



**Alabama League of Municipalities**

# *Legislative Bulletin*

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## **Final Report on 2001 Third Special Session**

The House and Senate adjourned sine die on Wednesday, September 19, 2001, completing the 12-day special session called by Governor Don Siegelman for the purpose of enacting legislation on 19 different subjects including ethics legislation, numerous state appropriation bills, and legislation to establish district lines for Alabama Congressional districts and Alabama School Board districts. Over 30 appropriation bills were passed.

### **General Bills Passed**

**School Bonds** (HB 6, Act 2001-896). To amend Sections 3 and 4 of Act 2001-668, 2001 Regular Session, relating to Alabama Public School and College Authority bonds, to provide that local boards of education may use bond proceeds for the purchase and repair of equipment and building and other capital outlay projects and for the retirement of indebtedness, and to change the redemption option to ten years.

**Income Tax Credits for Businesses in Rural Areas** (HB 9, Act 2001-965). Under existing law, certain new and expanding businesses may qualify for certain tax credits. This bill provides for tax credits to businesses locating or expanding in rural or undeveloped counties and provides the criteria for determining whether a county is designated a favored geographic area in order to qualify for tax credits. It also provides tax credits to businesses expanding or locating in an area designated an enterprise zone and provides for the eligibility requirements in order to receive the tax credits. This bill also revises the definition of industrial, warehousing, or research activity to conform to the 1997 North American Industry Classification System.

**ABC Profits** (HB 10, Act 2001-891). Under existing law, the net profits from the operation of state liquor stores are distributed to the State General Fund, various state agencies and the local governments that allow the sale of alcoholic beverages. This bill would amend the distribution formula to redistribute revenue from profits to the State General Fund, the Department of Human Resources and local governments; and would provide for the reimbursement to the ABC Board and others for any judgment or attorney's fees in any lawsuit challenging the funding mechanisms set forth

**Transient Occupancy Tax** (HB 56, Act 2001-968). Under existing law, the state transient occupancy tax is not imposed on the rental of lodging facilities exceeding 30 continuous days. This bill would exempt the rental of lodging facilities exceeding 180 continuous days from the state transient occupancy tax and also exempt certain persons associated with the film industry from the tax.

**Tax Exemption - Film and Motion Picture Industry** (SB 21, Act 2001-975). This bill would provide for a sales and use tax exemption for the sale and use of certain purchases by companies approved by the Alabama Film Office in the production of a film project in Alabama and also exempts from the lodgings tax the rental of rooms by a company on a film project approved by the Alabama Film Office. This bill provides certain

inducements for developing the film industry in Alabama by creating and offering certain tax incentive programs to the film industry.

**CA – Requires New State Constitution Approval by Voters** (SB 28, Act 2001-915). This bill proposes an amendment to the current constitution providing that any proposed Constitution of Alabama officially adopted to replace the Constitution of Alabama of 1901, whether adopted by a constitutional convention or by any other constitutionally authorized method, would become effective only if the proposed constitution is ratified by a majority of the qualified electors of the state voting on such ratification. This bill also provides for proclamation of the election results by the Governor and that the Legislature could provide for the date of such election, notice, and procedures related to the election, canvassing, proclamation, and costs which are in conformity with this proposed amendment. This bill provides for the publication of the text of the proposed constitution in those newspapers containing the proclamation of the election and as otherwise provided by the Legislature and also provides for the effective date of the proposed constitution upon ratification.

**Wastewater Systems** (SB 64, Act 2001-973). Currently, some communities are considering using decentralized (cluster) onsite systems to treat wastewater. The technology currently exists to accomplish the construction and operation of such systems, but the state lacks a viable management and regulatory strategy for these systems. This bill would provide regulatory management and regulatory strategy by authorizing the State Board of Health to adopt and promulgate rules to regulate the establishment and performance permitting of public and private onsite management entities in order to ensure the management of domestic onsite wastewater treatment in a safe and environmentally responsible manner and for the determination of the financial viability of entities managing such systems. The bill would also authorize the Alabama Department of Public Health to administer the program under the rules of the State Board of Health.

**State Bid Law** (SB 75, Act 2001-956). This bill amends the state bid law as to exemptions for contracts relating to professional services.

**Scrap Tires** (SB 105, Act 2001-976). This bill amends the Scrap Tire Disposal Act to further define certain terms; authorize a single license for scrap tire operations; provide further for bonding of transporters and collection facilities; allow county law enforcement to issue uniform citations; provide for the deletion of certain penalties and to provide for a graduated penalty for license violations; to provide further penalties for illegal scrap tire collections; to provide a refund of previously imposed penalties; and provide for the continuation of the Scrap Tire Study Commission.

**Municipal Authorities – Refunding or Funding of Bonds** (SB 148, Act 2001-959). Under current law, the governing body of any county, city, or town which authorizes the issuance of refunding or funding bonds may exercise all powers deemed necessary by the governing body for the execution and fulfillment of any plan or agreement for the settlement, adjustment, refunding, or funding of the indebtedness of the county, city, or town not inconsistent with the provisions of law relating to the issuance of refunding or funding bonds. This bill amends Section 11-81-3, Code of Alabama 1975, to specify that the governing body of any municipal authority which authorizes the issuance of refunding or funding bonds may exercise the same powers.

## **Proposed Constitutional Amendments**

The Legislature approved the following proposed amendments to the Alabama Constitution of 1901 and these amendments will be submitted to the state's voters at a later date for ratification.

**HB 59, Act 2001-776** – Henry County Economic Development Authority

**HB 103, Act 2001-777** – Ad Valorem Tax in Fayette County for fire protection & rescue squads

**HB 165, Act 2001-778** – Shelby County officials in Employees' Retirement System  
**SB 28, Act 2001-915** – Requires any new State Constitution to be ratified by voters

### **Local Bills Passed**

**HB 70, Act 2001-905** – Establish Office of Revenue Commissioner in Lamar County  
**HB 95, Act 2001-900** – Retirement plan for Tuscaloosa police & firefighters  
**HB 98, Act 2001-908** – Dale County Corrections Fund  
**HB 100, Act 2001-961** – Exempts Community Fire Development, Inc. from sales and use taxes in Jefferson County  
**HB 102, Act 2001-962** – Tuscaloosa County Homeowners & Land Use Protection Act  
**HB 105, Act 2001-910** – Calhoun County Beer Tax  
**HB 106, Act 2001-966** – Birmingham Police & Firefighter Pension Fund  
**HB 107, Act 2001-892** – Cherokee County Decentralized Wastewater System  
**HB 108, Act 2001-963** – Cullman County TVA payments  
**HB 109, Act 2001-974** – Regulates standing trains obstructing streets in Jefferson County  
**HB 150, Act 2001-914** – Choctaw County tobacco tax  
**HB 151, Act 2001-914** – License Tags in Washington County  
**HB 164, Act 2001-906** – Pelham personnel board  
**HB 168, Act 2001-895** – Dothan Pension System  
**HB 199, Act 2001-904** – Prattville Sunday Alcohol Sales

### **Annexation Bills Passed**

**HB 60, Act 2001-902** – Loxley  
**HB 67, Act 2001-903** – Cowarts & Webb  
**SB 152, Act 2001-957** – Glencoe