estimated payments, allowing them to redirect those resources to other areas of their businesses. The House passed the measure 96-2 and the Senate 23-2 and the bill was sent to Governor Bentley for consideration.

The House passed **SB 355**, the Storm Water Regulation Act, sponsored by Senator Cam Ward, R-Alabaster, by 74-23. It amends and expands Alabama's storm water law to cover the entire state and not just Jefferson and Shelby counties and their respective cities by providing statewide protection from expanding federal EPA storm water programs. It will prohibit the EPA from mandating onerous requirements on the state unless the EPA undertakes the appropriate rulemaking process. The earlier Senate vote was 26-0. The bill was sent to the governor for his consideration.

The Senate and House passed **SB 2** by Senator Clay Scofield, R-Red Hill, to make it a capital offense when a murder is committed in violation of a pre-existing restraining order. The bill passed the House 86-1 and the Senate 23-1. It is known as "Kelley's Law" after Kelley Rutledge Johnston, a Marshall County woman who was beaten and murdered by her estranged husband in 2000, just weeks after a judge issued a restraining order against him. David Johnston was convicted and sentenced to life in prison, but with the possibility of parole. His next parole hearing is scheduled for July 2015.

The House and Senate passed **SB 114**, sponsored by Senator Arthur Orr, R-Decatur, which would make it a crime to fraudulently obtain public assistance. Fraudulently obtaining assistance worth less than \$200 would be a Class A misdemeanor, punishable by up to a year in jail and a \$6,000 fine. Fraud of more than \$200 would be a Class C felony, punishable by up to 10 years in prison and a \$15,000 fine. The House vote was 80-17 and the Senate 25-6 and the bill was sent to the governor.

The House and Senate passed **SB 115**, sponsored by Senator Arthur Orr, R-Decatur, which would require a Temporary Aid For Needy Families (TANF) applicant to apply for at least three jobs before completing an application for TANF. Those who voluntarily quit their jobs would be ineligible for public assistance. The House vote was 70-30 and the Senate vote was 28-1. The bill was sent to the governor.

The House and Senate passed **SB 116**, also sponsored by Senator Orr, which would ban recipients of public assistance from using Temporary Aid for Needy Families (TANF) benefits to purchase alcohol, tobacco or lottery tickets. The bill also specifically prohibits the spending of benefits in bars, casinos, psychic parlors and strip clubs. The House vote was 80-22 and an earlier Senate vote 25-0. The bill was sent to the governor.

The House and Senate passed **SB 63**, sponsored by Senator Trip Pittman, R-Montrose, that would require drug tests for applicants for Temporary Assistance for Needy Families (TANF) who have had a drug conviction in the last five years. TANF recipients would be tested if they had a conviction during the five years before their first TANF payment. The House vote was 73-27 and by 25-7 in the Senate. The bill was sent to the governor for his consideration.

The Senate and House passed **HB 494** by Representative Mike Jones, R-Andalusia, which would strengthen parental consent requirements for girls under the age of 18 seeking to have an abortion. The House vote was 83-15 and the Senate voted 28-5 and the bill was sent to the governor.

SB 267, sponsored by Senator Del Marsh, R-Anniston, gives state employees and retirees a one-time \$400 bonus. It will be the first increase of any type since 2008 and includes 21,000 current employees and 19,000 city and county employees in the state retirement system. The vote was 92-1 and an earlier vote in the Senate was 32-1. The bill was sent to the governor for his consideration.

The Senate and House passed **HB 48**, by Representative Paul Lee, R-Dothan, the Adoption Tax Credit, that would grant a one-time \$1,000 tax credit to Alabama residents who adopt a foster child, or a child through a private agency, as long as both the parents and child have state residency. Governor Bentley added an executive amendment to the legislation which will provide \$15,000 in post-secondary education assistance at any public institution of higher learning in Alabama for children adopted at age 14 or older from the Alabama foster system. Both houses approved the amendment and the bill was sent to the governor.

The Alabama State Public Policy Team has monitored all proposed and pending legislation and maintained a presence in the State House throughout the legislative session.