

1 HB108
2 199853-3
3 By Representatives Baker and Collins
4 RFD: Ways and Means Education
5 First Read: 05-MAR-19

1 Section 1. Sections 1 to 7, inclusive, shall be
2 known and may be cited as the Alabama Industry Recognized and
3 Registered Apprenticeship Program Act.

4 Section 2. For the purposes of Sections 1 to 7,
5 inclusive, the following terms shall have the following
6 meanings:

7 (1) APPRENTICE. A worker who is at least 16 years of
8 age, except where a higher minimum age standard is otherwise
9 fixed by law, who is employed to learn an apprenticeable
10 occupation as provided in 29 CFR 29.4.

11 (2) APPRENTICESHIP AGREEMENT. A written agreement
12 between an apprentice and either the apprenticeship program
13 sponsor, or an apprenticeship committee acting as agent for
14 the apprenticeship program sponsor or sponsors, which contains
15 the terms and conditions of the employment and training of the
16 apprentice in conformance with 29 CFR 29 and Section
17 40-18-421, Code of Alabama 1975.

18 (3) APPRENTICESHIP PROGRAM. A plan containing all
19 terms and conditions for the qualification, recruitment,
20 selection, employment, and training of apprentices, as
21 required under the federal guidelines in CFR Title 29,
22 Subtitle A, parts 29 and 30, U.S.C. §50, for apprenticeship
23 programs certified by the Alabama Office of Apprenticeship,
24 and the rules adopted by the Alabama Office of Apprenticeship,
25 including such matters as the requirement for a written
26 apprenticeship agreement.

1 (4) CANCELLATION. The termination of the
2 registration or approval status of an apprenticeship program
3 at the request of the sponsor, or termination of an
4 apprenticeship agreement at the request of the apprentice.

5 (5) CERTIFICATION or CERTIFICATE. The written
6 approval by the Alabama Office of Apprenticeship of a set of
7 apprenticeship standards or of an individual for employment as
8 an apprentice or probationary apprentice in a registered
9 apprenticeship program or proof that an apprentice has
10 successfully met the requirements to receive an interim
11 credential.

12 (6) DEREGISTRATION. The termination of the
13 registration or approval status of an apprenticeship program
14 upon written request of the sponsor or upon cause by the
15 Alabama Office of Apprenticeship instituting formal
16 deregistration proceedings.

17 (7) ELIGIBLE EMPLOYER. The same meaning as provided
18 in Section 40-18-421, Code of Alabama 1975.

19 (8) EMPLOYER. Any person or organization employing
20 an apprentice, whether or not the person or organization is a
21 party to an apprenticeship agreement with the apprentice.

22 (9) FEDERAL PURPOSES. Any action related to a
23 federal contract, grant, agreement, or arrangement dealing
24 with an apprenticeship. The term includes any federal
25 financial or other assistance, benefit, privilege,
26 contribution, allowance, exemption, preference, or right
27 pertaining to an apprenticeship.

1 (10) GOVERNOR. The chief executive of this state.

2 (11) INDUSTRY-RECOGNIZED APPRENTICESHIP. A high
3 quality apprenticeship program that includes a paid work
4 component and an educational or instructional component
5 wherein an individual obtains workplace relevant knowledge and
6 skills developed or delivered by third parties, including
7 trade and industry groups, companies, nonprofit organizations,
8 educational institutions, unions, and joint labor management
9 organizations.

10 (12) IN SCHOOL YOUTH. A youth described in Section
11 129(a)(1)(C) of the federal Workforce Innovation and
12 Opportunity Act.

13 (13) ON-THE-JOB TRAINING. Training by an employer
14 that is provided to a paid participant while engaged in
15 productive work in a job that provides knowledge or skills
16 essential to the full and adequate performance of the job; is
17 made available through a program that provides reimbursement
18 to the employer of up to 50 percent of the wage rate of the
19 participant, except as provided in Section 134(c)(3)(H) of the
20 federal Workforce Innovation and Opportunity Act, for the
21 extraordinary costs of providing the training and additional
22 supervision related to the training; and is limited in
23 duration as appropriate to the occupation for which the
24 participant is being trained, taking into account the content
25 of the training, the prior work experience of the participant,
26 and the service strategy of the participant, as appropriate.

1 (14) REGISTERED APPRENTICESHIP. A formal, on-the-job
2 training program registered by the Alabama Office of
3 Apprenticeship that includes all of the following:

- 4 a. Employer involvement.
- 5 b. On-the-job training.
- 6 c. Related technical instruction.
- 7 d. Paid work experience.
- 8 e. A portable, nationally recognized industry
9 credential.

10 (15) REGISTERED PREAPPRENTICESHIP. A program or set
11 of strategies, registered by the Alabama Office of
12 Apprenticeship, including basic skills training, academic
13 skills remediation, or introduction to the industry, designed
14 to prepare individuals for entry into an apprenticeship
15 program.

16 (16) REGISTERED YOUTH APPRENTICESHIP. A program that
17 is designed specifically for individuals aged 16 to 18,
18 inclusive, registered by the Alabama Office of Apprenticeship,
19 and is connected to an adult apprenticeship.

20 (17) REGISTRATION AGENCY. The agency that has
21 responsibility for registering apprenticeship programs and
22 apprentices, providing technical assistance, and conducting
23 review for compliance with existing state law and the state
24 plan for equal employment opportunities.

25 (18) REQUIRED TECHNICAL INSTRUCTION. An organized
26 and systematic form of instruction designed to provide the
27 apprentice with knowledge of the theoretical and technical

1 subjects related to the occupation of the apprentice. The
2 instruction may be given in a classroom, through occupational
3 or industrial courses, or by correspondence courses of
4 equivalent value, electronic media, or other forms of
5 self-study for registered and industry-recognized
6 apprenticeship programs certified by the Alabama Office of
7 Apprenticeship. The sponsor shall be responsible for the
8 administration and supervision of related and supplemental
9 instruction for apprentices and coordination of the
10 instruction with job experience.

11 (19) SPONSOR. Any person, association, committee, or
12 organization operating a preapprenticeship, youth registered
13 apprenticeships, youth industry-recognized apprenticeship
14 programs, registered apprenticeships, and industry-recognized
15 apprenticeship programs.

16 (20) STATE APPRENTICESHIP AGENCY. The Alabama Office
17 of Apprenticeship.

18 (21) STATE APPRENTICESHIP INTERMEDIARY. The Alabama
19 Community College System shall be the intermediary and shall
20 provide required technical instruction and technical
21 assistance for implementing on-the-job training for all
22 apprenticeable programs certified by the Alabama Office of
23 Apprenticeship with the consent of the sponsor.

24 (22) VETERAN. The meaning given the term in Section
25 101 of Title 38, United States Code.

26 (23) WORK BASED LEARNING. Sustained interactions
27 with industry or community professionals in real workplace

1 settings, to the extent practicable, or simulated environments
2 at an educational institution that foster in-depth, first-hand
3 engagement with the tasks required of a given career field,
4 that are aligned to curriculum and instruction.

5 Section 3. (a) There is established the Alabama
6 Office of Apprenticeship as a part of the Workforce
7 Development Division of the Department of Commerce, in
8 accordance with 29 U.S.C. 50, 29 CFR 29 and 30, and Article
9 20, commencing with Section 40-18-420, of Chapter 18, Title
10 40, Code of Alabama 1975, the Apprenticeship Tax Credit Act of
11 2016. The Alabama Office of Apprenticeship is established for
12 all of the following purposes:

13 (1) To exercise nonexclusive authority to determine
14 whether an apprenticeship program conforms to the regulations
15 published in 29 CFR 29 and 30.

16 (2) To set forth labor standards necessary to
17 safeguard the welfare of apprentices.

18 (3) To establish policies and procedures for the
19 registration and deregistration of preapprenticeships, youth
20 registered apprenticeships, and registered apprenticeships.

21 (4) To serve as the registration agency for
22 preapprenticeships, youth registered apprenticeships,
23 registered apprenticeships, and industry-recognized
24 apprenticeships in the state when the sponsor of such programs
25 chooses to certify or register the programs with the Alabama
26 Office of Apprenticeship.

1 (5) To resolve disputes arising between the parties
2 involved in an apprenticeship agreement registered by the
3 Alabama Office of Apprenticeship.

4 (b) The Alabama Office of Apprenticeship shall be
5 maintained under the direction of the Deputy Secretary of the
6 Workforce Development Division of the Department of Commerce.
7 The deputy secretary, with the advice and consent of the
8 Alabama Apprenticeship Council created pursuant to Section 6,
9 may appoint a director for the Alabama Office of
10 Apprenticeship, who shall serve at the pleasure of the deputy
11 secretary, shall manage the Alabama Office of Apprenticeship,
12 and shall perform such duties as necessary to effectuate the
13 intent of Sections 1 to 7, inclusive.

14 (c) The deputy secretary, no later than June 30,
15 2019, with the advice and consent of the Alabama
16 Apprenticeship Council, shall submit to the United States
17 Secretary of Labor and the Administrator of the national
18 Office of Apprenticeship, in accordance with 29 CFR 29.13(a),
19 an application to recognize the Alabama Office of
20 Apprenticeship as a state apprenticeship agency that shall
21 comply with 29 CFR 29.13(a)-(c). The application for
22 recognition as a state apprentice agency, submitted by the
23 deputy secretary, shall include all of the following elements:

24 (1) A description of policies and operating
25 procedures that depart from, or impose requirements in
26 addition to, 29 CFR 29.

1 (2) A state plan for equal employment opportunity in
2 apprenticeship that conforms to the requirements published in
3 29 CFR 30.

4 (3) A description of the basic standards, criteria,
5 requirements for program registration or approval, or both,
6 and a demonstration of the linkages and coordination with the
7 economic development and publicly funded workforce investment
8 system of the state.

9 (4) A description of how the Alabama Office of
10 Apprenticeship will utilize the Alabama Apprenticeship
11 Council.

12 (5) A description of respective powers of the
13 Alabama Office of Apprenticeship and the Alabama
14 Apprenticeship Council.

15 (6) A description of the required contents of
16 apprenticeship agreements, in conformity with 29 CFR 29.7.

17 (7) A plan to ensure that the registration of
18 apprenticeship programs occurs only in apprenticeable
19 occupations, as provided in 29 CFR 29.4, including occupations
20 in high growth and high demand industries, including a
21 description of how the Alabama Office of Apprenticeship will
22 expand apprenticeship opportunities in apprenticeable
23 occupations listed on the regional and statewide list of
24 in-demand career pathways.

25 (8) A plan to accord reciprocal approval, for
26 federal purposes, to apprentices, apprenticeship programs, and
27 standards that are registered in other states by the national

1 Office of Apprenticeship or a registration agency, if such
2 reciprocity is requested by the apprenticeship program
3 sponsor. Program sponsors seeking reciprocal approval shall
4 meet wage and hour provisions and apprentice ratio standards
5 of this state.

6 (9) A plan providing for the cancellation or
7 deregulation, or both, of programs, for temporary suspension,
8 cancellation, or deregistration, or any of these, of
9 apprenticeship agreements.

10 Section 4. (a) The Alabama Office of Apprenticeship,
11 with the advice and consent of the Alabama Apprenticeship
12 Council, shall develop a nationally recognized state
13 apprenticeship completion credential, as described in 29 CFR
14 29.5, for completing a registered or industry-recognized
15 apprenticeship program registered with the Alabama Office of
16 Apprenticeship.

17 (b) The Alabama Office of Apprenticeship may certify
18 industry-recognized apprenticeships, registered with the
19 Alabama Office of Apprenticeship, as eligible training
20 providers for the purpose of the federal Workforce Innovation
21 and Opportunity Act, P.L. 113-128, and may deliver services to
22 registered apprenticeship participants with qualifying
23 training accounts under Title I of the federal Workforce
24 Innovation and Opportunity Act, P.L. 113-128, through the
25 eligible training provider list of each regional workforce
26 development board.

1 (c) The Alabama Office of Apprenticeship, with the
2 advice and consent of the Alabama Apprenticeship Council and
3 pursuant to the Alabama Administrative Procedure Act, may
4 adopt rules as necessary to effectuate the intent of this act,
5 and those rules shall conform to the published apprenticeship
6 guidelines in 29 CFR 20 and 30.

7 (d) The Alabama Office of Apprenticeship, with the
8 advice and consent of the Alabama Apprenticeship Council, may
9 approve apprenticeship programs that are mandated by state or
10 federal law as a result of the apprenticeship sponsor
11 receiving funds or resources from the state, or funds or
12 resources from the federal government, which require the
13 creation of an apprenticeship program in accordance with a
14 federal grant administered by the state, including contracts,
15 grants, loans, tax abatements or exemptions, land transfers,
16 land disposition and development agreements, tax increment
17 financing, or any combination thereof.

18 (e) The Alabama Office of Apprenticeship shall
19 establish competency based apprenticeship frameworks based on
20 the regional and statewide compendia of valuable credentials
21 created by the Alabama Workforce Council Committee on
22 Credentialing and Career Pathways. The Alabama Office of
23 Apprenticeship shall establish competency based apprenticeship
24 frameworks for each occupation listed on a regional and
25 statewide list of in-demand career pathways.

26 (f) The Alabama Committee on Credentialing and
27 Career Pathways shall be charged with analyzing primary and

1 secondary labor market data and data from the Alabama Terminal
2 on Linking and Analyzing Statistics on Career Pathways to
3 determine, annually, among the 16 career clusters and 79
4 associated career pathways, which career pathways are in-
5 demand at the regional and state level.

6 (g) The Alabama Committee on Credentialing and
7 Career Pathways by majority vote of a present quorum, shall
8 provide recommendations for appointment to the Governor, who
9 shall appoint a technical advisory committee for each of the
10 16 career and technical education career clusters.

11 (h) Each technical advisory committee shall conform
12 to all of the following parameters:

13 (1) Each shall be composed of seven members who
14 shall possess experience in education, workforce, or economic
15 development in the industry segment for which the technical
16 advisory committee is formed.

17 (2) Each shall maintain a majority of workforce and
18 economic development representatives.

19 (3) No later than June 30, 2020, each of the 16
20 technical advisory committees shall create an industry
21 competency model and competency-based career lattice for,
22 based on the United States Department of Labor's Career
23 Pathways Toolkit and Competency Model Clearinghouse, each
24 O*NET occupation code within that technical advisory
25 committee's career clusters and respective career pathways
26 with three or more stars on a regional or statewide in-demand
27 career pathways list. The Alabama Committee on Credentialing

1 and Career Pathways, annually, shall create statewide and
2 regional compendia of valuable credentials, derived from the
3 statewide and regional lists of in-demand career pathways.

4 (i) The Alabama Workforce Council Committee on
5 Credentialing and Career Pathways shall be composed of all of
6 the following:

7 (1) The cochairs of the committee shall be the
8 Chancellor of the Alabama Community College System and the
9 State Superintendent of Education.

10 (2) The membership of the committee shall be
11 composed of all of the following ex officio members and
12 appointees, or their designees:

13 a. The Governor.

14 b. The Chair of the Alabama Workforce Council.

15 c. The Chair of the Alabama Workforce Development
16 Board.

17 d. The State Superintendent of Education.

18 e. The Chancellor of the Alabama Community College
19 System.

20 f. The Secretary of the Alabama Department of Labor.

21 g. The Secretary of the Alabama Department of
22 Commerce, Division of Workforce Development.

23 h. The Executive Director of the Alabama Commission
24 on Higher Education.

25 i. The President of the Alabama Council of College
26 and University Faculty Presidents.

1 j. Seven members appointed by the Governor, from
2 each of the seven workforce regions, each of whom shall be a
3 member of a regional workforce council or a local workforce
4 development board.

5 Section 5. (a) The Alabama Office of Apprenticeship,
6 in consultation with the Governor's Office of Education and
7 Workforce Transformation, the P-20W Council, the Alabama
8 Workforce Council Committee on Credentialing and Career
9 Pathways, the State Department of Education, the Alabama
10 Community College System, the Alabama Workforce Council, the
11 regional workforce councils, the State Workforce Development
12 Board, and the local workforce development boards, to the
13 maximum extent practicable and permissible under state and
14 federal law, shall align the required technical instruction
15 and on-the-job training required for the completion of
16 registered and industry-recognized apprenticeship programs in
17 the state offered to career and technical education
18 concentrators to the regional and statewide lists of in-demand
19 career pathways credentials and to the two-prong career
20 pathways model created by the Alabama Workforce Council
21 Committee on Credentialing and Career Pathways.

22 (b) The Alabama Office of Apprenticeship, in
23 consultation with the Governor's Office of Education and
24 Workforce Transformation, the P-20W Council, the Alabama
25 Workforce Council Committee on Credentialing and Career
26 Pathways, the State Department of Education, the Alabama
27 Community College System, the Alabama Workforce Council, the

1 regional workforce councils, the State Workforce Development
2 Board, and the local workforce development boards, shall
3 develop the Alabama Industry Recognized and Registered
4 Apprenticeship (AIRRAP) model that shall be aligned to the
5 regional and statewide lists of in-demand career pathways, to
6 the regional and statewide compendia of valuable credentials,
7 and to the two-pronged career pathways model created by the
8 Alabama Workforce Council Committee on Credentialing and
9 Career Pathways. The AIRRAP model shall conform to all of the
10 following parameters:

11 (1) Beginning in 9th grade, students may participate
12 in preapprenticeship programs aligned to career pathways and
13 credentials designated as valuable by the state compendium of
14 valuable credentials. During 10th, 11th, and 12th grade,
15 students may participate in youth registered apprenticeships
16 and industry-recognized apprenticeship programs. AIRRAP model
17 graduates may earn their high school diploma, associate
18 degree, industry-recognized credentials, and an apprenticeship
19 credential at the time of high school graduation. Students
20 participating in youth apprenticeships may also participate in
21 dual enrollment courses at a community college. The State
22 Department of Education and the Alabama Community College
23 System shall collaborate to streamline articulation agreements
24 among career pathways participating in the AIRRAP model to
25 ensure a seamless transition between high school and community
26 college. The Alabama Office of Apprenticeship shall promote
27 dual enrollment and postsecondary graduation credit for

1 work-based learning credits earned while participating in
2 secondary in school youth AIRRAP model programs.

3 (2) The Alabama Office of Apprenticeship and the
4 Alabama Community College System shall promote apprenticeship
5 programs for individuals who are coenrolled in adult basic
6 education programs and postsecondary career and technical
7 education programs to ensure that individuals who are
8 disengaged from the workforce are able to gain access to
9 education and training programs, with multiple points of entry
10 and exit, with a focus on targeting the underemployed,
11 historically underrepresented subgroups, the formerly
12 incarcerated, out-of-school youth, recipients of temporary
13 assistance for needy families, supplemental security income,
14 or supplemental nutritional assistance programs, the long-term
15 unemployed, those recovering from substance abuse, veterans,
16 displaced homemakers, and other special populations and
17 subgroups. The Alabama Office of Apprenticeship shall promote
18 the use of the federal workforce opportunity tax credit to
19 hire eligible AIRRAP model participants. The Alabama Office of
20 Apprenticeship in cooperation with the Alabama Community
21 College System and the State Department of Education, may
22 establish an awards and recognition program for employers who
23 hire in school youth and adult AIRRAP model participants.

24 Section 6. (a) The Alabama Apprenticeship Council,
25 which shall be composed of public and private persons
26 representing employer and employee organizations that are
27 familiar with apprenticeable occupations, is established. All

1 appointing authorities shall coordinate their appointments so
2 that diversity of gender, race, and geographical areas is
3 reflective of the makeup of this state. The membership of the
4 council shall consist of all of the following:

5 (1) The Governor, who shall serve as ex officio
6 chair of the council.

7 (2) The Lieutenant Governor.

8 (3) The President Pro Tempore of the Senate.

9 (4) The Speaker of the House of Representatives.

10 (5) The Chancellor of the Alabama Community College
11 System.

12 (6) The State Superintendent of Education.

13 (7) The Chair of the Alabama Workforce Development
14 Board.

15 (8) The Chair of the Alabama Workforce Council.

16 (9) Nine members appointed by the Governor, and
17 confirmed by the Senate, for a renewable term of service. The
18 Governor shall assure that the membership of the council is
19 inclusive and reflects the racial, gender, geographic, urban,
20 rural, and economic diversity of the state. The members of the
21 council appointed pursuant to this subdivision shall satisfy
22 all of the following qualifications:

23 a. Three members shall be representatives of
24 employer organizations.

25 b. Three members shall be public representatives who
26 are members of employee or employer organizations.

1 c. Three members shall be representatives of
2 employee organizations.

3 (b) The initial term of office of the nine members
4 appointed to the council by the Governor shall be designated
5 at the time of initial appointment by the Governor as follows:

6 (1) Three members, consisting of one member
7 appointed pursuant to each of paragraphs a., b., and c. of
8 subdivision (9) of subsection (a), shall be appointed for an
9 initial term of one year. Successor members shall be appointed
10 for terms of three years.

11 (2) Three members, consisting of one member
12 appointed pursuant to each of paragraphs a., b., and c. of
13 subdivision (9) of subsection (a), shall be appointed for an
14 initial term of two years. Successor members shall be
15 appointed for terms of three years.

16 (3) Three members, consisting of one member
17 appointed pursuant to each of paragraphs a., b., and c. of
18 subdivision (9) of subsection (a), shall be appointed for an
19 initial term of three years. Successor members shall be
20 appointed for terms of three years.

21 (c) Vacancies shall be filled by appointment of the
22 Governor. The person appointed to fill a vacancy shall possess
23 the same qualifications as the original appointment and shall
24 hold office for the unexpired term and until his or her
25 successor is appointed.

1 (d) The Alabama Apprenticeship Council shall serve
2 in a regulatory capacity to the Alabama Office of
3 Apprenticeship for all of the following functions:

4 (1) The approval of apprenticeship standards
5 satisfying the requirements published in 29 CFR 29.

6 (2) Ensuring compliance of equal employment
7 opportunity in apprenticeship, as defined in 29 CFR 30.

8 (3) Resolving disputes arising between the parties
9 to an apprenticeship agreement.

10 (4) Providing recommendations to deregister,
11 suspend, or cancel apprenticeship programs that are not
12 compliant with state and federal apprenticeship regulations,
13 as published in 29 CFR 29 and Article 20, commencing with
14 Section 40-18-420, of Chapter 18, Title 40, Code of Alabama
15 1975, the Apprenticeship Tax Credit Act of 2016.

16 (5) Providing community outreach and education on
17 the benefits of apprenticeship.

18 (6) Assisting in the formulation of policies that
19 concede the effective administration of apprenticeship
20 programs.

21 Section 7. (a) Nothing in Sections 1 to 7,
22 inclusive, of this act shall require the sponsors of
23 nonregistered preapprenticeships, youth apprenticeships, and
24 industry-recognized apprenticeships, including state agencies,
25 colleges and universities, and business and industry sponsors
26 to certify such programs with the Alabama Office of
27 Apprenticeship.

1 (b) Nothing in Sections 1 to 7, inclusive, of this
2 act shall be interpreted as a mandate to hinder funds duly
3 distributed to a state agency, college or university, or any
4 other entity receiving state or federal funds in support of
5 apprenticeship activities.

6 (c) The Alabama Office of Apprenticeship, with the
7 consent of the sponsor, shall permit the State Apprenticeship
8 Intermediary to provide the required technical instruction and
9 technical assistance, including the implementation of the
10 competency models established in subdivision (3) of subsection
11 (h) of Section 4 that are aligned to the on-the-job training
12 for apprenticeship programs registered or certified by the
13 Alabama Office of Apprenticeship.

14 (d) The State Department of Education shall continue
15 to be the eligible agency to receive and administer career and
16 technical education funding under the Perkins Act.

17 Section 8. Sections 40-18-422, 40-18-423, and
18 40-18-424 of the Code of Alabama 1975, are amended to read as
19 follows:

20 "§40-18-422.

21 "(a) ~~An~~ For tax years beginning on or after January
22 1, 2017, through the tax year beginning January 1, 2019, an
23 Alabama income tax credit is hereby established allowed for
24 eligible employers that employ an apprentice for at least
25 seven full months of the prior taxable year. The credit shall
26 equal up to one thousand dollars (\$1,000) for each apprentice
27 employed, not to exceed five apprentices employed. The

1 Department of Revenue, in consultation with the Workforce
2 Development Division of the Department of Commerce, shall
3 establish a scale reflecting ranges of amounts of money an
4 employer has invested in an eligible apprentice and a
5 corresponding tax credit amount and shall award the tax credit
6 in accordance with this scale following confirmation from the
7 Workforce Development Division that the apprentice for whom
8 the credit is claimed is in compliance with all federal and
9 state requirements for the apprenticeship program. The credit
10 shall not be available for an individual apprentice for more
11 than four taxable years.

12 "(b) For tax years beginning on or after January 1,
13 2020, eligible employers that employ an apprentice for at
14 least seven full months of the prior taxable year shall
15 receive a credit equal to one thousand two hundred fifty
16 dollars (\$1,250) for each apprentice employed, not to exceed
17 10 apprentices employed. The Department of Revenue, in
18 consultation with the Workforce Development Division of the
19 Department of Commerce and the Alabama Office of
20 Apprenticeship, shall establish a scale reflecting ranges of
21 amounts of money an employer has invested in an eligible
22 apprentice and a corresponding tax credit amount and shall
23 award the tax credit in accordance with this scale following
24 confirmation from the Workforce Development Division and the
25 Alabama Office of Apprenticeship that the apprentice for whom
26 the credit is claimed is in compliance with all federal and
27 state requirements for the apprenticeship program. The credit

1 shall not be available for an individual apprentice for more
2 than four taxable years.

3 "(c) For each credit claimed for each qualified
4 apprentice under subsection (b) associated with an apprentice
5 enrolled in a secondary or postsecondary career and technical
6 education program, who is under the age of 18 at the time the
7 credit is claimed, and who is participating in a youth
8 registered or industry-recognized apprenticeship program
9 registered with the Alabama Office of Apprenticeship and
10 funded through either the Carl D. Perkins Career and Technical
11 Education Act of 2006, P.L. 109-270, as revised by the
12 Strengthening Career and Technical Education for the 21st
13 Century Act, P.L. 115-224, adult basic education and literacy
14 programs funded under Title II of the Workforce Innovation and
15 Opportunity Act, P.L. 113-128, or public workforce programs
16 funded under Title I and Title III of the Workforce Innovation
17 and Opportunity Act, P.L. 113-128, may qualify for an
18 additional tax credit, not to exceed five hundred dollars
19 (\$500) to offset the costs associated with hiring each
20 apprentice who is under the age of 18, not to exceed the
21 aggregate cap of 10 apprentices hired, as provided in
22 subsection (b). An eligible employer under this subsection may
23 claim the additional tax credit described in this subsection
24 after employing an in school youth apprentice, who satisfies
25 the specifications provided in this subsection, for 90 days.

26 ~~"(b)~~(d) The credit shall be allowed against the tax
27 imposed by Chapter 16 or Chapter 18 ~~of this title.~~ This tax

1 credit shall not be allowed to decrease a taxpayer's tax
2 liability to less than zero. The credit is not refundable or
3 transferable. The credit shall be available, on a pro rata
4 basis, to the owners of qualified employers that are entities
5 taxed under subchapters S or K of the Internal Revenue Code or
6 limited liability companies or professional corporations
7 authorized to do business in this state. An employer applying
8 for a tax credit must apply each year to receive the credit
9 for the preceding calendar year.

10 ~~"(c)(e)~~ The cumulative amount of tax credits issued
11 pursuant to this article shall not exceed ~~three million~~
12 ~~dollars (\$3,000,000)~~ seven million five hundred thousand
13 dollars (\$7,500,000) annually. The Department of Revenue shall
14 ensure that this cap is not exceeded, shall prescribe the
15 various methods by which these credits are to be issued, and
16 shall develop procedures to notify taxpayers at such points in
17 time when the tax credit caps in this subsection have been
18 reached for the applicable tax credit year.

19 ~~"(d)(f)~~ If an employer employs an apprentice for
20 less than the full preceding calendar year, but for at least
21 210 days during the full preceding calendar year, then the
22 employer may apply for the full value of the credit ~~on a pro~~
23 ~~rata monthly basis beginning on the first day of the first~~
24 ~~full month of apprenticeship.~~

25 ~~"(e)(g)~~ The Department of Revenue shall prescribe a
26 form to claim this credit that provides information to the

1 department sufficient for the proper administration of the
2 credit.

3 "~~(f)~~ (h) The participation of an employee with an
4 apprenticeship program under this article and registration
5 with the Alabama Office of Apprenticeship ~~of the Employment~~
6 ~~and Training Administration of the United States Department of~~
7 ~~Labor~~ shall not constitute union affiliation, unless the
8 employee expressly elects to affiliate with a union.

9 "§40-18-423.

10 "(a) The Alabama Office of Apprenticeship, under the
11 direction of the Workforce Development Division of the
12 Department of Commerce, ~~in coordination~~ with the consultation
13 of the Board of Trustees of the Alabama Community College
14 System or its designee, may adopt any rules necessary to
15 establish standards for participation and eligibility and to
16 implement and administer this article. The ~~division~~ Alabama
17 Office of Apprenticeship shall consult with the Department of
18 Revenue to coordinate implementation and administration of
19 this article.

20 "(b) The ~~division~~ Alabama Office of Apprenticeship
21 shall provide an annual report to the Chair of the House Ways
22 and Means Education Committee and the Chair of the Senate
23 Finance and Taxation Education Committee to account for the
24 effectiveness of the apprenticeship program under this
25 article.

26 "§40-18-424.

1 "The tax ~~credit~~ credits allowed under this article
2 shall be effective January 1, 2017, for the 2017 taxable year
3 and shall continue through the ~~2021~~ 2025 tax year, unless
4 extended by act of the Legislature."

5 Section 9. This act shall become effective on the
6 first day of the third month following its passage and
7 approval by the 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
Education..... 05-MAR-19

Read for the second time and placed
on the calendar with 1 substitute
and..... 02-MAY-19

Read for the third time and passed
as amended..... 07-MAY-19

Yeas 96, Nays 0, Abstains 5

Jeff Woodard
Clerk