

1 HB566  
2 211392-7  
3 By Representatives Ledbetter and Kitchens  
4 RFD: Ways and Means General Fund  
5 First Read: 30-MAR-21

1  
2 ENROLLED, An Act,

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

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

9 "§40-23-35.

10 "(a) Such amount of money as shall be appropriated  
11 for each fiscal year by the Legislature to the Department of  
12 Revenue with which to pay the salaries, the cost of operation  
13 and management of the department shall be deducted, as a first  
14 charge thereon, from the taxes collected under the provisions  
15 of this division; provided, that the expenditure of the sum so  
16 appropriated shall be budgeted and allotted pursuant to  
17 Article 4 of Chapter 4 of Title 41, and limited to the amount  
18 appropriated to defray the expenses of operating the  
19 department for each fiscal year. After the payment of the  
20 expenses, so much of the amount remaining as may be necessary,  
21 after first applying all sums of money received by reason of  
22 the application of the surplus in the income tax as provided  
23 by Section 40-18-58, for the replacement in the public school  
24 fund of the three-mill constitutional levy for schools and in  
25 the General Fund of the one-mill levy for soldiers' relief and

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

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

19 "(1) To the credit of the 67 counties of the state,  
20 to be divided and distributed as hereinafter provided,  
21 \$378,000;

22 "(2) To the Department of Human Resources,  
23 \$1,322,000;

24 "(3) Beginning June 1, 2000, to the Department of  
25 Conservation and Natural Resources for capital outlay for

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

1           "b. Beginning October 1, 2021, annually, to the  
2           Department of Conservation and Natural Resources for capital  
3           outlay, repairs, and maintenance of the state parks system  
4           only, ~~seven six million five hundred thousand dollars~~  
5           ~~(\$7,500,000) ~~(\$6,500,000)~~ seven million dollars (\$7,000,000).~~  
6           Beginning with the fiscal year that starts October 1, 2022,  
7           the State Treasurer shall annually adjust the dollar amount in  
8           this subsection to reflect the cumulative change in  
9           the Consumer Price Index for All Urban Consumers (CPI-U), as  
10           published by the Bureau of Labor Statistics of the United  
11           States Department of Labor, or a successor index, for the  
12           annual period ending on the December 31 preceding the  
13           adjustment date and rounded to the nearest one thousand  
14           dollars (\$1,000).

15           ~~"b.~~ c. Beginning October 1, 2002, to the credit of  
16           the State General Fund, the balance of the sum equal to the  
17           increase in receipts accruing to the State of Alabama due to  
18           the cap on discounts per license holder in Section  
19           40-23-36(b).

20           "(c) One-half of the amount deposited to the credit  
21           of the 67 counties as above provided, shall be divided and  
22           distributed proportionately among the 67 counties of the state  
23           according to the population of the counties as shown by the  
24           last federal census as proclaimed, published or certified by  
25           the Director of the Bureau of the Census; and one-half of the

1 proceeds shall be divided or distributed equally among 67  
2 counties; provided, that the funds divided and distributed to  
3 the several counties of the state as hereinabove provided for  
4 shall be used exclusively for full-time health service in  
5 cooperation with the State Board of Health or the federal  
6 government, and for extension services in cooperation with the  
7 Alabama Agriculture Extension Service or the federal  
8 government, at the discretion of the county commissions of the  
9 several counties of the state.

10 "(d) The amounts provided in subsection (b) for the  
11 Department of Human Resources shall be used for general  
12 welfare purposes. For purposes of this division, "general  
13 welfare purposes" means:

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

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

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

22 "(4) Investigative and referral services to and on  
23 behalf of needy persons.

24 "(e) In addition, there shall be paid, commencing on  
25 January 1, 1978, and on the first day of each fiscal quarter

1       thereafter, to the Department of Human Resources for a  
2       statewide, state-administered food stamp program, as  
3       authorized by the Food Stamp Act of 1964, Public Law 88-525,  
4       88th Congress, and amendments thereto, an amount equal to five  
5       percent of the value of food stamp benefits issued statewide  
6       in excess of the amount paid by recipients (bonus or free  
7       stamps) during the immediate prior fiscal quarter, which sum  
8       so appropriated shall be paid quarterly to the Department of  
9       Human Resources Trust Fund for administration of the food  
10      stamp program in conformity with rules and regulations  
11      promulgated by the United States Department of Agriculture and  
12      in conformity with Sections 38-1-1 through 38-6-9. Such  
13      administrative funds shall be limited to and based on fiscal  
14      year 1976-77 administrative costs, normal inflationary  
15      increases and mandated administration requirements of the  
16      Alabama Legislature and the United States Department of  
17      Agriculture. The Department of Human Resources will not staff  
18      any county food stamp office at a level which exceeds the  
19      average staff-to-recipient ratios which existed in Alabama  
20      during fiscal year 1976-77. This restriction will apply in  
21      coordination with those provided hereinabove and, should  
22      conflict occur, the lesser amount of expenditure shall be  
23      required. At the end of each fiscal year, an accounting shall  
24      be made of the sum so that any unexpended and unencumbered



1 balance of funds may be determined for the purpose of paying  
2 such balance to the Education Trust Fund.

3 "(f) The amount of the proceeds of all taxes levied  
4 by this division remaining after the payment of the expenses  
5 of administration and enforcement and the replacement in the  
6 several funds of the amount lost by any homestead exemptions  
7 and the distribution as provided in subsections (b) and (d),  
8 shall be paid into the Education Trust Fund except as provided  
9 in subdivision (4) of Section 40-23-2 and subsection (c) of  
10 Section 40-23-61 and, beginning January 1, 2016, except those  
11 collected on consumable vapor products as defined in  
12 subdivision (15) of subsection (a) of Section 40-23-1, which  
13 shall be distributed to the State General Fund."

14 Section 2. This act shall become effective  
15 immediately following its passage and approval by the  
16 Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

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President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in  
and was passed by the House 13-APR-21, as amended.

Jeff Woodard  
Clerk

Senate	<hr/> 29-APR-21 <hr/>	Amended and Passed
House	<hr/> 29-APR-21 <hr/>	Concurred in Senate Amendment