

STATE HOUSE ADVOCATE



This Week in League Advocacy

The State House Advocate is a service of the Alabama League of Municipalities.

Week 12 - May 10, 2024

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Legislative Overview

On Thursday evening, the Alabama Legislature adjourned sine die bringing to a close the 2024 Regular Legislative Session. The Legislature used all 30 legislative days. The governor still has many bills that passed on the last days of session that are awaiting her review and signature.



Budgets

Early this week the \$3.4 billion general fund budget was concurred with by the Senate and sent to the governor for her signature. The general fund included a two percent pay raise for state employees and increases in funding to state agencies. The supplemental general fund budget included construction funding for new prisons.

The \$9.3 billion Education Trust Fund received final passage late on Thursday afternoon. The budget included a two percent raise for teachers and increases in funding to local boards of education. The budget also includes increases to both the Alabama Department of Education and the Alabama Community College System to assist in new programs for those entities.

As opportunities become available for municipalities to collaborate with state

agencies to maximize their funds for the purposes of municipal use, the League's Advocacy Team will update its membership.

To read General Fund, click [here](#).

To read Education Trust Fund, click [here](#).

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League Supported Legislation that Passed

SB-291 by Sen. Jabo Waggoner requires municipal officials to participate in and complete a training course. Additionally, these bills allow for the municipality to cover expenses related to the training. **Rep. Jim Hill introduced the companion bill, HB-365, in the House. HB-365 and SB-291 are League bills. We would like to thank the sponsors for carrying these bills. SB-291 was signed by the governor and assigned Act Number 2024-194.**

HB-156 by Rep. Chad Robertson exempts a municipal candidate running for office from filing a statement designating his or her principal campaign committee and filing campaign finance reports unless and until the candidate receives contributions or makes expenditures greater than \$1,000 in the aggregate. **The League would like to thank the sponsor and the Secretary of State Wes Allen for bringing this bill. HB-156 was signed by the governor and assigned Act Number 2024-104.**

HB-358 by Rep. Anthony Daniels creates the employer tax credit, childcare facility tax credit, and nonprofit childcare provider tax credit to incentivize employers to fund childcare for their employees. Sen. Garlan Gudger introduced the companion bill, SB-280, in the Senate. **The League supported these bills and would like to thank the sponsors for bringing them. HB-358 was signed by the governor and assigned Act Number 2024-303.**

HB-407 by Rep. Phillip Pettus revises this exemption to exempt amounts paid as overtime compensation in accordance with the U.S. Fair Labor Standards Act from state income tax. **The League supported this legislation and would like to thank the sponsor for bringing it. HB-407 is awaiting the governor's signature.**

SB-234 by Sen. Sam Givhan includes county public building authorities that

contract for the purchase or construction of certain plants, buildings, or other facilities designed for industrial development within the existing exemption. The League worked with the sponsor to include language that clarifies that contracts with municipalities and other government entities are exempt from the competitive bid law. **We appreciate the sponsor for working with us to include this language. SB-234 was signed by the governor and assigned Act Number 2024-280.**

SB-309 by Sen. Steve Livingston changes the sales tax rate on ABC store products to the sales tax rate of the location where they are being sold. **The League supported this legislation and would like to thank the sponsor for bringing it. SB-309 was signed by the governor and assigned Act Number 2024-333.**

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League Opposed Legislation that Failed to Pass

HB-17 by Rep. Chris England would have increased the SSUT to 9.25% with the additional 1.25% going to local boards of education. **HB-17 did not make it out of committee.**

HB-128 by Rep. Mark Gidley would have prohibited municipal historic preservation commissions from designating places of worship as historic property; places of worship could agree to historic designation; retroactive application. This bill could have negatively affected historical districts in municipalities. **HB-128 was carried over on the House floor.**

HB-238 by Rep. Phillip Rigsby would have regulated pharmacy benefits for managers. **HB-238 did not make it to the House floor.**

SB-220 by Sen. Dan Roberts would have prohibited any state or local awarding authority from awarding a contract with a company or its subsidiaries as listed in the Federal Communications Commission's Covered List. Additionally, the bill would have required that any company awarded a bid will not contract with a company on that list. As introduced, the penalty for violating this bill would have been a Class C felony and a civil fine. **SB-220 received a public hearing in its House committee, but never received a vote in that committee.**



Bills Affecting Taxation and Business Licenses

The list below contains bills that have an impact on municipalities' ability to collect revenue.

SB-38 by Sen. Gerald Allen would have allowed for businesses to deduct excise taxes from their gross receipts for the purpose of calculating business license taxes. **The League was able to stop this bill from coming out of its Senate committee. SB-38 did not pass.**

HB-73 by Rep. Phillip Pettus as introduced would limit the annual increase in assessed value of real property to at most 3% for residential and agricultural property and 5% for businesses. Before passing the House, HB-73 received several major amendments which raised the property tax cap to 7%, exempted TIF districts, and sunset the legislation after 3 years. We would like to thank the sponsor and Rep. Ron Bolton for bringing these amendments. Before coming to the Senate floor, various interest groups attempted to remove the sunset provision and lower the cap to 5%. The League worked with other associations to keep these changes from being incorporated into the bill. **HB-73 is awaiting the governor's signature.**

SB-62 by Sen. Arthur Orr and HB-236 by Rep. Neil Rafferty would have exempted state and local sales and use tax for certain purchases of diapers, baby supplies, baby formula, maternity clothing and menstrual hygiene products. Both bills passed both legislative bodies with an amendment to allow municipalities to opt in to the sales tax exemption. **Neither SB-62 nor HB-236 received a final vote.**

SB-96 by Sen. Tim Melson would have created a new definition of heated tobacco product which would have exempted this new tobacco product from municipal tobacco excise taxes. SB-96 was reintroduced in the House as HB-438 by Rep. Rolanda Hollis but included provisions for municipal taxes. **Neither SB-96 nor HB-438 made it out of committee.**

SB-73 by Sen. Jack Williams exempts agricultural fencing from state sales tax. Rep. Danny Crawford introduced the companion bill, HB-124, in the House. As introduced, these bills would have exempted municipal sales tax. However, the League amended the bills to allow municipalities to opt in to the sales tax

exemption. **SB-73 became law without the governor's signature and assigned Act Number 2024-169.**

HB-51 by Rep. Margie Wilcox exempts hearing aids and hearing instruments from the state local sales tax. HB-51 passed both legislative bodies with an amendment to allow municipalities to opt in to the sales tax exemption. **HB-51 is awaiting the governor's signature.**

HB-112 by Rep. Steve Clouse would have removed the general sales tax rate on the sale of dogs and cats and replaced it with a nine percent sales tax. The revenue from the new sales tax would have been directed at animal control and sterilization of dogs and cats. Additionally, the bill would have mandated certain animal control courses for all animal control officers. For those selling cats and dogs, certain products would have been exempt from sales tax. **The League was able to stop this bill from coming out of its House committee. HB-112 did not pass.**

HB-171 by Rep. Chris Sells would have exempted civil aircraft over 30 years old that is owned by an individual over 65 years of age. This bill passed out of the House. **HB-171 did not pass.**

SB-94 by Rep. Josh Carnley exempts honeybees and their byproducts from sales tax. SB-94 has passed out of a House committee with an amendment to allow local governments to opt in to the sales tax exemption. **SB-94 is awaiting the governor's signature.**

HB-254 by Rep. Parker Moore would have created a new homestead exemption for all veterans who are at least 20 percent disabled. The exemption would have been equivalent to the amount of the disability the individual possesses. **HB-254 did not pass.**

HB-269 by Rep. Brock Colvin would have expanded the sales tax exemption on the sale and lease of aircraft and replacement parts by removing the requirement that the air carrier have a hub operation in this state. Additionally, the bill would have expanded the sales tax exemption on the sale of aircraft that were either manufactured or delivered in the state. Currently, the law requires that aircraft must be both manufactured and delivered in the state. **HB-269 did not pass.**

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Other Legislation that League Advocacy Team Engaged on

HB-126 by Rep. Leigh Hulseley requires fire-protection personnel, certified volunteer firefighter, and emergency medical services personnel to undergo annual training on interacting with individuals with sensory needs or invisible disabilities. **HB-126 was signed by the governor and assigned Act Number 2024-81.**

HB-131 by Rep. Mack Butler provides that health care providers in clinical settings that maintain a supply of durable medical equipment and medical supplies for potential use by a patient covered by Medicare, Medicaid or a health benefit plan will be required to file a Certificate of Exemption with the Department of Revenue to be eligible for tax exemption of these items. **HB-131 is awaiting the governor's signature.**

HB-182 by Sen. Craig Lipscomb provides the owner of a dwelling with a method to request the removal of an unauthorized individual. As introduced, this bill placed a substantial burden on municipal police departments. The League was able to work with stakeholders to amend the bill to address our concerns. **HB-182 was signed by the governor and assigned Act Number 2024-237.**

SB-219 by Sen. Shay Shelnett creates the Alabama Farm Center. The League was able to amend the bill to limit the location of the farm center. **SB-219 is awaiting the governor's signature.**

SB-270 by Sen. Authur Orr establishes procedures for requesting public records. The original bill was substituted for a cleaner version of the bill that our attorneys and many other organizations worked to amend. **SB-270 was signed by the governor and assigned Act Number 2024-278.**

SB-336 by Sen. Jabo Waggoner creates Research and Development Corridors, which would serve as an additional economic development entity. The bill was substituted in committee to be available to all municipalities not just class 1 municipalities. **SB-336 was signed by the governor and assigned Act Number 2024-308.**

HB-227 by Rep. Matt Simpson would have revised the crime of bribery and would have added a new crime of using public office for pecuniary gain to the criminal code. This bill would have repealed and replaced the existing code of ethics and revised the duties and powers of the commission. **HB-227 did not**

pass out of its Senate committee.

HB-214 by Rep. Mike Shaw and SB-187 by Sen. Merika Coleman would have prohibited the state from restricting the use or storage of digital assets, levying additional taxes on digital assets, restricting digital asset mining, or enacting zoning restrictions or noise restrictions specific to digital asset mining. This bill would have exempted digital asset mining, staking, and the operation of a node from classification as a security or money transmission. Prior to session, the League worked with stakeholders to address the potential impacts to municipalities. **Neither SB-187 nor HB-214 received a vote in committee.**

HB-174 by Rep. Barbara Drummond would have increased the penalty to a Class A felony for discharging a firearm into an occupied dwelling or vehicle. **The League supported this legislation, but HB-174 did not receive a final vote in the Senate.**

HB-185 by Rep. Tim Wadsworth would have allowed a municipality to resume collection of license revenue and other taxes within the police jurisdiction if the municipality submitted the annual report that the municipality had failed to previously submit. **The League supported this legislation, but HB-185 did not receive a vote in its House committee.**

HB-226 by Rep. Cynthia Almond would have provided for the procedures for an aggrieved party to file an appeal of the final decision of a municipal zoning board of adjustment in the circuit court. Additionally, HB-226 would have required a notice of appeal to be filed within 15 days after the final decision to the board and for an appeal to circuit court to be filed within 30 days after the final decision of the board. **The League supported HB-226 and would like to thank the sponsor for bringing this bill. However, HB-226 did not receive a final vote in the Senate.**

HB-257 by Rep. Joe Lovvorn and HB-258 by Chris England sponsored a legislative package that would have created the Alabama Adventure Awaits sales tax holidays and increased the SSUT to 9.3%. The Alabama Adventure Awaits Holiday would have exempted certain items annually from state sales and use tax and allowed municipalities and counties to opt in to the sales tax holiday. HB-258 would have added an additional 1.3% to the SSUT. HB-258 was amended in committee to distribute the additional 1.3% as follows: 65% to the municipalities; 15% to the counties; and 20% to the school boards. We had an agreement with stakeholders to amend the bill on the floor of the House to further distribute the municipal revenues with 60% of those funds going to cities with populations over 50,000, and the remaining 40% would have been distributed to municipalities under 50,000. **The League supported this legislation. While HB-257 passed House Committee, HB-258 was carried**

over on the House floor.

HB-310 by Rep. Terri Collins and SB-223 by Sen. April Weaver would have created a rural Hospital Investment Program. The program would have incentivized donations to rural hospitals by creating a tax credit to offset state income tax liability. These donations would have been used for expenditures to maintain or upgrade facilities. **The League supported these bills and would like to thank the sponsors for bringing them. Neither SB-223 nor HB-310 made it out of committee.**

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