

1 HB573  
2 97698-1  
3 By Representatives McLaughlin, McDaniel, Letson, White,  
4 Grantland, Curtis, Robinson (J), Schmitz, Ball, Black,  
5 Sanderford and McCutcheon  
6 RFD: County and Municipal Government  
7 First Read: 26-FEB-08

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8 SYNOPSIS: Under existing law, five percent of the  
9 in-lieu-of-taxes payments made by the Tennessee  
10 Valley Authority are distributed to dry counties  
11 and municipalities that are not served by the  
12 T.V.A.

13 This bill would reduce the current  
14 distribution to dry counties and municipalities  
15 that are not served by the T.V.A. and provide for  
16 an increase of those payments to the counties  
17 served by the T.V.A. by one percent per year over a  
18 period of five years.

19  
20 A BILL  
21 TO BE ENTITLED  
22 AN ACT  
23

24 To further amend Section 40-28-2, Code of Alabama  
25 1975, relating to the distribution of in-lieu-of-taxes  
26 payments made by the Tennessee Valley Authority, to provide  
27 for the redistribution of the payments.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Section 40-28-2, Code of Alabama 1975, is  
3 amended to read as follows:

4 "§40-28-2.

5 "(a) Beginning in the fiscal year ending September  
6 30, 1980, the State of Alabama will annually transfer to the  
7 counties in Alabama served by T.V.A. a portion of the  
8 in-lieu-of-taxes payments made by T.V.A. to the State of Ala-  
9 bama. Such transfer of funds shall be according to the follow-  
10 ing schedule:

11 "For the Fiscal Year:	Percentage of In-Lieu-of-Taxes
12	Payments Transferred to
13	T.V.A.-Served Counties by the State
14	Shall Be:
15 "1979-80	20%
16 "1980-81	30%
17 "1981-82	40%
18 "1982-83	50%
19 "1983-84	60%
20 "1984-85	70%
21 "1985-86 through 2004-05	75%

"For the Fiscal Year: Percentage of In-Lieu-of-Taxes

1 "2005-2006 and each fiscal year 78%  
2 thereafter

3 "(b) The state shall distribute the in-lieu-of-taxes  
4 payments each fiscal year to each of the counties served by  
5 T.V.A., and the three percent increases after September 30,  
6 2005, generated by the amendments to this section at the 2006  
7 Regular Session of the Legislature shall be allocated by local  
8 legislation.

9 "(c) (1) ~~In~~ a. Beginning in the fiscal year ending  
10 September 30, 2009, and in addition to the distribution  
11 provided for in subsection (a) of this section, the state  
12 shall distribute each fiscal year ~~five~~ four percent of the  
13 in-lieu-of-taxes payments to the dry counties and  
14 municipalities therein which are not served by T.V.A. and one  
15 percent to the counties served by the T.V.A. Said ~~five percent~~  
16 percentage shall be distributed on the same proportionate  
17 basis that each such county received in fiscal year 1978-79  
18 from A.B.C. payments as compared to the total A.B.C. payments  
19 received by all dry counties not served by T.V.A. during the  
20 same fiscal year. The distribution of such in-lieu-of-taxes  
21 payments between each dry non-T.V.A.-served county and the  
22 municipalities located therein shall be made pro rata on the  
23 basis of A.B.C. payments received by each such jurisdiction in

1 the fiscal year 1979 to the total A.B.C. payments to the  
2 county and all municipalities in such county in the fiscal  
3 year 1979. Such distribution to the municipalities will be  
4 administered by the county governing body.

5 "b. Beginning in the fiscal year ending September  
6 30, 2010, the distribution provided for in this subsection  
7 shall be three percent to the dry counties and municipalities  
8 that are not served by T.V.A. and two percent to the counties  
9 served by T.V.A.

10 "c. Beginning in the fiscal year ending September  
11 30, 2011, the distribution provided for in this subsection  
12 shall be two percent to the dry counties and municipalities  
13 that are not served by T.V.A. and three percent to the  
14 counties served by T.V.A.

15 "d. Beginning in the fiscal year ending September  
16 30, 2012, the distribution provided for in this subsection  
17 shall be one percent to the dry counties and municipalities  
18 that are not served by T.V.A. and four percent to the counties  
19 served by T.V.A.

20 "e. Beginning in the fiscal year ending September  
21 30, 2013, the distribution provided for in this subsection  
22 shall be five percent to the counties served by T.V.A.

23 "f. The distribution to the counties served by  
24 T.V.A. is to be allocated in the same manner as the increase  
25 generated by the amendment to this section made at the 2006  
26 Regular Session of the Legislature that now appears as  
27 subsection (b).

1           "(2) Effective for transfers after the effective  
2 date of the act adding this subdivision, the distribution to  
3 the State General Fund shall remain at the level received on  
4 the effective date of this act until the level received  
5 attains the amount of seventeen million eight hundred forty  
6 thousand two hundred thirty-three dollars (\$17,840,233) and  
7 thereafter the state shall receive 17 percent of the total  
8 amount of the in-lieu-of-taxes payments.

9           "(d) Any T.V.A.-served dry county which is eligible  
10 to receive funds under Section 40-28-3 shall receive from that  
11 portion of the in-lieu-of-taxes payments not less than that  
12 amount which the county received in A.B.C. payments in the  
13 fiscal year 1978-79."

14           Section 2. This act shall become effective on the  
15 first day of the third month following its passage and  
16 approval by the Governor, or its otherwise becoming law.