

PUBLICATION

Alabama Legislative Update - Week 4: Incentive Bill Passes

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First Incentive Bill Passes Legislature

On Thursday, the Alabama Legislature approved the first of seven incentives bills, this one designed to create jobs in the coal industry. While different versions of the bill passed the House and Senate, both chambers approved the conference committee version. The bills were part of Governor Robert Bentley's and the Republican legislative leadership's agenda for the session. It now goes to the Governor for his signature. The other items in the seven-bill package have passed the House and are pending in the Senate.

House News

House Members Vote To Increase Incentives for Film Projects

The House passed the Alabama Film Incentive Enhancement Act, House Bill 243, to boost job creation in the film and television industry in Alabama. This bill would provide incentives to encourage film companies to increase the number of movie and television productions in the state. This bill would expand Alabama's film/television production incentive cap from \$10 million to \$25 million, making Alabama more competitive in the industry, and double the amount productions could spend and count towards tax incentive rebates from \$10 million to \$20 million. The bill now goes to the Senate for consideration.

Changes in Metal Recycling Law

The House also approved a bill to curtail the theft of certain metallic items from buildings, construction sites, cemeteries and roads. It will require metal recyclers to keep additional records about the metal they have purchased and will prohibit recyclers from buying metal from anyone under the age of 18. The version passed by the House differs than the one passed by the Senate last week. We expect the House language to be removed when the bill reaches the Senate for debate.

Revised Data Center Abatement Bill Feared to Exclude More than Just Warehouses

House Bill 154 goes to the Senate, but with changes to the House-passed version. HB 154 would extend abatement terms for data centers from 10 to 30 years and lower the required minimum number of additional jobs for abatements from 50 to 20. The amended version adjusts qualifications for tax exemption, boosts capital investment thresholds and excludes the warehousing industry from qualifying for abatements. Concern was expressed that the exclusion of the warehousing industry would reach broader to also exclude distribution centers, agricultural warehouses and automotive equipment warehouses, but proponents of the bill assured that these businesses would be eligible for the incentives.

More Potential Cost for Businesses if Board of Pharmacy Regulates PBMs

After great discussion, the House Health Committee voted favorably for House Bill 254, which would require licensure and regulation of pharmacy benefit managers (PBMs) by the Alabama State Board of Pharmacy. PBMs are not pharmacies; rather, they manage prescription drug benefits coverage for health

insurance companies and self-insured employers. Current law requires health insurance companies to regulate PBMs, but HB 254 would put PBMs under the umbrella of the Board of Pharmacy, thereby potentially increasing costs for PBMs, and ultimately, businesses.

Senate News

Health Care Rights of Conscience Act Goes to Senate

The Senate Judiciary Committee approved Senate Bill 105, the Health Care Rights of Conscience Act, which would allow a health care provider to refuse to provide health care services that conflict with the provider's moral, religious or ethical principles. The bill is intended to protect health care employees from being terminated for opting out of procedures on such grounds. The bill now goes to the full Senate for a vote.

Bill Gives Tax Incentives to Help State Compete for Jobs

The Senate Finance and Taxation Education Committee held a public hearing on Wednesday for House Bill 160, the Alabama Job Creation and Retention Act, which would allow businesses to use a portion of the state income tax withheld from company employees to offset startup or expansion costs. The House passed the bill by a wide margin last week. A representative of the Alabama Education Association spoke against the bill, noting that state income taxes provide 56 percent of the Education Trust Fund in the state, and claiming the bill would affect funding for teacher salaries. The bill is a central part of Governor Bentley's jobs program. The committee has not set a date for a vote on the bill.

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.