

1 HB574
2 97987-1
3 By Representatives McDaniel, McLaughlin, White, McCutcheon,
4 Hammon, Ball, Black, Sanderford, Curtis, Irons, Schmitz,
5 Grantland, Letson, Dukes, Morrow, Taylor and Robinson (J)
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 freeze the current amount of
14 the distribution to dry counties and municipalities
15 that are not served by the T.V.A. and provide that
16 the growth in the amount be distributed to the
17 counties served by the T.V.A.

18
19 A BILL
20 TO BE ENTITLED
21 AN ACT
22

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

27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

3 "§40-28-2.

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

10	"For the Fiscal Year:	Percentage of In-Lieu-of-Taxes
11		Payments Transferred to
12		T.V.A.-Served Counties by the State
13		Shall Be:
14	"1979-80	20%
15	"1980-81	30%
16	"1981-82	40%
17	"1982-83	50%
18	"1983-84	60%
19	"1984-85	70%
20	"1985-86 through 2004-05	75%
21	"2005-2006 and each fiscal year	78%

"For the Fiscal Year:

Percentage of In-Lieu-of-Taxes

1 thereafter

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

8 "(c) (1) ~~In~~ Beginning in the fiscal year ending
9 September 30, 2009, and in addition to the distribution
10 provided for in subsection (a) of this section, the state
11 shall distribute each fiscal year ~~five percent~~ the same amount
12 as the annual payment received on the effective date of this
13 2008 amendatory act of the in-lieu-of-taxes payments to as
14 follows: a. To the dry counties and municipalities therein
15 which are not served by T.V.A. ~~Said five percent shall be~~
16 distributed b. The amount of the five percent that exceeds the
17 distribution for the fiscal year that ended September 30,
18 2008, shall be distributed to the counties served by T.V.A.
19 The distribution to the counties served by T.V.A. shall be
20 allocated in the same manner as the increase generated by the
21 amendment to this section by the 2006 Regular Session of the
22 Legislature that now appears as subsection (b). The
23 distribution shall be on the same proportionate basis that
24 each ~~such~~ dry county received in fiscal year 1978-79 from

1 A.B.C. payments as compared to the total A.B.C. payments
2 received by all dry counties not served by T.V.A. during the
3 same fiscal year. The distribution of such in-lieu-of-taxes
4 payments between each dry non-T.V.A.-served county and the
5 municipalities located therein shall be made pro rata on the
6 basis of A.B.C. payments received by each such jurisdiction in
7 the fiscal year 1979 to the total A.B.C. payments to the
8 county and all municipalities in such county in the fiscal
9 year 1979. Such distribution to the municipalities will be
10 administered by the county governing body.

11 "(2) Effective for transfers after July 1, 2006,
12 adding this subdivision, the distribution to the State General
13 Fund shall remain at the level received on July 1, 2006, until
14 the level received attains the amount of seventeen million
15 eight hundred forty thousand two hundred thirty-three dollars
16 (\$17,840,233) and thereafter the state shall receive 17
17 percent of the total amount of the in-lieu-of-taxes payments.

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

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