

1 HB566
2 211392-4
3 By Representatives Ledbetter and Kitchens
4 RFD: Ways and Means General Fund
5 First Read: 30-MAR-21

ENGROSSED

A BILL
TO BE ENTITLED
AN ACT

Relating to taxation; to amend Section 40-23-35,
Code of Alabama 1975, to further provide for the distribution
and expenditure of the sales tax revenue.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-23-35, Code of Alabama 1975,
is amended to read as follows:

"§40-23-35.

"(a) Such amount of money as shall be appropriated for each fiscal year by the Legislature to the Department of Revenue with which to pay the salaries, the cost of operation and management of the department shall be deducted, as a first charge thereon, from the taxes collected under the provisions of this division; provided, that the expenditure of the sum so appropriated shall be budgeted and allotted pursuant to Article 4 of Chapter 4 of Title 41, and limited to the amount appropriated to defray the expenses of operating the department for each fiscal year. After the payment of the expenses, so much of the amount remaining as may be necessary, after first applying all sums of money received by reason of the application of the surplus in the income tax as provided

1 by Section 40-18-58, for the replacement in the public school
2 fund of the three-mill constitutional levy for schools and in
3 the General Fund of the one-mill levy for soldiers' relief and
4 the two and one-half mills for general purposes lost by
5 exemption of homestead provided for in this division shall be
6 first charges against the proceeds of the licenses, taxes or
7 receipts levied or collected under this division. The
8 Comptroller, with the approval of the Governor, is hereby
9 directed to draw his or her warrants payable out of the total
10 proceeds of the licenses, taxes or receipts levied or
11 collected under this division as herein provided in such sum
12 as shall be found necessary to take care of and replace the
13 three-mill constitutional school levy, the one-mill soldiers'
14 relief levy and the two and one-half mill levy for general
15 purposes of the state ad valorem taxes lost as above set
16 forth.

17 "(b) Of the amounts of such collections in any
18 fiscal year, remaining after the payment of the expenses of
19 administration and replacement of the amounts in the several
20 funds as herein provided there shall be paid into the Treasury
21 sums to be credited as follows:

22 "(1) To the credit of the 67 counties of the state,
23 to be divided and distributed as hereinafter provided,
24 \$378,000;

25 "(2) To the Department of Human Resources,
26 \$1,322,000;

1 "(3) Beginning June 1, 2000, to the Department of
2 Conservation and Natural Resources for capital outlay for
3 acquisition of land contiguous to existing state parks and
4 land acquired for lakes and or water reservoirs, provision,
5 construction, improvement, renovation, equipping, and
6 maintenance of the state parks system only and not for use by
7 the Department of Conservation and Natural Resources for
8 personnel or administrative use, the sum equal to the increase
9 in receipts accruing to the State of Alabama due to the cap on
10 discounts per license holder in Section 40-23-36(b), which
11 increase shall be equal to the difference between the discount
12 rate or amount allowed under Section 40-23-36(b) and the
13 maximum discount rate allowable under Section 40-23-36(a);
14 provided, however, if at any time any bonds of the Alabama
15 State Parks System Improvement Corporation or the Alabama
16 Public Historical Sites and Parks Improvement Corporation are
17 outstanding (excluding bonds that have been refunded by the
18 establishment of an escrow trust for the payment thereof
19 consisting solely of bonds or other obligations which as to
20 principal and interest constitute direct obligations of, or
21 are unconditionally guaranteed by, the United States of
22 America) there shall first be paid into the State General Fund
23 from such collections an amount equal to the debt service
24 (principal, interest, and premium, if any) payable on such
25 bonds in the then current fiscal year of the state. Provided,
26 however, that one million dollars (\$1,000,000) of such
27 increase in receipts per fiscal year shall be credited to the

1 Department of Human Resources beginning October 1, 1996, until
2 September 30, 2002, and shall be expended for the foster
3 children program.

4 "(4)a. On October 1, 2002, to the Department of
5 Conservation and Natural Resources for capital outlay, repairs
6 and maintenance of the state parks system only, the minimum
7 sum of five million dollars (\$5,000,000) from the increase in
8 receipts accruing to the State of Alabama due to the cap on
9 discounts per license holder in Section 40-23-36(b) as
10 calculated in Section 40-23-35(b)(3). Beginning October 1,
11 2003 through September 30, 2021, annually, to the Department
12 of Conservation and Natural Resources for capital outlay,
13 repairs, and maintenance of the state parks system only, the
14 sum calculated by a fraction, the numerator of which is five
15 million dollars (\$5,000,000) and the denominator of which is
16 equal to the increase in receipts as calculated in Section
17 40-23-35(b)(3) for fiscal year 2002 accruing to the State of
18 Alabama multiplied by the increase in receipts as calculated
19 in Section 40-23-35(b)(3) for the then current fiscal year, or
20 the sum of five million dollars (\$5,000,000), whichever is
21 greater. Notwithstanding the previous sentence, for the fiscal
22 years ending September 30, 2012, and September 30, 2013, only,
23 the five million dollars (\$5,000,000) shall be transferred to
24 the State General Fund.

25 "b. Beginning October 1, 2021, annually, to the
26 Department of Conservation and Natural Resources for capital
27 outlay, repairs, and maintenance of the state parks system

1 only, ~~seven~~ six million five hundred thousand dollars
2 ~~(\$7,500,000)~~ (\$6,500,000). Beginning with the fiscal year that
3 starts October 1, 2022, the State Treasurer shall annually
4 adjust the dollar amount in this subsection to reflect the
5 cumulative change in the Consumer Price Index for All Urban
6 Consumers (CPI-U), as published by the Bureau of Labor
7 Statistics of the United States Department of Labor, or a
8 successor index, for the annual period ending on the December
9 31 preceding the adjustment date and rounded to the nearest
10 one thousand dollars (\$1,000).

11 "~~b.~~ c. Beginning October 1, 2002, to the credit of
12 the State General Fund, the balance of the sum equal to the
13 increase in receipts accruing to the State of Alabama due to
14 the cap on discounts per license holder in Section
15 40-23-36(b).

16 "(c) One-half of the amount deposited to the credit
17 of the 67 counties as above provided, shall be divided and
18 distributed proportionately among the 67 counties of the state
19 according to the population of the counties as shown by the
20 last federal census as proclaimed, published or certified by
21 the Director of the Bureau of the Census; and one-half of the
22 proceeds shall be divided or distributed equally among 67
23 counties; provided, that the funds divided and distributed to
24 the several counties of the state as hereinabove provided for
25 shall be used exclusively for full-time health service in
26 cooperation with the State Board of Health or the federal
27 government, and for extension services in cooperation with the

1 Alabama Agriculture Extension Service or the federal
2 government, at the discretion of the county commissions of the
3 several counties of the state.

4 "(d) The amounts provided in subsection (b) for the
5 Department of Human Resources shall be used for general
6 welfare purposes. For purposes of this division, "general
7 welfare purposes" means:

8 "(1) The administration of public assistance as set
9 out in Sections 38-2-5 and 38-4-1;

10 "(2) Services, including supplementation and
11 supplementary services under the federal Social Security Act,
12 to or on behalf of persons to whom such public assistance may
13 be given under Section 38-4-1;

14 "(3) Services to and on behalf of dependent,
15 neglected or delinquent children; and

16 "(4) Investigative and referral services to and on
17 behalf of needy persons.

18 "(e) In addition, there shall be paid, commencing on
19 January 1, 1978, and on the first day of each fiscal quarter
20 thereafter, to the Department of Human Resources for a
21 statewide, state-administered food stamp program, as
22 authorized by the Food Stamp Act of 1964, Public Law 88-525,
23 88th Congress, and amendments thereto, an amount equal to five
24 percent of the value of food stamp benefits issued statewide
25 in excess of the amount paid by recipients (bonus or free
26 stamps) during the immediate prior fiscal quarter, which sum
27 so appropriated shall be paid quarterly to the Department of

1 Human Resources Trust Fund for administration of the food
2 stamp program in conformity with rules and regulations
3 promulgated by the United States Department of Agriculture and
4 in conformity with Sections 38-1-1 through 38-6-9. Such
5 administrative funds shall be limited to and based on fiscal
6 year 1976-77 administrative costs, normal inflationary
7 increases and mandated administration requirements of the
8 Alabama Legislature and the United States Department of
9 Agriculture. The Department of Human Resources will not staff
10 any county food stamp office at a level which exceeds the
11 average staff-to-recipient ratios which existed in Alabama
12 during fiscal year 1976-77. This restriction will apply in
13 coordination with those provided hereinabove and, should
14 conflict occur, the lesser amount of expenditure shall be
15 required. At the end of each fiscal year, an accounting shall
16 be made of the sum so that any unexpended and unencumbered
17 balance of funds may be determined for the purpose of paying
18 such balance to the Education Trust Fund.

19 "(f) The amount of the proceeds of all taxes levied
20 by this division remaining after the payment of the expenses
21 of administration and enforcement and the replacement in the
22 several funds of the amount lost by any homestead exemptions
23 and the distribution as provided in subsections (b) and (d),
24 shall be paid into the Education Trust Fund except as provided
25 in subdivision (4) of Section 40-23-2 and subsection (c) of
26 Section 40-23-61 and, beginning January 1, 2016, except those
27 collected on consumable vapor products as defined in

1 subdivision (15) of subsection (a) of Section 40-23-1, which
2 shall be distributed to the State General Fund."

3 Section 2. This act shall become effective
4 immediately following its passage and approval by the
5 Governor, or its otherwise becoming law.

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Ways and Means
General Fund..... 30-MAR-21

Read for the second time and placed
on the calendar 1 amendment 07-APR-21

Read for the third time and passed
as amended..... 13-APR-21

Yeas 100, Nays 0, Abstains 0

Jeff Woodard
Clerk