



Weekly Update

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

This Week in the Alabama Legislature...May 2, 2008

On-again, off-again filibusters and unexpected obstacles combined to block the movement of important ACCA legislation this week. Although there is some good news to report, with only three legislative work days remaining, most of ACCA's legislative program needs significant attention to pass before the session concludes on May 19. The House and Senate are scheduled to hold meeting days on Tuesday and Thursday of next week and then recess until the session's final work day on May 19. At the conclusion of Tuesday's session, all bills not passed by at least one chamber will be dead for this year's session.

As you will see in the remainder of this report, it is important that county officials redouble their contacts with members of the House and Senate as requested. As is always the case, dozens of other organizations are working to get their legislation to the floor as the session winds down so county concerns will only be addressed if contacts are made "back home."

County Modernization Act and Sales Tax on Food — The County Modernization Act of 2008 (**HB110 by Rep. Richard Lindsey**) encountered unexpected difficulties on the Senate floor Thursday, putting at risk the only available vehicle to correct county problems that exist in the bill exempting unprepared food from state sales tax.

The bill was opposed on the floor by Senate Republicans who complained that they had not been contacted by their local county officials. The Senators expressed concern about the legislation, which repeals more than a dozen code sections, because of a lack of communication regarding its contents.

The legislation remains in position to pass, but it is VERY IMPORTANT that county officials and employees make contacts on this bill before Tuesday.

The bill makes technical changes to many codes sections, updates the process for purchasing performance bonds for county elected officials, and updates many statutes that have not been touched for more than 30 years. The Senate sponsor is **Sen. Hank Sanders**.

The bill is even more critical because it represents perhaps the only vehicle to correct the existing statute that requires county sales taxes to follow the same exemptions used by the state. Without this correction, county revenue could be challenged if the bill exempting unprepared food from state sales taxation is approved by the Senate.

It is very important that county officials and employees contact their SENATORS to urge the passage of HB110.

Issues Contained in the State General Fund Budget — The House-passed version of the State General Fund Budget (**HB328 by Rep. John Knight**) is expected on the SENATE floor on Tuesday. The bill contains two issues that need attention from county government.

First, a House-passed amendment that adjusted the fee retained by the Alabama Department of Revenue as its reimbursement for collecting gasoline and motor fuel taxes would provide additional road and bridge revenue for counties. 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. ***It is important that Senators be asked to retain the House-passed language on this issue.***

Second, two traditionally-routine line items were omitted in the House-passed version of the budget for the Alabama Emergency Management Agency. Without the specific line items, it is uncertain whether counties will continue to receive the annual allocation for the operation of local EMA departments (**some \$311,000 statewide**) or the salary supplements for local EMA directors established by a 2007 act of the legislation (**expected to be about \$200,000 in next year's budget**).

Senators should be asked to SUPPORT REINSTATING the two line items for local governments when HB328 reaches the Senate floor.

ACCA BILL IN THE HOUSE

Litter Enforcement — The Senate bill allowing county solid waste officers to enforce the state's litter laws (**SB203 by Sen. Ted Little**) was passed by the Senate and is expected to be considered by the House Judiciary Committee this week.

The bill will have only two days to be passed in the House, so it is important that county officials contact their HOUSE members to ask that this bill be given a priority on the House floor.

OTHER ACCA BILLS IN THE SENATE

Amendments to Sex Offender Notification Act — Currently, many convicted sex offenders who are being released from state prison are re-arrested at the prison gates because their reported place of residence violates Alabama law. **HB332 by Rep. Blaine Gallihier** awaits action on the Senate floor. ***It is important that Senators be asked to SUPPORT this bill.*** The Senate sponsor is **Sen. Myron Penn**.

Trust Fund Bill — The bill allowing counties to establish trust funds to finance the cost of providing benefits to retirees **HB481 by Rep. Bill Dukes** is also ready for Senate floor action. This bill would enhance county ability to provide benefits to retired employees and will help counties comply with the so-called GASB 45 rules. The Senate sponsor is **Sen. Myron Penn**.

Administrative Fee for Educational Taxes — The constitutional amendment that requires all school districts to provide 10-mils of ad valorem taxes for local schools has a technical flaw that will increase the administrative costs for the state, counties, cities and all other local entities. **HB349 by Rep. Charles Newton** corrects the problem and assures that all entities continue to contribute – at the current level – toward the costs of collecting the taxes. The bill is out of committee and ready for final passage on the Senate floor. The Senate sponsor is **Sen. Lowell Barron**.

Bid Law Amendments — The ACCA bill (**HB100 by Rep. Pebblin Warren**) that expands the local bid preference to 5 percent, allows counties to enter contracts with the second low bidder should the low bidder fail to complete the contract and makes the bid bond discretionary is also ready for final passage in the Senate. This Senate sponsor is **Sen. Bobby Denton**.

Rescue Squad Legislation Headed for Floor Vote —

A House floor vote is expected Tuesday on the legislation that would levy a tag fee on boat trailers and divert this road revenue to rescue squads, the Department of Conservation and a retirement fund for law enforcement officers. ACCA expressed opposition to the bill, but it was approved by voice vote in a House committee Thursday.

With the rising cost of fuel and little legislative support for increasing gasoline taxes, it is important that counties and others not allow a “traditional” source of road revenue to be diverted to other uses. If this bill is allowed to pass, others will seek a similar approach to solving their funding problems by intercepting road revenue and diverting it to other purposes.

The legislation (**HB734 and HB735 by Rep. Joe Faust**) has one final opportunity for passage on the House floor on Tuesday. ***ACCA members are asked to contact their House members to urge them to oppose both bills by voting AGAINST any efforts to “suspend” the rules to vote on the bills.***

Financial Oversight Legislation Dead for Session

— Legislation that would have required state legislative approval for counties to seek restructuring of any debts was successfully delayed this week. The bills, sponsored by **Sen. Steve French** and **Rep. Rod Scott**, were delayed as a result of many contacts made by county officials from throughout the state. Special appreciation is expressed to all who made contacts on this legislation.

Sheriffs Legislation Alive for One More Day —

Although very unlikely, the legislation that would allow sheriffs to bypass the county budget could still reach the Senate floor on Tuesday. Once the Senate adjourns Tuesday, the bill (**SB242 by Sen. Steve French**) will be dead for this session. ***ACCA encourages county officials to contact their Senators about this legislation to ensure that it NOT be allowed to reach the floor on Tuesday.***

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.