



Weekly Update

*A weekly update from the
Association of County Commissions of Alabama*

This Week in the Alabama Legislature...April 11, 2008

The House of Representatives approved the state's General Fund Budget legislation this week, sending it to the Senate, which remained deadlocked on a local constitutional amendment impacting electronic gaming. The controversy in the Senate now poses a real threat to the ultimate passage of both budgets and local legislation.

Thursday's session in the Senate turned heated because of disagreements regarding the legislation, which is a local amendment for Macon County. Supporters of that bill filed an official "contest" against all other local bills and pledged to hold that position until the Macon County bill is passed. The Senate will return to work on Tuesday morning.

In the House, next week's three-day work week will begin with debate on a measure that would remove the state sales tax on food and replace the money with a change in deductions in the state's income tax. This measure is of importance to counties and is explained below.

ACCA staff spent much of Thursday working on resolutions in the both the House and Senate that would have subjected all counties and cities to legislative review of all bond issue refinancing. This resolution was sponsored by **Sen. Steve French** and **Rep. Rod Scott** in the wake of the financial problems facing the Jefferson County Commission. This issue is also explained below.

The Senate will reconvene on Tuesday morning with the House returning to work at 1 p.m. County Day at the Legislature will kick off on Wednesday with a briefing at 2 p.m. including remarks from House Speaker Seth Hammett and Senate President Pro Tem Hinton Mitchem.

Refinancing Regulations — Legislation was introduced in both the House and Senate to establish a legislative-dominated commission that would approve all bond issue refinancing and defaults by county and municipal governments. The legislation represents a major effort at oversight of the financial operation of local government and is written in response to the difficulties faced by the Jefferson County sewer system.

Senate Bills 583 and 591 by **Sen. Steve French** are scheduled for action on Tuesday morning by the Senate Industrial Development and Recruitment Committee. It is important that county officials contact the members of this committee to ensure that they oppose this unnecessary oversight of county financial activities. These contacts must be made **BEFORE** Tuesday morning.

Members, Senate Industrial Development and Recruitment Committee: *Chairman Sen. Larry Means; Sens. Scott Beason, Kim Benefield, Tom Butler, Bobby Denton, Hank Ervin, Steve French, Bobby Singleton, Rodger Smitherman, Wendell Mitchell, Zeb Little and Jabo Waggoner.*

The House versions, **HB837** and **HB838** by **Rep. Rod Scott**, are also expected on the agenda this week in the House Government Operations Committee. The members of this committee are listed below and county officials are urged to ask the committee members to oppose the legislation in this committee. House Government Operations Committee: *Chairman Rep. Oliver Robinson; members Reps. Lea Fite, Arthur Payne, Barbara Boyd, Merika Coleman, James Fields, Victor Gaston, Mike Hill, Ralph Howard, Mike Hubbard, Jody Letson, Pat Moore, Johnny Morrow, Harry Shiver and Butch Taylor.*

Sales Tax on Food — HB274 by Rep. John Knight, which removes the state sales tax from food, is scheduled for House floor debate on Tuesday. In its current form, the bill preserves the current local tax on food. ACCA does not oppose the bill in its current form, but House members should be contacted and asked to vote against any amendment to extend the exemption to local sales taxes. Such a change would generate severe consequences on the local level.

Tax at the Rack — Talks continued this week on the legislation to shift the collection point for motor fuels and gasoline tax, **HB518 by Rep. Johnny Mac Morrow**. A number of major points of conflict remain on this issue, including efforts by the state's convenience store association to allow its members to keep an administrative fee usually reserved for those businesses that actually remit the gasoline and diesel fuel taxes.

The Association is also talking with legislative leaders about an alternative method to enhance the collection of gasoline and diesel fuel taxes by increasing the penalties for those businesses that report inaccurately or that sell untaxed fuel.

Administrative Fee for Collection of Gasoline and Diesel — During debate on the State General Fund Budget this week, **Rep. John Knight** offered an amendment that adjusted the fee retained by the Alabama Department of Revenue as its reimbursement for collecting the taxes. The change, which fairly allocated the costs between the diesel and gasoline taxes, increased by \$1 million the tax proceeds to be received by counties. Special appreciation is expressed to **Rep. Knight** for his leadership in making this adjustment.

County officials are encouraged to contact their Senators to ask that they support the House-passed language.

Other ACCA Legislation Trust Funds Bill Expected on Floor

— The House version of the bill allowing counties to establish trust funds to finance the cost of providing benefits to retirees (**HB481 by Rep. Bill Dukes**) is expected on the House floor next Wednesday or Thursday. This bill would enhance county ability to provide benefits to retired employees and will help counties comply with the so-called GASB 45 rules. *Please ask your House member to SUPPORT this bill.*

Four ACCA Bills have already passed the House and are awaiting action in the Senate. The bills are not expected to reach the floor until a vote is taken on the Macon County legislation.

However, it is important that county officials make contacts on the bills listed below:

Administrative Fee for Educational Taxes

— The House version of the bill designed to correct a problem with the so-called 10-mil constitutional amendment for education (**HB349 by Rep. Charles Newton**) was approved by the Senate Finance and Taxation Education Fund Committee this week. This bill is ready for a final passage vote on the floor.

Amendments to Sex Offender Notification Act — **HB332 by Rep. Blaine Galliher** has been assigned to the Senate Judiciary Committee, which has approved the Senate version of this legislation. ACCA staff will be requesting this bill for the committee agenda this week.

County Modernization — The House-passed version of the 2008 County Modernization Act, **HB110 by Rep. Richard Lindsey**, was given a "favorable report" by the Senate Governmental Affairs Committee on Tuesday and is now ready for floor consideration.

Bid Law Amendments — The House version of the bill which expands the local bid preference to 5 percent (**HB100 by Rep. Pebblin Warren**) has been approved by a Senate committee and remains poised for consideration on the Senate floor.

Plans Shift on Bridge Bond Issue

— The gloomy financial predictions in the General Fund Budget make it unlikely that revenue will be identified this year to fund the County Bridge Bond Issue. However, the Senate version of the bill (**SB357 by Sen. Larry Means**) would allow for the issuance of the bonds when a funding source is identified by the Alabama Legislature. This bill has gained committee approval and is ready for floor action in the Senate.

Contacts Still Needed....

Sheriffs' Budget Legislation — Although the Senate is locked in a filibuster, county officials should continue to make contacts opposing the legislation designed to allow the sheriffs to sidestep the county budget, **SB242 by Sen. Steve French**. It is important that all Senators be contacted and asked to oppose this bill. However, special emphasis should be placed on the members of the Senate Rules Committee, which must approve the bill before it can reach the floor for a vote. The members of the Senate Rules Committee are: *Chairman Sen. Lowell Barron, members: Sens. Pat Lindsey, Ted Little, Roger Bedford, Tom Butler, Bobby Denton, Vivian Figures, Steve French, Parker Griffith, Hinton Mitchem, Quinton Ross, Harri Anne Smith, Rodger Smitherman, Wendell Mitchell, Zeb Little and Charles Bishop.*

County Day at the Legislature

— County Day at the Legislature begins **Wednesday at 2 p.m.** at the RSA Activity Center on Madison Avenue. **Registration begins at 1 p.m. All counties are encouraged to attend this important event.**

The real-time status of all ACCA, Danger and local bills can be found by going to acca-online.org and following the steps under "Legislative News." Please make copies of this report for all county officials and employees. Remember, ACCA staff will update the Association's web site often with the latest information on the activities in Montgomery.