Final Report on the 2004 Regular Session

The Alabama Legislature completed its 2004 Regular Session shortly after 10:00 pm on Monday, May 17. This was a very difficult session for all involved due to the $300+ million shortfall in the state’s general fund budget. There were 1397 bills introduced in the session. Many of the bills introduced affected our cities and towns. When the session ended, 317 bills had received final passage. By comparison, in 2003, a total of 1322 bills were introduced of which 268 received final passage. In 2002, a total of 1289 bills were introduced of which 282 received final passage. In 2001, a total of 1586 bills were introduced and 302 were passed. Many of these bills were local bills affecting a single county or municipality or bills relating to state appropriations.

The League commends Lt. Gov. Lucy Baxley, House Speaker Seth Hammett, Senate President Pro Tem Lowell Barron, House Speaker Pro Tem Demetrius Newton and the other House and Senate leaders for their leadership during this session.

Final Status of the League Legislative Package

Of the ten League bills introduced, five were up for final passage on the last day. However, due to filibusters, only one received final passage.

General Fund Budget – HB270 by Rep. Knight (J), Act 2004-562. To make appropriations for the ordinary expenses of the executive, legislative and judicial agencies of the State, for other functions of government, for debt service, and for capital outlay for the fiscal year ending September 30, 2005. We are pleased to report that the general fund budget contained an appropriation of $516,849 as this year’s matching funds for the very successful Wastewater Revolving Loan Program.

The League wishes to thank the following persons for sponsoring League bills this session: Representatives Steve McMillan, Bill Dukes, Ron Johnson, Warren Beck, Victor Gaston, Steve Clouse, Marcel Black, Johnny Ford and Senators Tommy Ed Roberts, Quinton Ross, Zeb Little, Larry Means, and Hap Myers.

Status of Dangerous Legislation

A number of bills introduced during the 2004 Regular Session were adverse to the interests of municipal government. The League was successful in its efforts to defeat eleven of these proposals. Had we not been successful, we could have laws that:

- Allow citizens to call for a referendum to pass or repeal city ordinances or taxes;
- Prohibit a city from condemning property for commercial development;
- Give the Sheriff control of the operation of halfway houses within a city without regard to municipal ordinances;
• Increased the population necessary to start a city school system from 5,000 to 15,000;
• Require water and sewer services to appear on separate bills;
• Prohibit a city from levying an occupational tax;
• Allow a county to increase its sales tax by one percent with 25% of the proceeds going to the county general fund and none going to a city even though a substantial amount of the tax proceeds is paid by city residents;
• Give significant control over city audits to a state entity;
• Increased state utility taxes on many municipalities and municipal citizens by 2.2%;
• Exempt sales of food from municipal sales taxes; and
• Make newly-incorporated municipalities responsible for the maintenance of county roads within their boundaries.

**HB716** by Rep. John Knight passed on the last day of the session. The bill increases the state tax on cigarettes from 16.5 to 42.5 cents per pack and doubles the tax on other tobacco products. It is projected to generate in excess of $100 million for next year’s state general fund. To get tobacco companies to go along with the tax hike, the bill, as passed, includes a ban on future increases of city and county tobacco taxes. It further requires the use of tax stamps by municipalities for the sale of cigarettes.

The League and the Association of County Commissions – together with hundreds of city and county officials – fought this preemption of county and municipal powers. Our opponents were tobacco manufacturers, wholesalers and retailers. They were strongly supported by the House and Senate leadership as well as the Governor of Alabama. The tobacco interests spent untold amounts to hire nearly every independent lobbyist in Montgomery to lobby for passage of the bill. Despite the heavy odds against us, we came within four votes in the House of stopping the bill. This speaks very highly of your ability to lobby for the just cause of municipal government.

**General Bills Passed**

**Relocation of Utility Facilities** – HB21 by Rep. Boothe, Act 2004-93: To amend Section 23-1-5, Code of Alabama 1975, relating to the reimbursement to utilities of the costs of relocations of utility facilities pursuant to an order of the State Director of Transportation; to further provide for the reimbursement of the costs of the relocations by the state when the relocation of any utility facility is necessitated by the construction of any highway, road, or street, other than highways that are a part of the national system of interstate and defense highways, and the facility to be relocated is owned by any utility which had a gross income of one hundred fifty million dollars ($150,000,000) or less for the calendar year immediately preceding the relocation or, in the case of a utility which has been newly organized and created, if it had a gross income of one hundred fifty million dollars ($150,000,000) or less in its first complete year of operation or in the calendar year immediately preceding the relocation.
Water and Sewer Corporations – Board Compensation – HB22 by Rep. Spicer, Act 2004-___: To amend Section 11-50-393, Code of Alabama 1975, relating to the compensation of the members of the boards of directors of certain public water and sewer corporations and gas districts owned by municipalities, to increase the compensation for the members of the boards of directors for such corporations.

Billiard Rooms – Hours of Operation – HB26 by Rep. Page, Act 2004-634: Relating to billiard rooms; to repeal Section 34-6-4, Code of Alabama 1975, relating to the hours when a billiard room may be operated; and to amend Section 34-6-12, Code of Alabama 1975, to delete the provision prohibiting intoxicating liquor on the premises of a billiard room.

Motor Vehicle Staggered Registration Law – HB 34 by Rep. Johnson, Act 2004-554: To amend Section 32-6-61, Code of Alabama 1975, to revise Alabama's motor vehicle staggered registration law by shifting the expiration date from the last day of the month previous to the designated renewal month to the last day of the designated renewal month; and to provide further for the application of the law.


Natural Minerals Severance Tax – HB126 by Rep. Morrow, Act 2004-629: To levy a statewide severance tax on all natural minerals; to provide for exemptions from the tax; to provide for collection procedures; to provide for distribution of the tax proceeds; to repeal or replace conflicting local laws, including, but not limited to, Act 99-255, 1999 Regular Session, relating to Macon County, Act 94-478, 1994 Regular Session, relating to Cleburne County, as amended by Act 98-242, 1998 Regular Session, and Act 91-609, 1991 Regular Session, relating to Hale County; to provide for penalties for violation.


fee when vehicle has been stored and not used on the highways with certain exceptions; and to provide for the registration fees to be prorated on a monthly basis when a vehicle is acquired or initially brought into Alabama.


Class 8 Municipalities – Voting Places – HB250 by Rep. Ball, Act 2004-361: Relating to Class 8 municipalities and municipal elections; to authorize the municipal governing body for the purpose of designating voting places to provide for the combination of districts in a ward and for the combination of wards.

General Fund Budget – HB270 by Rep. Knight, Act 2004-562: To make appropriations for the ordinary expenses of the executive, legislative and judicial agencies of the State, for other functions of government, for debt service, and for capital outlay for the fiscal year ending September 30, 2005.

Court Fines – Tax Setoff – HB303 by Rep. McClurkin, Act 2004-505: To amend Section 40-18-100, Code of Alabama 1975, relating to setoff debt collection, to allow the Unified Judicial System to setoff from income tax returns the fines and court costs that are owed from certain taxpayers.

Diesel Fuel – Taxes – HB317 by Rep. Newton (C), Act 2004-546: To amend Sections 8-17-87, 8-17-91, 40-17-220 and 40-17-222 by exempting diesel fuel subject to the excise taxes from the $.02 per gallon inspection fee; increasing the excise tax to a total of $.19 per gallon; and providing for the distribution of revenues.

Class 6 Cities – Staggered Terms – HB368 by Rep. Carns, Act 2004-239: To amend Section 11-43-40 of the Code of Alabama 1975, relating to the election of the city council of municipalities having a population of 12,000 or more; to authorize the city council of a Class 6 municipality elected citywide to provide for the election of the city council for staggered terms.

Municipal Firefighters – Death & Disability Benefits – HB387 by Rep. Payne, Act 2004-640: Amend Section 11-43-144, Code of Alabama 1975, relating to compensation for death or disability of municipal firefighters from occupational diseases, to require that the municipality prove by a preponderance of the evidence that death or disability was caused by some means other than certain occupational diseases.

telecommunications services, to provide for the taxation of only the taxable portion of a bundled telecommunications service.

CA – Excise Tax on Certain Motor Vehicles – HB657 by Rep. Johnson, Act 2004-537: Proposing an amendment to Amendment 93, as amended by Amendment 354 of the Constitution of Alabama of 1901, to provide for an excise tax to be levied by the Legislature in lieu of an ad valorem tax on certain motor vehicles and to provide for the distribution.

Excise Tax on Certain Motor Vehicles – HB658 by Rep. Johnson, Act 2004-550: To amend Sections 40-9-1, 40-12-252, and 40-12-268, Code of Alabama 1975, relating to the registration and taxing of certain motor vehicles; to revise the registration of certain trucks and truck tractors based in Alabama and those vehicles registered under the International Registration Plan, and of truck trailers, tractor trailers, and semitrailers to remove the ad valorem tax liability and substitute an excise tax applicable to certain vehicles irrespective of base that are doing business in Alabama; and to provide for a permanent trailer registration plate in certain circumstances.


Tobacco Taxes – HB716 by Rep. Knight, Act 2004-545: To increase the rate of tax on all cigarettes and other tobacco products sold in Alabama; to provide that the increased tax shall be exclusive and in lieu of future local taxes on cigarettes and other tobacco products; to require local cigarette taxes to be collected through the use of stamps; to provide for the distribution of revenue; to provide for severability; and to provide for an effective date.

Council Size – Class 8 Municipality – Over 60,000 Population – HB735 by Rep. Carns, Act 2004-311: To amend Section 11-43-40 of the Code of Alabama 1975, relating to the election of the city council of municipalities having a population of 12,000 or more; to authorize the city council of a Class 8 municipality having a population of 60,000 or more inhabitants to provide that the city council be composed of seven members elected at large.

Oil & Gas Severance Tax – HB815 by Rep. Knight, Act 2004-635: To levy a temporary oil and gas privilege tax; to provide for the administration and collection of the tax; and to distribute the additional revenue to the State General Fund.

Sales Tax Exemptions – Contractors – HB846 by Rep. Knight, Act 2004-638: To repeal Section 40-9-33, Code of Alabama 1975, relating to an exemption from sales and use tax for certain sales made to contractors and to amend Section 40-23-2 to distribute a greater portion of sales tax on automobiles to the State General Fund.
Vacation of Roads – SB47 by Sen. Denton, Act 2004-323: To amend Sections 23-4-2, 23-4-5, and 23-4-20, Code of Alabama 1975, relating to vacation and closing of roads, streets, and alleys by local governing bodies and abutting landowners, to further provide for the procedure to vacate roads, streets, or alleys; and to repeal Sections 23-4-3 and 23-4-4, Code of Alabama 1975.

Motor Vehicle Registration – Time Extended – SB75 by Sen. Preuitt, Act 2004-529: To amend Section 32-6-61, Code of Alabama 1975, relating to the licensing and registration of motor vehicles, to provide for additional time in which to register a vehicle after acquisition.


Code Update – SB176 by Sen. Bedford, Act 2004-484: To adopt and incorporate into the Code of Alabama 1975, those general and permanent laws of the state enacted during the 2001 Second Special Session, 2001 Third Special Session, 2001 Fourth Special Session, 2002 Regular Session, 2003 Regular Session, and 2003 First Special Session as contained in the 2002 Cumulative Supplement to certain volumes of the code, the 2002 Replacement Volumes 6, 6A, 17B, and 18, in the 2003 Cumulative Supplement to certain volumes of the code, and in the 2003 Replacement Volumes 16A and 21; to make corrections in certain volumes; to specify that this adoption and incorporation constitute a continuous systematic codification of the entire Code of Alabama 1975 and that this act is a law that adopts a code; to declare that the Code Publisher has certified it has discharged its duties regarding the replacement volumes; to expressly provide that this act does not affect any 2003 2nd Special Session statutes or 2004 session statutes; and to specify the duties of the Secretary of State regarding the custody of these cumulative supplements and replacement volumes.

ERS – Purchase of Service Credit – SB200 by Sen. Steele, Act 2004-362: To amend Section 36-27-6.1, Code of Alabama 1975, relating to purchasing service credit in the Employees' Retirement System of Alabama, to remove the requirement that the payment be received within one year of the ratification of the local constitutional amendment authorizing the purchase.

Open Records Law – Sunshine Law – Bid Law – Exemptions – SB205 by Sen. French, Act 2004-487: To amend Sections 13A-14-2, 36-12-40, 39-2-2, and 41-16-51, Code of Alabama 1975, relating to the Open Records Law, the Sunshine Law, the Competitive Bid Law, and the Public Works Law, to codify existing case law and to exempt records, information, or discussions concerning security plans, procedures, or other security related information from the purview of those laws.

Commercial Drivers License – Learner’s Permits – SB218 by Sen. Dixon, Act 2004-521: Relating to the Department of Public Safety and the issuance of commercial driver licenses and commercial driver license learner's permits; amending Section 32-6-49.7, Code of Alabama
1975, to require a commercial driver license learner's permit; amending Section 32-6-49.8, Code of Alabama 1975, to provide for a commercial driver license learner's permit; amending Section 32-6-49.9, Code of Alabama 1975, relating to the application for a commercial driver license to include application for a commercial driver license learner's permit and to increase the fee for applications and to provide for fees for the skills test and retests and for certain endorsements; amending Section 32-6-49.11, Code of Alabama 1975, relating to disqualification from driving a commercial motor vehicle; amending Section 32-6-49.19, Code of Alabama 1975, relating to license fees for commercial drivers' licenses, to increase the fees for licenses and to add the fee for commercial driver license learner's permits; and amending Section 32-6-49.22, Code of Alabama 1975, relating to penalties for certain violations, to provide that no person charged with a violation of the commercial driver license laws shall be eligible for any deferred prosecution programs, diversion programs, or deferred imposition of judgment program.

Downtown Redevelopment Authorities – SB219 by Sen. Poole, Act 2004-630: To amend Sections 11-54A-1, 11-54A-2, 11-54A-5, 11-54A-9, and 11-54A-13 of the Code of Alabama 1975, relating to the incorporation in municipalities of downtown redevelopment authorities, to further provide for the development areas of authorities incorporated pursuant to Chapter 54A, Code of Alabama 1975, to include any area of a city used predominantly for business and commercial purposes; and to add Section 11-54A-25 to the Code of Alabama 1975, to provide for the reincorporation of authorities previously incorporated pursuant to the chapter.

Education Trust Fund – SB223 by Sen. Sanders, Act 2004-456: To make appropriations for the support, maintenance and development of public education in Alabama, for debt service, and for capital outlay for the fiscal year ending September 30, 2005.

Competitive Bids – State Prices – SB337 by Sen. Preuitt, Act 2004-625: To allow a county or an incorporated municipality to contract, without soliciting or obtaining competitive bids, for certain services with any vendor or provider at a price which does not exceed the price which the state has established through the competitive bid process for the same certain services under the same terms and conditions and provided it pertains to a current and active bid on a non-statewide agency contract.

Sewer Bill Enforcement – SB357 by Sen. Biddle, Act 2004-522: To provide that any tenant or tenants who received sewer service shall be solely responsible for the sewer bill.

Community Development Districts – SB399 by Sen. Lindsey, Act 2004-541: To amend Sections 35-8B-1, 35-8B-2, and 35-8B-3, Code of Alabama 1975, relating to community development districts, to revise the definition of a community development district and the manner of establishing a community development district.

Proposed Constitutional Amendments

HB167, Act 2004-98 – Prichard Alabama Foreign Investment Trade Zone
HB319, Act 2004-94 – Lauderdale County Industrial & Economic Development
HB431, Act 2004-231 – Blount County Sheriff’s Retirement
HB449, Act 2004-394 – Tuskegee, Alabama Foreign Trade Investment Zone
HB450, Act 2004-232 – Selma, Alabama Foreign Trade Investment Zone
HB452, Act 2004-536 – Macon County Beer and Wine Tax
HB572, Act 2004-543 – Madison County Retirement
HB577, Act 2004-240 – Monroe County Elected Officials in Employees Retirement System
HB591, Act 2004-259 – Trussville
HB599, Act 2004-241 – Pickens County Fire Tax
HB657, Act 2004-537 – Excise taxes on motor vehicles
HB705, Act 2004-291 – Crenshaw County Probate Judge Compensation
HB706, Act 2004-395 – St. Clair County Fire Protection
HB680, Act 2004-391 – Hartselle commercial development
HB721, Act 2004-535 – Limestone County Home Rule
HB775, Act 2004-389 – Limestone County and Ardmore participation in ERS
HB776, Act 2004-390 – Athens commercial development
HB840, Act 2004-542 – Hale County Ad Valorem Tax
SB217, Act 2004-45 – Limestone County Board of Education
SB434, Act 2004-312 – Limestone & Madison County Ad Valorem Tax for School Purposes
SB544, Act 2004-417 – Mobile County bonds

Local Bills

HB16, Act 2004-60 – Chilton County Coroner Expense Allowance
HB64, Act 2004-99 – Tallapoosa County Indexing Fee
HB76, Act 2004-438 – Class 1 cities – Police & Firemen’s Pensions
HB125, Act 2004-500 – Jefferson County Transit Authority
HB127, Act 2004-61 – Chilton County Lodgings Tax
HB129, Act 2004-105 – Mobile County Civil Service System
HB148, Act 2004-62 – Chambers County Lodgings Tax
HB193, Act 2004-32 – Madison County Court Costs
HB77, Act 2004-377 – Birmingham Firemen’s & Policemen’s Supplemental Pension System
HB127, Act 2004-61 – Chilton County lodgings tax
HB129, Act 2004-105 – Mobile County Civil Service system
HB131, Act 2004-263 – Escambia County Board of Health fees
HB148, Act 2004-62 – Chambers County lodgings tax
HB193, Act 2004-32 – Madison County court costs
HB201, Act 2004-247 – Macon County Junkyards
HB210, Act 2004-623 – Class 1 Cities – Alcoholic Beverages
HB312, Act 2004-79 – Jacksonville Ad Valorem Tax
HB314, Act 2004-95 – Madison County Tax Assessor & Collector
HB320, Act 2004-249 – Dale County Juvenile Court Services Fund
HB330, Act 2004-264 – Clarke County lodgings tax
HB339, Act 2004-66 – Jackson County Court Costs
HB349, Act 2004-100 – Madison County Building Codes
HB355, Act 2004-101 – Madison County Child Protection Board
HB356, Act 2004-63 – Calhoun County Juvenile Court Services Fund
HB357, Act 2004-376 – Jefferson County Commission residency requirements
HB406, Act 2004-250 – Lamar County Motor Vehicle Assessments
HB440, Act 2004-112 – Class 2 Cities – Sales & Use Taxes
HB455, Act 2004-324 – Perry County Sunday sales of alcohol
HB456, Act 2004-251 – Perry County Tax Assessor & Collector
HB457, Act 2004-252 – Perry County Court Costs
HB490, Act 2004-256 – Calhoun County Public Nuisances
HB510, Act 2004-267 – Tuscaloosa County Heritage Commission
HB540, Act 2004-431 – Shelby County Zoning
HB568, Act 2004-253 – Dale County Poll Worker Compensation
HB571, Act 2004-262 – Madison County Court Costs
HB573, Act 2004-280 – Houston County Poll Worker Compensation
HB583, Act 2004-453 – Mobile County – Malt or Brewed Beverages
HB589, Act 2004-491 – Mobile County Probate Judge expenses
HB600, Act 2004-274 – Dothan Retirement System
HB626, Act 2004-462 – Morgan County court fees
HB634, Act 2004-287 – Marengo County Sales & Use Tax
HB659, Act 2004-254 – Shelby County court costs
HB661, Act 2004-255 – Shelby County Contracting of Police Services by Municipalities
HB671, Act 2004-281 – Covington County Board of Registrars Compensation
HB672, Act 2004-275 – Covington County Sales & Use Tax
HB673, Act 2003-467 – Bibb County Commissioners
HB675, Act 2004-459 – Henry County sales and use tax
HB677, Act 2004-276 – Pike County Superintendent of Education
HB679, Act 2004-435 – Talladega County Sheriff Compensation
HB700, Act 2004-325 – Escambia County Privilege & License Tax
HB710, Act 2004-507 – Class 2 Tax Exemption – Centre for the Living Arts, Inc.
HB717, Act 2004-366 – Fayette County Sales and Use Tax
HB720, Act 2004-278 – Limestone County Board of Registrars Expenses
HB723, Act 2004-470 – Lee County municipalities contracting for police services
HB724, Act 2004-471 – Lee County rental tax on visual entertainment devices
HB725, Act 2004-472 – Lee County Commission – single-member districts
HB726, Act 2004-474 – Lee County Cemetery Preservation Commission
HB738, Act 2004-381 – Washington County Sales & Use Tax
HB760, Act 2004-527 – St. Clair County county commission staggered terms
HB761, Act 2004-388 – Blount County tobacco tax
HB762, Act 2004-454 – Calhoun County Economic Development Council
HB764, Act 2004-436 – Talladega County Civil Service System
HB774, Act 2004-418 – Madison County lodgings tax
HB777, Act 2004-479 – Escambia County Board of Equalization
HB779, Act 2004-480 – Coosa County court costs
HB787, Act 2004-481 – Macon County tobacco products
HB789, Act 2004-437 – Tuskegee Junkyard regulation
HB792, Act 2004-445 – Lowndes County Probate Judge Recording Fee
HB803, Act 2004-482 – Bullock County lodgings tax
HB804, Act 2004-430 – Crenshaw County sales and use tax
HB806, Act 2004-447 – Etowah County stolen property disposal
HB810, Act 2004-448 – Talladega County Omnibus Pay Act Conformance
HB812, Act 2004-493 – Chilton County ad valorem tax
HB814, Act 2004-531 – Jefferson County Civic Center Authority
HB816, Act 2004-494 – Lauderdale County Sheriff Service of Process
HB821, Act 2004-510 – Perry County Judge of Probate recording fee increase
HB824, Act 2004-495 – Chilton County Constable abolished
HB832, Act 2004-420 – Baldwin County alcoholic beverages
HB839, Act 2004-499 – Bullock County Sales and Use Tax
SB247, Act 2004-109 – Pickens County Board of Registrars
SB362, Act 2004-317 – Perry County Board of Registrars – Meeting Days
SB409, Act 2004-503 – Baldwin County Court Costs
SB445, Act 2004-318 – Cullman County Sunday Sales
SB449, Act 2004-434 – Greene County Racing Commission
SB450, Act 2004-288 – Greene County Alcoholic Beverages
SB451, Act 2004-319 – Choctaw County Tobacco Taxes
SB482, Act 2004-368 – Lee County Election Officials Compensation
SB483, Act 2004-369 – Lee County municipalities contracting with Sheriff for police services
SB486, Act 2004-432 – Cherokee & DeKalb County DA Office Arrest Powers
SB487, Act 2004-371 – Lee County fee on rental of visual entertainment devices
SB491, Act 2004-320 – Washington County Sales & Use Taxes
SB492, Act 2004-375 – Lee County Cemetery Preservation Commission
SB493, Act 2004-373 – Lee County Commission elected from single-member districts
SB509, Act 2004-444 – Limestone County Volunteer Fire Department
SB514, Act 2004-551 – Lowndes County Sunday Sales of Alcoholic Beverages
SB517, Act 2004-322 – Lowndes County Probate Recording Fee
Annexation Bills

HB170, Act 2004-19 – Gurley
HB202, Act 2004-248 – Tuskegee
HB491, Act 2004-378 – Center Point
HB562, Act 2004-279 – Aliceville
HB567, Act 2004-270 – Weaver
HB569, Act 2004-458 – Margaret
HB593, Act 2004-506 – Mount Vernon
HB678, Act 2004-457 – Scottsboro
HB704, Act 2004-277 – Rutledge
HB729, Act 2004-476 – Auburn
HB732, Act 2004-439 – Loxley
HB785, Act 2004-477 – Franklin
HB825, Act 2004-512 – St. Florian
HB827, Act 2004-514 – Foley
HB828, Act 2004-515 – Foley
HB829, Act 2004-496 – Foley
HB830, Act 2004-497 – Foley
SB485, Act 2004-370 – Auburn
SB530, Act 2004-558 – Hueytown
SB540, Act 2004-452 – Ohatchee