

1 HB362
2 217752-1
3 By Representative Greer
4 RFD: Ways and Means General Fund
5 First Read: 16-FEB-22

SYNOPSIS: Under existing law, the state receives annual Tennessee Valley Authority (T.V.A.) in-lieu-of-taxes payments and those funds are allocated to counties served by the T.V.A. and the State General Fund.

This bill would revise the distribution of T.V.A. in-lieu-of-taxes payments received by certain counties and would make other nonsubstantive technical revisions to update existing Code language to current style.

A BILL
TO BE ENTITLED
AN ACT

Relating to Tennessee Valley Authority in-lieu-of taxes payments; to amend Section 40-28-2, Code of Alabama 1975, to provide further for the distribution of proceeds to served counties; and to make other nonsubstantive technical

1 revisions to update the existing Code language to current
2 style.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 40-28-2, Code of Alabama 1975, is
5 hereby amended as follows:

6 "§40-28-2.

7 "(a) ~~Beginning in the fiscal year ending September~~
8 ~~30, 1980, the~~ The State of Alabama will annually transfer to
9 the counties in Alabama served by T.V.A. a portion of the
10 in-lieu-of-taxes payments made by T.V.A. to the State of
11 Alabama. Such transfer of funds shall be according to the
12 following schedule:

13 For the Fiscal Year:	14 Percentage of In-Lieu-of-Taxes 15 Payments Transferred to 16 T.V.A.-Served Counties by the State 17 Shall Be:
18 1979-80	20%
19 1980-81	30%
20 1981-82	40%
21 1982-83	50%
22 1983-84	60%
23 1984-85	70%
1985-86 through 2004-05	75%

	For the Fiscal Year:	Percentage of In-Lieu-of-Taxes
1	2005-2006 and each fiscal year	78%
2	thereafter	

3 "(b) The state shall distribute the in-lieu-of-taxes
4 payments each fiscal year to each of the counties served by
5 T.V.A., and the three percent increases after September 30,
6 2005, ~~generated by the amendments to this section at the 2006~~
7 ~~Regular Session of the Legislature~~ shall be allocated by local
8 legislation.

9 "(c) (1) In addition to the distribution provided for
10 in subsection (a) of this section, the state shall distribute
11 each fiscal year five percent of the in-lieu-of-taxes payments
12 to the dry counties and municipalities therein which are not
13 served by T.V.A. Said five percent shall be distributed on the
14 same proportionate basis that each such county received in
15 fiscal year 1978-79 from A.B.C. payments as compared to the
16 total A.B.C. payments received by all dry counties not served
17 by T.V.A. during the same fiscal year. The distribution of
18 such in-lieu-of-taxes payments between each dry
19 non-T.V.A.-served county and the municipalities located
20 therein shall be made pro rata on the basis of A.B.C. payments
21 received by each such jurisdiction in the fiscal year 1979 to
22 the total A.B.C. payments to the county and all municipalities
23 in such county in the fiscal year 1979. Such distribution to

1 the municipalities will be administered by the county
2 governing body.

3 Beginning in the fiscal year ending September 30,
4 2010, the distribution provided in this subsection to the dry
5 counties and municipalities that are not served by T.V.A.
6 shall be reduced by an amount equal to the funds allocated to
7 those dry counties and municipalities from liquor tax revenues
8 pursuant to Section 40-28-5 until the aggregate annual amount
9 of revenue received by those dry counties and municipalities
10 from the provisions of Section 40-28-5 is equal to the amount
11 of T.V.A. payments distributed to the dry counties and
12 municipalities therein pursuant to this subdivision for the
13 fiscal year ending September 30, 2009. Until the aggregate
14 annual amount of liquor tax distributions to the dry counties
15 and municipalities not served by T.V.A. provided in Section
16 40-28-5 is equal to the amount of T.V.A. payments distributed
17 to the dry counties and municipalities therein pursuant to
18 this subdivision for the fiscal year ending September 30,
19 2009, the annual amount by which any payments to such counties
20 and municipalities are reduced by liquor tax revenues pursuant
21 to Section 40-28-5 shall be distributed to the counties served
22 by T.V.A. Thereafter, all payments distributed pursuant to
23 this subsection shall be distributed to the counties served by
24 T.V.A. The distribution to the counties served by T.V.A.
25 provided in this subsection is to be allocated in the same
26 manner ~~as the increase generated by the amendment to this~~

1 ~~section made during the 2006 Regular Session of the~~
2 ~~Legislature that now appears~~ as subsection (b).

3 "Notwithstanding the foregoing, the distributions to
4 Limestone County, to Madison County, to Marshall County, and
5 to Morgan County provided in this subsection shall be
6 allocated by local law. Notwithstanding the foregoing or any
7 other law to the contrary, in any county that has established
8 an agriculture authority pursuant to Article 3 of Chapter 20
9 of Title 11, Code of Alabama 1975, as of the effective date of
10 this act, any proceeds previously allocated to the county or
11 any municipality shall be distributed to the authority.

12 "The additional distributions to the above listed
13 counties pursuant to Act 2010-135 shall be held by the
14 respective county separate and apart from other T.V.A.
15 distributions and shall not be expended by the county until
16 the effective date of the local law providing for the
17 allocation of such funds.

18 "~~(2) Effective for transfers after July 1, 2006, the~~
19 ~~The distribution to the State General Fund shall remain at the~~
20 ~~level received on July 1, 2006, until the level received~~
21 ~~attains the amount of seventeen million eight hundred forty~~
22 ~~thousand two hundred thirty-three dollars (\$17,840,233) and~~
23 ~~thereafter the state shall be receive~~ 17 percent of the total
24 amount of the in-lieu-of-taxes payments.

25 "(d) Any T.V.A.-served dry county which is eligible
26 to receive funds under Section 40-28-3 shall receive from that
27 portion of the in-lieu-of-taxes payments not less than that

1 amount which the county received in A.B.C. payments in the
2 fiscal year 1978-79."

3 Section 2. This act shall become effective on the
4 first day of the third month following its passage and
5 approval by the Governor, or its otherwise becoming law.