

Final Report – 2007 First Special Session

The House and Senate adjourned sine die on March 2, 2007, ending the special session called by Governor Bob Riley for the purpose of passing legislation to provide additional economic development incentives by increasing the total amount of bonding authority granted under Amendment 666 to the Constitution of Alabama of 1901, and to establish a trust fund to create irrevocable trusts for the purpose of holding, investing, and distributing assets to be used for certain post-employment health care benefits.

The Legislature unanimously approved a \$400 million industrial incentive package designed to lure a German steel mill and other major industries into Alabama. The House and Senate also voted unanimously to give final approval to legislation which would create two state trust funds designed to save money for future health care costs of retired state educators and state employees. Both measures will require voter approval at an election scheduled for June 5, 2007.

All of the business of the session was completed in five meeting days – the minimum time required by the State Constitution to pass a bill. The 2007 Regular Session will begin on March 6.

General Bills Passed

Post-employment Health Care Benefits (SB3, Act 2007-16). To authorize and direct the State as grantor, and members of the State Employees' Insurance Board and the Public Education Employees' Health Insurance Board, as trustees, to create irrevocable trusts for the purpose of holding, investing, and distributing assets to be used for certain post-employment health care benefits.

CA – Post-employment Health Care Benefits (SB4, Act 2007-7). To propose an amendment to the Constitution of Alabama of 1901, to require the assets, proceeds, and income of the Alabama Retired State Employees' Health Care Trust and the Alabama Retired Education Employees' Health Care Trust to be used exclusively for the purpose of providing health care benefits to retired state and education employees.

CA – Economic Development Incentives (HB10, Act 2007-5). To propose an amendment to the Constitution of Alabama of 1901, to increase the total amount of bonding authority granted under Amendment 666 to the Constitution of Alabama of 1901, as amended; to provide for competitive bidding of the bonds; and to require the Bond Commission to contract with businesses or individuals which reflect the racial and ethnic diversity of the State.

Proposed Constitutional Amendments

In addition to **SB4**, and **HB10**, 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.

SB2, Act 2007-6 – Authorizes the governing body of the City of Prichard to establish an Alabama Foreign Trade Investment Zone as a special tax district for the purpose of importing duty free and

quota free articles eligible under the United States General System of Preferences and the Africa Growth and Opportunities Act; to authorize the special tax district to specify that the value of land and improvements on the land within the district shall be assessed and taxed for ad valorem tax purposes by county tax officials under a single site valuation system; and to provide further for the contractual powers of nonprofit organizations.

HB2, Act 2007-8 – To propose an amendment to the Constitution of Alabama of 1901, to amend Amendment No. 471 to the Constitution of Alabama of 1901, now appearing as Official Recompilation of the Constitution of Alabama of 1901, Local Amendments, Baldwin County, Sec. 12, to extend the special district tax levied in Baldwin County for public hospital purposes for an additional 20 years.

HB3, Act 2007-9 – To propose an amendment to Amendment 756 to the Constitution of Alabama of 1901, now appearing as Section 9, Local Amendments, Shelby County, Official Recompilation of the Constitution of Alabama of 1901, as amended, to expand the areas where the enforcement of traffic laws may be provided to include certain platted subdivisions in Shelby County.