

# HB513 ENGROSSED



1 HB513  
2 YMSKW26-2  
3 By Representative Whitt  
4 RFD: Economic Development and Tourism  
5 First Read: 26-Feb-26



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A BILL  
TO BE ENTITLED  
AN ACT

Relating to the Department of Commerce; to amend Sections 41-29-282 and 41-4-126, Code of Alabama 1975, to provide that the Alabama Industrial Development Training Institute (AIDT) within the department is exempt from the state procurement law and review by the Contract Review Permanent Legislative Oversight Committee.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 41-29-282 and 41-4-126, Code of Alabama 1975, are amended to read as follows:

"§41-29-282

(a) AIDT shall operate as a division of the Department of Commerce. All of the powers, authority, duties, functions, policies, ~~and~~ funds of, and appropriations to AIDT previously conferred upon or granted to AIDT reporting to the State Board of Education through the Division of Vocational-Technical Education or by Alabama Executive Order No. 2012-31 are confirmed, ratified, continued, transferred to, and vested in AIDT.

(b) All contracts, leases, grants, and agreements previously entered by AIDT shall continue in full force and



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29 effect without modification or interruption by this  
30 restructuring. AIDT may enter into new contracts, agreements,  
31 and other instruments necessary to procure goods, services,  
32 training, and related resources in furtherance of its purpose,  
33 as set forth in Section 41-29-280, and shall be exempt from  
34 Chapter 2 of Title 29, relating to permanent legislative  
35 committees, including the Contract Review Permanent  
36 Legislative Oversight Committee.

37 (c) All property currently owned by AIDT shall continue  
38 to be the property of AIDT. If AIDT plans to construct any new  
39 building, retrofit or renovate any of its existing buildings,  
40 or request or receive any state or federal funding to  
41 construct, retrofit, or renovate any of its buildings, the  
42 AIDT director shall first certify to ~~a~~the Governor that the  
43 proposal is consistent with the Strategic Workforce Plan.

44 (d) AIDT shall continue to be headed by a director, who  
45 shall be appointed by the Secretary of Commerce and shall  
46 serve at his or her pleasure. The powers, duties, and  
47 qualifications required of the director shall be as set forth  
48 in the AIDT Policy Manual, as amended from time to time and  
49 approved by the Secretary of Commerce."

50 "§41-4-126

51 (a) Unless otherwise ordered by rule, with approval of  
52 the Governor, the following supplies and services need not be  
53 procured through the Division of Procurement and are exempt  
54 from the competitive requirements of this article:

55 (1) Works of art for museum and public display.

56 (2) Published books in any format such as digital,



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57 audio, or hardcopy; maps; periodicals; and technical  
58 pamphlets.

59 (3) Utility services where no competition exists or  
60 where rates are fixed by law.

61 (4) Purchases of alcoholic beverages by the Alcoholic  
62 Beverage Control Board.

63 (5) Purchases of products made or manufactured by the  
64 blind or visually handicapped under the direction or  
65 supervision of the Alabama Institute for Deaf and Blind in  
66 accordance with Chapter 2 of Title 21.

67 (6) Photographs purchased from a federal agency.

68 (7) Barter transactions by the Department of  
69 Corrections.

70 (8) The purchase of insurance and supplies or services  
71 related to the purchase of insurance.

72 (9) Supplies and services that by their very nature are  
73 impossible to award by competitive process, as determined by  
74 the Chief Procurement Officer.

75 (10) The procurement of goods, services, training, and  
76 other related resources that are directly related to or for  
77 the benefit of a company with which the Department of Commerce  
78 or the Alabama Industrial Development Training Institute  
79 (AIDT) has executed an economic development project agreement.  
80 The Chief Procurement Officer, on request, may determine in  
81 writing whether a procurement is eligible for this exemption.  
82 AIDT shall make annual written reports to the Chief  
83 Procurement Officer of all procurements performed under this  
84 subdivision. In addition, the Chief Procurement Officer may



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85 request periodic reports on all procurements performed under  
86 this subdivision at any time.

87 (b) Any state department or agency whose principal  
88 business is honorariums is exempted from this chapter on  
89 purchases and contracts for services made by that department  
90 or agency.

91 (c) Nothing in this article is intended to repeal or  
92 limit any provision of Section 23-1-40 or Article 5 or Article  
93 6 of Chapter 2 of Title 23, commencing with Section 23-2-140,  
94 relating to the procurement authority of the State Department  
95 of Transportation and the Alabama Toll Road, Bridge and Tunnel  
96 Authority. To the extent any provision contained in this  
97 article conflicts with Section 23-1-40 or Article 5 or Article  
98 6 of Chapter 2 of Title 23, the latter governs.

99 (d) Nothing in this article repeals or limits any  
100 provision of Section 41-4-400, relating to the procurement  
101 authority of the Division of Construction Management. To the  
102 extent any provision contained in this article conflicts with  
103 Section 41-4-400, the latter governs.

104 (e) Nothing in this article repeals or limits any  
105 provision of Section 14-7-8, relating to the procurement  
106 authority of Alabama Correctional Industries. To the extent  
107 any provision contained in this article conflicts with Section  
108 14-7-8, the latter governs.

109 (f) This article does not apply to any state authority,  
110 board, or other entity with respect to contracts relating to  
111 the issuance of debt that is required to be repaid from  
112 sources other than state funds.



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113 (g) This article does not apply to direct health care  
114 services provided by the Alabama Department of Public Health.

115 (h) Nothing in this article applies to the  
116 administration of health benefit plans by a governmental body  
117 and supplies or services related thereto.

118 (i) Except for capital equipment, this article does not  
119 apply to the purchase by a public hospital of medical  
120 products, medical supplies, medical devices, services,  
121 implants, pharmaceuticals, fluids, gases, or any other medical  
122 products which are used in the course of treating patients, or  
123 to support the treatment of patients.

124 (j) (1) Except as provided in subdivision (2), the  
125 purchase of supplies or services negotiated on behalf of  
126 two-year and four-year colleges and universities may be  
127 awarded without competitive bidding, provided that no state  
128 revenues, appropriations, or other state funds are expended or  
129 committed and when it is determined by the respective board  
130 that financial benefits will accrue to the institution.

131 (2) When an Alabama business entity organized under the  
132 laws of this state is available to supply the product or  
133 service purchased or negotiated under subdivision (1), the  
134 Alabama business entity shall have preference unless the  
135 product or service supplied by a foreign corporation is  
136 substantially different or superior to the product or service  
137 supplied by the Alabama business entity.

138 (3) Public notice shall be provided by the purchasing  
139 agency within 10 days of the execution of a contract under  
140 this subsection. The public notice shall include, at a



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141 minimum, the terms and conditions of any of the supplies or  
142 services that are contracted through negotiation without being  
143 competitively bid and the name and address of the recipient of  
144 the contract.

145 (k) This article does not apply to purchases and  
146 contracts for the repair of equipment used in the construction  
147 and maintenance of highways by the Department of  
148 Transportation.

149 (l) This article does not apply to public works  
150 projects governed by Title 39.

151 (m) This article does not apply to the purchase by the  
152 Department of Transportation of road building materials for  
153 transportation infrastructure in the state. Road building  
154 materials may be purchased from private land owners or  
155 commercial providers from the nearest or most cost-effective  
156 source available for the particular application. Road building  
157 materials include dirt, gravel, stone, slag, or borrow  
158 materials, in natural state or processed by crushing, grading,  
159 or screening processes.

160 (n) This article does not apply to purchases of  
161 supplies and services for the maintenance and operation of  
162 highway infrastructure and right-of-way by the Department of  
163 Transportation.

164 (o) Nothing in this article is intended to repeal or  
165 limit any provision of Article 2, Chapter 1, Title 23,  
166 relating to the powers and authority of the Department of  
167 Transportation. To the extent any provision contained in this  
168 article conflicts with Article 2, Chapter 1, Title 23, the



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169 latter governs.

170 (p) Governmental bodies may purchase supplies from any  
171 vendor that offers the item at a price at least ~~ten~~10 percent  
172 below the price established on a statewide contract by the  
173 Division of Procurement for the same item, provided that each  
174 purchase, whether for a single item or multiple items, does  
175 not exceed an amount established by rules of the Chief  
176 Procurement Officer. The Division of Procurement shall confirm  
177 that the terms and conditions of the purchases are  
178 substantially similar to those of the statewide contract for  
179 the same item prior to the approval of any purchase under this  
180 subsection. Any purchase that would be directly connected to  
181 any information technology network used by the state shall  
182 require prior approval by the Secretary of Information  
183 Technology. If the purchaser is to take possession of the  
184 purchased supplies at the vendor's physical location, any  
185 acquisition of supplies under this subsection may be purchased  
186 only from vendors physically located within the state. The  
187 price of any supplies purchased under this subsection shall be  
188 the market price readily available to the public at large. The  
189 acquisition of supplies under this subsection is subject to  
190 the supervision and administration of the Division of  
191 Procurement.

192 (q) Nothing in this article is intended to repeal or  
193 limit any provision of Chapter 61E of Title 16, relating to  
194 the powers and authority of the Department of Education to  
195 enter into joint purchasing agreements on behalf of  
196 educational institutions. To the extent any provision



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197 contained in this article conflicts with Chapter 61E of Title  
198 16, the latter governs.

199 (r) Nothing in this article shall be construed as  
200 repealing Section 9-2-106 or Section 9-2-107.

201 (s) This article does not apply to purchases by the  
202 ~~Alabama~~ Department of Rehabilitation Services of supplies and  
203 services for the Alabama Department of Rehabilitation Services  
204 consumers.

205 (t) This article does not apply to the Alabama Medicaid  
206 Agency for purposes of the selection of professional service  
207 providers for contracts with physicians, pharmacists,  
208 dentists, optometrists, opticians, nurses, and other health  
209 professionals which involve only service on agency task  
210 forces, boards, or committees."

211 Section 2. This act shall become effective on October  
212 1, 2026.

