Arise Bills of Interest 2011 Regular Session

April 1, 2011

The Alabama Legislature convened for the 2011 Regular Session on March 1. During the first nine days of the session, <u>747 bills have been introduced</u>. A maximum of 21 meeting days remain in the 2011 session. Throughout the session, Arise follows legislation related to our annual legislative priorities and endorsements.

Adequate state budgets

HB57/SB121 (Canfield/Pittman) – Proposes for the Education Trust Fund a "rolling reserve" budget process to cap appropriations and tie annual appropriation increases to a 15-year average of ETF revenue growth. *HB57 has become law as Act 2011-3, and SB 121 is no longer significant.*

HB59 (Mask) – Proposes to repeal the Deferred Retirement Option Plan (DROP) for teachers and state employees not already enrolled in the program. HB59 has been indefinitely postponed in the House.

HB122/SB133 (Barton/Orr) – General Fund budget for FY 2012 to provide appropriations for ordinary expenses of executive, legislative and judicial departments. HB122 is in the House Ways & Means General Fund Committee, and SB133 is in the Senate Finance & Taxation General Fund Committee.

HB123/SB132 (Love/Pittman) – Education Trust Fund budget for FY 2012 to provide appropriations for the support, maintenance and development of public education. *HB123 is in the House Ways & Means Education Committee, and SB132 is in the Senate Finance & Taxation Education Committee.*

HB133 (Oden) – Proposes to allow the governor to reduce the number of school days by up to five when proration is declared in the Education Trust Fund budget. *HB133 is in the House Ways & Means Education Committee.*

HB246 (Ford) – Proposes a constitutional amendment to distribute all offshore oil and gas capital payments between FY 2013 and FY 2017 to a job creation and retention program. *HB246 is in the House Economic Development & Tourism Committee.*

HB379 (Gaston) – Proposes a General Fund appropriation to the Children's Advocacy Programs in Alabama for FY 2012. HB379 is in the House Ways & Means General Fund Committee.

HB396 (Ford) – Proposes to allow new participation by teachers and state employees in the Deferred Retirement Option Plan (DROP), to create income limits for eligibility, and limit interest paid on DROP accounts. HB396 is in the House Ways & Means General Fund Committee.

HB414 (Love) – Proposes to increase the retirement contributions of teachers, state employees and judges by 50 percent by FY 2013. HB414 is in the House Ways & Means Education Committee.

SB51 (Brewbaker) – Proposes to decrease the minimum number of school instructional days from 180 to 175 for the 2012-13 and 2013-14 school years. SB51 received a favorable report from the Senate Education Committee.

- **SB72** (Marsh) Proposes to prohibit new participation by teachers and state employees in the Deferred Retirement Option Plan (DROP) and to limit interest paid on DROP accounts. *SB72 has become law as Act 2011-27.*
- **SB162** (Orr) Proposes to make supplemental appropriations to Medicaid, corrections, mental health, public health and certain other state General Fund agencies for FY 2011. SB162 passed in the Senate and House and was delivered to the governor.
- **SB236** (Orr) Proposes to allow the governor and state agencies to impose mandatory furloughs of state employees. SB236 is in the Senate Finance & Taxation General Fund Committee.
- **SB240** (McGill) Proposes a General Fund appropriation to the Alabama Coalition Against Domestic Violence for FY 2012. SB240 received a favorable report from the Senate Finance & Taxation General Fund Committee.
- **SB242** (Scofield) Children's Trust Fund budget for FY 2012 to provide appropriations for certain agencies from tobacco settlement funds. SB242 received a favorable report from the Senate Finance & Taxation General Fund Committee.
- **SB257** (Sanford) Proposes to repeal annual longevity raises for state employees, subsistence allowances for certain law enforcement officers, and travel allowances for state employees for trips not involving an overnight stay. SB257 is in the Senate Finance & Taxation General Fund Committee.
- **SB258** (Waggoner) Proposes a General Fund appropriation to the Alabama Kidney Foundation for FY 2012. SB258 received a favorable report from the Senate Finance & Taxation General Fund Committee.
- **SB303** (Holtzclaw) Proposes to create the Alabama Teachers' Planned Retirement Option as a deferred retirement program for qualifying teachers. SB303 is in the Senate Finance & Taxation Education Committee.
- **SB309** (Marsh) Proposes to make certain adjustments to health insurance premium calculations for retired state employees, to allow state employers to adjust contributions based on an employee's spouse's eligibility for other insurance, and to remove the requirement for a two-thirds vote of the State Employees' Insurance Board to increase premiums or out-of-pocket expenses for employees or retirees. SB309 is in the Senate Finance & Taxation General Fund Committee.

Taxes & tax reform

HB61/SB159 (Weaver/Reed) – Proposes to increase income tax deductions to 200 percent of amounts paid for health insurance premiums by qualifying employers and qualifying employees. HB61 passed in the House and received a favorable report from the Senate Job Creation & Economic Development Committee, and SB159 received a favorable report from the Senate Health Committee.

HB124/SB111 (Merrill/Orr) – Proposes a constitutional amendment to prohibit counties and municipalities from levying an occupational tax unless the tax was imposed before Jan. 1, 2011. HB124 received a favorable report from the House County & Municipal Government Committee, and SB111 received a favorable report from the Senate Finance & Taxation General Fund Committee.

HB230/SB173 (Galliher/Orr) – Proposes to create, for businesses with 50 or fewer employees, an income tax credit of \$1,000 per new job paying more than \$10 per hour. *HB230 received a favorable*

report from the House Economic Development & Tourism Committee, and SB173 is in the Senate Job Creation & Economic Development Committee.

HB242 (Knight) – Proposes a constitutional amendment to eliminate the state sales tax on groceries and over-the-counter medicines and to end the state individual income tax deduction for federal income taxes. HB242 is in the House Ways & Means Education Committee.

HB274 (Todd) – Proposes to increase the state cigarette tax from 42.5 cents per pack to 75 cents per pack. HB274 is in the House Ways & Means General Fund Committee.

HB293 (Shiver) – Proposes to create state insurance premium tax credits for insurers offering homeowner insurance policies for certain coastal properties. HB293 is in the House Insurance Committee.

HB295 (Davis) – Proposes to offer state income tax deductions for contributions to catastrophe savings accounts to cover insurance deductibles on certain residential property. HB295 is in the House Ways & Means Education Committee.

HB296 (Davis) – Proposes to create a state income tax credit for home retrofit improvements to protect against hurricane or wind damage. HB296 is in the House Ways & Means Education Committee.

HB299 (Lindsey) – Proposes to limit the state corporate income tax deduction for domestic production activities. *HB299 is in the House Ways & Means Education Committee.*

HB300 (Lindsey) – Proposes to limit the state corporate income tax deduction for bonus depreciation of qualified property. HB300 is in the House Ways & Means Education Committee.

HB301 (Lindsey) – Proposes to require combined reporting of taxable income from businesses that consist of multiple business entities. *HB301* is in the House Ways & Means Education Committee.

HB302 (Lindsey) – Proposes to limit the state depletion allowance for oil and gas to the amount allowed by the federal allowance. *HB302 is in the House Ways & Means Education Committee.*

HB324 (Greeson) – Proposes to limit property tax reappraisals to no more than once every four years. HB324 is in the House County & Municipal Government Committee.

HB345/SB255 (Lindsey/Dial) – Proposes to extend state entertainment industry tax rebates to music video productions, to clarify rebate eligibility provisions for television series and commercials, and to require payment of local sales, use and lodging taxes. HB345 is in the House Economic Development & Tourism Committee, and SB255 is in the Senate Finance & Taxation General Fund Committee.

HB354 (Wren) – Proposes to allow a state income tax credit for sales taxes paid on certain plug-in electric vehicles. *HB354 is in the House Ways & Means Education Committee.*

HB365 (Ison) – Proposes to require online retailers to notify their customers of sales and use tax obligations if the retailers do not collect and remit the taxes on their customers' behalf. HB365 is in the House State Government Committee.

HB373 (Hubbard, J.) – Proposes to establish property, payroll and sales thresholds that out-of-state businesses and individuals would have to meet to become subject to state income tax. HB373 is in the House Ways & Means Education Committee.

- **HB375** (Williams, J.) Proposes to increase from \$12,000 to \$39,900 the adjusted gross income line below which people with disabilities and the elderly are exempt from local property tax on a principal residence, and to increase from \$7,500 to \$25,000 the taxable income line below which such residents are exempt from property tax on a principal residence. HB375 is in the House Ways & Means General Fund Committee.
- **HB377** (Melton) Proposes to establish penalties for taxpayers who fail to report certain business transactions or who take part in tax shelters. HB377 is in the House Ways & Means Education Committee.
- **HB383/SB288** (Barton/Marsh) Proposes to extend and increase the privilege assessment on nursing homes through FY 2013 and to authorize the Alabama Medicaid Agency to establish a special reimbursement formula for ventilator care units in nursing homes. *HB383 is in the House Ways & Means General Fund Committee, and SB288 is in the Senate Health Committee.*
- **HB392** (Barton) Proposes to extend the 5.38 percent assessment on private hospitals through FY 2013. HB392 is in the House Ways & Means General Fund Committee.
- **HB410** (Rogers) Proposes to increase from \$7,500 to \$30,000 the taxable income line below which people with disabilities and the elderly are exempt from property tax and to phase in the increase through FY 2022. HB410 is in the House Ways & Means Education Committee.
- **HB419** (Wood) Proposes to exempt insulin and other diabetes treatment items from state and local sales and use taxes. HB419 is in the House Ways & Means Education Committee.
- **HB421** (Bridges) Proposes to exempt disabled veterans and their surviving spouses from property taxes not devoted to education. HB421 is in the House Ways & Means General Fund Committee.
- **SB8** (Brooks) Proposes, similar to SB74, to increase from \$7,500 to \$15,000 the taxable income line below which people with disabilities and the elderly are exempt from property tax on a principal residence. SB8 is in the Senate Finance & Taxation Education Committee.
- **SB9** (Brooks) Proposes to increase the maximum homestead exemption from \$4,000 in assessed value to \$8,000 in assessed value. *SB9 is in the Senate Finance & Taxation Education Committee*.
- **SB 10** (Brooks) Proposes to adjust the maximum homestead exemption annually to reflect cost of living increases. *SB10 is in the Senate Finance & Taxation Education Committee*.
- **SB 15** (Ward) Proposes, similar to SB50, to authorize tax credits for certain companies that create jobs, including larger credits for jobs created in counties with high unemployment and low per capita income. SB15 is in the Senate Finance & Taxation General Fund Committee.
- **SB50** (Ward) Proposes, similar to SB15, to authorize tax credits for certain companies that create jobs, including larger credits for jobs created in counties with high unemployment and low per capita income. SB50 received a favorable report from the Senate Job Creation & Economic Development Committee. **SB74** (Marsh) Proposes, similar to SB8, to increase from \$7,500 to \$15,000 the taxable income line below which people with disabilities and the elderly are exempt from property tax on a principal residence. SB74 received a favorable report from the House Finance & Taxation General Fund Committee.
- **SB109** (Orr) Proposes to authorize counties and municipalities to exempt food purchases from local sales tax. *SB109 is in the Senate Finance & Taxation General Fund Committee.*

SB126 (Whatley) – Proposes to authorize income tax credits to financial institutions and businesses for qualified research and development expenses. *SB126 is in the Senate Finance & Taxation General Fund Committee.*

SB150 (Williams) – Proposes to authorize income tax credits to certain telecommunications or manufacturing facilities for employee retraining or for upgrading or expanding existing facilities and equipment. SB150 is in the Senate Small Business Committee.

SB152 (Bussman) – Proposes to exempt companies with fewer than 100 employees from increases in non-educational property taxes for up to five years for qualifying expansion or relocation projects. SB152 received a favorable report from the Senate Job Creation & Economic Development Committee.

SB190 (Allen) – Proposes to provide a 100 percent license tax credit to freight lines and equipment companies for expenses incurred to maintain, repair or improve a railroad car. SB190 is in the Senate Commerce, Transportation & Utilities Committee.

SB223 (Marsh) – Proposes to reduce the number of new jobs that a data processing center must create to qualify for certain state tax abatements and to extend tax abatements to computer software used in the center's operation. SB223 is in the Senate Fiscal Responsibility & Accountability Committee.

Health care

HB60/SB215 (Galliher/Beason) – Proposes a constitutional amendment to prohibit mandatory participation by individuals, employers or health care providers in any health care system. *HB60 lost in the House, and SB215 received a favorable report in the Senate Health Committee.*

HB401 (Wren) – Proposes to create the Alabama Health Insurance Exchange to comply with the federal health care reform act and to provide a central location for certain people and employers to compare and purchase health insurance policies. *HB401 is in the House Health Committee*.

Equal Pay Commission

HB380 (Hall) – Proposes to create an Equal Pay Commission that would report to the Legislature on the extent, causes and consequences of wage disparities between women and men and between minorities and non-minorities in Alabama and would recommend actions to eliminate those gaps. HB380 is in the House Boards, Agencies & Commissions Committee.

Constitutional reform

HB181 (Hill) – Proposes a constitutional amendment to allow counties, upon voter approval in a local referendum, to exercise limited home rule in the areas of public health and safety and land use regulation and control. *HB181 is in the House County & Municipal Government Committee*. **HJR34** (Newton, D.) – Proposes, similar to SJR27, a statewide election in June 2012 on whether to hold a convention to revise the Constitution of Alabama of 1901. *HJR34 is in the House Rules Committee*.

SB112 (Orr) – Proposes a constitutional amendment to remove from the Constitution of Alabama of 1901 certain passages containing racist language. SB112 received a favorable report from the Senate Constitution, Campaign Finance, Ethics & Elections Committee.

SJR27 (Bedford) – Proposes, similar to HJR34, a statewide election in June 2012 on whether to hold a convention to revise the Constitution of Alabama of 1901. *SJR27 is in the Senate Rules Committee*.

Public transportation

HB207 (Todd) – Proposes a constitutional amendment to authorize the state to use a portion of state gasoline and motor fuel excise taxes to fund public transportation. *HB207 is in the House Ways & Means General Fund Committee.*

SB79 (Marsh) – Proposes to authorize county commissions, after a referendum, to levy up to 5 cents of additional gasoline and motor fuel excise taxes to support roads, bridges or public transportation. SB79 is in the Senate Finance & Taxation General Fund Committee.

Worker savings incentives

HB356/SB295 (Ball/Dunn) – Proposes to authorize the state to provide matching funds for an Individual Development Account (IDA) program to help qualifying low-income participants obtain higher education, purchase a first home or start a small business. HB356 is in the House Ways & Means General Fund Committee, and SB295 is in the Senate Children, Youth Affairs & Human Resources Committee.

Death penalty moratorium

HB319/SB245 (Coleman/Sanders) – Proposes to impose a moratorium on the imposition and execution of the death penalty for up to three years. HB319 is in the House Judiciary Committee, and SB245 is in the Senate Judiciary Committee.

SB241 (Sanders) – Proposes an Innocence Inquiry Commission to investigate and determine claims of innocence from a person convicted of a felony. SB241 is in the Senate Judiciary Committee.

SB244 (Sanders) – Proposes to prohibit the death penalty for offenders who were under age 18 at the time of commission of a capital offense. *SB244 is in the Senate Judiciary Committee*.

SB247 (Sanders) – Proposes to prohibit a judge from overriding a jury's sentencing decision in a death penalty case. *SB247 is in the Senate Judiciary Committee*.

Other subjects

HB10/SB82 (England/Coleman) – Proposes to restore eligibility for TANF and food stamps for certain individuals with felony drug convictions. *HB10 is in the House State Government Committee, and SB82 is in the Senate Judiciary Committee.*

HB56 (Hammon) – Proposes a system for enforcement of immigration laws and verification of legal status of people and creates specific crimes for activities relating to undocumented immigrants in Alabama. HB56 received a favorable report from the House Public Safety & Homeland Security Committee.

HB67/SB24 (Hubbard, J./Brewbaker) – Proposes a constitutional amendment to increase the legislative vote required to override a gubernatorial veto. HB67 received a favorable report from the House

Constitution, Campaigns & Elections Committee, and SB24 received a favorable report from the Senate Constitution, Campaign Finance, Ethics & Elections Committee.

HB80 (Wren) – Proposes to require tenants to pay certain attorney's fees under certain conditions. HB80 received a favorable report from the House Commerce & Small Business Committee.

HB98/SB127 (Rich/Pittman) – Proposes a constitutional amendment to limit members of the Senate and House of Representatives to three consecutive full terms. HB 98 is in the House Constitution, Campaigns & Elections Committee, and SB 127 received a favorable report from the Senate Constitution, Campaign Finance, Ethics & Elections Committee.

HB100 (Rich) – Proposes to allow the impoundment and sale of a motor vehicle driven by a person without a valid driver's license or automobile liability insurance. *HB100 is in the House Public Safety & Homeland Security Committee.*

HB114/SB101 (Canfield/Marsh) – Proposes to reduce the monthly E-911 service charge for cell phones from 70 cents to 65 cents and to impose that charge on sales of prepaid wireless services. HB114 is in the House Commerce & Small Business Committee, and SB101 is in the Senate Governmental Affairs Committee.

HB121 (Rich) – Proposes to establish specific criminal penalties for using a fraudulent document to apply for public benefits, to require applicants for certain public benefits to prove lawful presence in the United States, and to require state agencies to verify eligibility of all TANF applicants through the federal E-Verify program. *HB121* is in the House Judiciary Committee.

HB151 (Hubbard, J.) – Proposes to require electronic filing of campaign finance disclosures starting with the 2014 election cycle, to include Section 527 organizations within the definition of political action committees, and to disqualify candidates who do not comply with certain filing requirements. HB 151 is in the House Ethics & Campaign Finance Committee.

HB157 (Rich) – Proposes to require random drug tests for recipients of Medicaid, TANF or food stamps if an applicant's appearance or demeanor implies possible drug use. *HB157 is in the House State Government Committee.*

HB203 (Nordgren) – Proposes to require parents or guardians who enroll a child in a public school, or whose child is tutored at home or a church school, to provide proof of the child's citizenship. HB203 is in the House Public Safety & Homeland Security Committee.

HB211/SB278 (Love/Taylor) – Proposes to require the state departments of Education and Finance to create a program to purchase or provide professional liability insurance for teachers and certain other education personnel. *HB211 received a favorable report from the House Ways & Means Education Committee, and SB278 is in the Senate Finance & Taxation Education Committee.*

HB215/SB142 (Poole/Fielding) – Proposes to establish early release and mandatory supervised re-entry for certain nonviolent offenders. *HB215 is in the House Public Safety & Homeland Security Committee, and SB142 is in the Senate Judiciary Committee.*

HB216/SB217 (Poole/Williams) – Proposes to establish the Honor and Opportunity Probation with Enforcement (HOPE) program as an offender supervision program intended to reduce probation violations and recidivism. *HB216 is in the House Judiciary Committee, and SB217 is in the Senate Judiciary Committee.*

HB218/SB204 (Scott/Marsh) – Proposes to create the classification of Class D felonies, punishable by no more than three years in prison, and reclassify certain crimes. *HB218 is in the House Judiciary Committee, and SB204 is in the Senate Judiciary Committee.*

HB262/SB302 (McClendon/Orr) – Proposes to authorize the Department of Corrections to operate joint ventures with private businesses as part of work-oriented rehabilitation programs for prisoners. HB262 received a favorable report from the House Public Safety & Homeland Security Committee, and SB302 received a favorable report from the Senate Fiscal Responsibility & Accountability Committee.

HB304 (Canfield) – Proposes to disqualify unemployment insurance claimants who engage in certain fraudulent conduct from receiving unemployment benefits for 52 weeks or until the overpayment is repaid. *HB304 is in the House Judiciary Committee*.

HB328 (Hill) – Proposes to amend Landlord and Tenant Act provisions regarding eviction, tenant abandonment of rental property, unenforceable lease provisions and landlord access for repairs. HB328 is in the House Commerce & Small Business Committee.

HB337 (Ball) – Proposes a constitutional amendment to allow Alabamians to propose laws and amendments by initiative. *HB337 is in the House Constitution, Campaigns & Elections Committee.*

HB340 (Newton, C.) – Proposes to establish nonpartisan elections of district and circuit judges. HB340 is in the House Constitution, Campaigns & Elections Committee.

HB349 (Todd) – Proposes to create the Alabama Housing Trust Fund to increase home ownership and rental opportunities for low-income people. *HB349 is in the House State Government Committee*.

HB423/SB316 (Jones/Marsh) – Proposes to amend Landlord and Tenant Act provisions regarding eviction, tenant abandonment of rental property, unenforceable lease provisions and landlord access for repairs. HB423 is in the House Judiciary Committee, and SB316 is in the Senate Commerce, Transportation & Utilities Committee.

SB115 (Orr) – Proposes to prohibit certain fraudulent conduct in obtaining public assistance under any state or federally funded public assistance program. *SB115 received a favorable report from the Senate Finance & Taxation General Fund Committee.*

SB243 (Sanders) – Proposes to clarify which felonies involve moral turpitude and disqualify people from voting. *SB243 is in the Senate Judiciary Committee*.

SB256 (Beason) – Proposes to prohibit undocumented immigrants from receiving driver's licenses and certain other public benefits and to create criminal penalties and fines related to harboring, transporting or employing undocumented immigrants. SB256 is in the Senate Job Creation & Economic Development Committee.

SB317 (Marsh) – Proposes to impose a prepaid wireless 911 charge on retail sales of prepaid wireless services. SB317 is in the Senate Commerce, Transportation & Utilities Committee.

For the full text of these and any other bills introduced in the 2011 regular session, go to http://alisondb.legislature.state.al.us/acas/ACASLoginFire.asp