

PUBLICATION

Alabama Legislative Update - Week 2: Focus on Government Regulation Continues

January 29, 2014

The second week of the 2014 Regular Session of the Legislature was a continuation of the Republican supermajority's series of bills to streamline state government regulation, reduce state spending and to add to Alabama's strong business climate. Speaker of the House, Mike Hubbard (R – Auburn), said Tuesday morning, "State government has to live within its means just as families and businesses do. The Senate President Pro Tempore Del Marsh (R – Anniston), and I talk every day about legislation so that both Chambers are working together, and we are." The Speaker also said that he, President Pro Tempore Marsh and Governor Bentley talk regularly and have the same goals for the state during this session.

In the Alabama House

House Speaker Hubbard and his Republican colleagues made significant progress toward passing their "Commonsense Conservative Agenda" by approving four agenda bills this week. Some of the bills drew several hours of debate from Democrats who didn't have enough votes to stop the conservative agenda from passing.

House Bill 31, The Healthcare Rights of Conscience Act, by Rep. Becky Nordgren, (R – Gadsden), provides legal protection to health care professionals who don't want to perform services that conflict with their beliefs, such as human stem cell research, abortions, cloning and sterilization. The bill passed on a 71 – 26 vote and now goes to the Senate.

House Bill 42, The Alabama Taxpayer Audit Protection Act, by Rep. Wayne Johnson, (R – Ryland), was passed on a 74 – 22 vote along party lines. It prohibits state and local officials from conducting tax audits on any individual or group because of their political stance. This legislation was written to keep state and local governments from auditing in the manner of Internal Revenue Service audit scandals last year, when organizations such as the Billy Graham Evangelistic Association and conservative political groups were singled out by the IRS. Democrats in the Alabama House opposed the bill and Republicans voted for it.

On Wednesday, the House also approved House Bill 48, The Adoption Tax Credit Act, by Rep. Paul Lee, (R – Dothan), which gives families who adopt a child in Alabama through the state's foster care program or through an Alabama private adoption agency a \$1,000 tax credit. Voting along party lines, the bill passed on a 72 – 23 vote. The legislation will now be considered in the Senate.

House Bill 64, The Statutory Immunity for Teachers and State Employees Act, by Rep. Mike Jones, (R – Andalusia), gives clear and codified immunity to teachers and state employees from being personally liable for lawsuits filed against them while acting in their official capacity. There is no immunity in cases where an employee "acts willfully, maliciously, fraudulently, in bad faith, or beyond his or her authority." Democrats joined Republicans to pass the bill on a unanimous vote. The bill was transmitted to the Senate for consideration.

Other legislation approved by the House included House Bill 66 by Rep. Steve Clouse, (R – Ozark) to cease operation of the Alabama Health Insurance Plan under certain circumstances and after current participants are

given time to transition from the plan to other plans now available through the Affordable Care Act. The annual assessment on health insurers was \$10.6 million in 2013 and state administrative expenses of \$360,000 annually will be eliminated.

Rep. Steve McMillan, (R – Bay Minette) sponsored and secured passage of House Bill 89, The Informed Voter Act, to create a Fair Ballot Commission charged to write clear and easy-to-understand explanations of initiatives requiring voter approval. Despite approving the measure unanimously with a 100 to 0 vote last year, the bill prompted over two-and-a-half hours of debate by members of the Black Caucus, ending when the sponsor agreed to an amendment offered by Rep. Merika Coleman, (D – Birmingham). The Senate takes up the bill next.

In the Alabama Senate

The Senate Fiscal Responsibility and Accountability Committee, chaired by Sen. Phil Williams, (R – Gadsden), approved four major welfare reform bills that provide additional financial accountability and curtail abuses in taxpayer funded welfare programs.

Sen. Tripp Pittman, (R – Montrose), gained committee passage of Senate Bill 63, The Drug Testing for Welfare Applicants with Drug Convictions Act, to allow drug testing of welfare applicants who have prior drug convictions within the past five years. The sponsor said the bill will give an incentive for those who have a drug problem to seek help and the bill protects tax dollars from being used to enable a dangerous habit. The bill now goes before the full Senate.

Sen. Arthur Orr, (R – Decatur), sponsored three bills that gained committee approval and go to the full Senate next. Senate Bill 114, The Stopping Welfare Fraud Act, makes it a crime to defraud any state or federally-funded program providing financial assistance, like Medicaid, Social Security and federally-subsidized public housing. Sen. Orr said the state is losing millions of dollars each year due to health care fraud alone.

Sen. Orr's Senate Bill 115, The Requiring Job Applications Before Applying for Welfare Act, requires welfare applicants to prove that they have applied for at least three jobs before making application for assistance. Sen. Orr said the legislation will encourage applicants to utilize taxpayer funded benefits only as a last resort. With committee approval achieved, the bill was transmitted to the Senate.

Sen. Orr's Senate Bill 116, The Prohibiting Welfare Spending at Casinos and Strip Clubs Act, prohibits welfare recipients from spending public assistance benefits to pay for alcohol and tobacco products at strip clubs and casinos. Sen. Orr told committee members that studies from other states show that millions of dollars from public assistance programs are spent annually in strip clubs and casinos on alcohol and tobacco products. This legislation now goes to the Senate.

The Senate Fiscal Responsibility and Accountability Committee also approved the Taxpayer Bill of Rights House Bill, HB105 by Rep. Paul DeMarco, (R – Homewood), which passed in the House last week. The committee vote positions the bill for final approval by the Senate. The companion Senate bill is sponsored by Sen. Bryan Taylor, (R – Prattville), who has asked the Senate to give approval to the House bill and send it to Governor Bentley. When enacted, the legislation will abolish the Department of Revenue's Administrative Law Division and create an independent Alabama Tax Appeals Commission under the Executive Branch. It will allow local governments the option of using the new tax appeals commission for their existing appeals process to settle local tax disputes. The bill promotes tax fairness and compliance and conforms to federal law.

Senate Bill 121, The Anti-Patent Trolling Infringement Act, sponsored by Sen. Orr, (R – Decatur), is on the Senate calendar for Tuesday after receiving unanimous committee vote last week. This bill prohibits a person

or company from asserting a claim of patent infringement in bad faith and provides for investigation and prosecution. It provides a deterrent to what the bill sponsor says is now "legal extortion."

Sen. Paul Bussman, (R – Cullman), saw final Senate passage of Senate Bill 217, to create a 16-member Alabama Workforce Council proposed by Governor Bentley in his State of the State address. The council will advise state officials on how to best coordinate the state's workforce functions, how to increase awareness of industry career opportunities and how to enhance ongoing programs that provide qualified trainees and workers for newly-created jobs in the state. The bill now goes to the House.

The Senate unanimously approved Sen. Orr's "Crowd Funding" Senate Bill 44, allowing anyone wanting to start a small business in Alabama to use social media and advertising to find small investors who live in the state and gives statutory approval to pool their funds to support a new business. Up to \$1 million can be raised, provided the business and investors are in Alabama. This will give small businesses an innovative way to access needed capital and an additional opportunity to become successful.

The Senate Judiciary Committee approved two Death Penalty bills proposed by the Attorney General that will now receive the attention of the full Senate. Senate Bill 193, The Protection from Abuse Act, sponsored by Sen. Bill Holtzclaw, (R-Madison), would expand the crimes punishable by the death penalty to include murders at schools and day care facilities. Senate Bill 194, The Fair Justice Act, also sponsored by Sen. Holtzclaw, would separate post-conviction appeals simultaneously to expedite the appeals process. Currently the two appeals processes are run in succession, not simultaneously. The 7 to 1 vote and one abstention sent the legislation to the full Senate.

Senators passed by a vote of 26-0 Senate Bill 15, by Sen. Greg Reed, (R-Jasper). The Emergency Absentee Ballot Process Act to allow voters to participate in an election via emergency absentee ballot when the Governor declares a state of emergency, even after absentee balloting has closed. The senator's district, like many others, was ravaged by the April 2011 tornado outbreak across Alabama. The bill goes to the House for their deliberations and vote.

Alabama's Prison System is currently operating at 190 percent capacity. Conditions have drawn the attention of U. S. officials who presented Governor Bentley a 36-page letter outlining serious alleged violations of prisoner constitutional rights. An April 2013 visit to Julia Tutwiler Prison for Women by federal investigators prompted the letter. A resolution sponsored by Sen. Cam Ward, (R – Alabaster) to develop a task force creating a 26-member action group passed the Senate. The Prison Reform Task Force will likely include legislators, prosecutors, victims' advocates, prison officials and other appointees. The group will share its findings sometime in the spring of next year. Many state government observers say that unless the state doesn't act soon to address and alleviate the list of problems, the federal courts will intervene and prescribe state actions.

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.