

1 HB44
2 113789-3
3 By Representatives McLaughlin, Robinson (J), Ball, Letson,
4 Sanderford, Oden, Dukes, Taylor, Morrow, McDaniel, Hall,
5 Black, McCutcheon, Williams (P) and Fields
6 RFD: County and Municipal Government
7 First Read: 12-JAN-10
8 PFD: 11/05/2009

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

ENROLLED, An Act,

To amend Section 40-28-2, Code of Alabama 1975, relating to the distribution of in-lieu-of-taxes payments made by the Tennessee Valley Authority, to provide for the redistribution of the payments; and to reallocate certain liquor tax revenues.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-28-2, Code of Alabama 1975, is amended to read as follows:

"§40-28-2.

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

For the Fiscal Year:	Percentage of In-Lieu-of-Taxes Payments Transferred to T.V.A.-Served Counties by the State Shall Be:
1979-80	20%
1980-81	30%

	For the Fiscal Year:	Percentage of In-Lieu-of-Taxes
1	1981-82	40%
2	1982-83	50%
3	1983-84	60%
4	1984-85	70%
5	1985-86 through 2004-05	75%
6	2005-2006 and each fiscal year	78%
7	thereafter	

8 "(b) The state shall distribute the in-lieu-of-taxes
9 payments each fiscal year to each of the counties served by
10 T.V.A., and the three percent increases after September 30,
11 2005, generated by the amendments to this section at the 2006
12 Regular Session of the Legislature shall be allocated by local
13 legislation.

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

1 by T.V.A. during the same fiscal year. The distribution of
2 such in-lieu-of-taxes payments between each dry
3 non-T.V.A.-served county and the municipalities located
4 therein shall be made pro rata on the basis of A.B.C. payments
5 received by each such jurisdiction in the fiscal year 1979 to
6 the total A.B.C. payments to the county and all municipalities
7 in such county in the fiscal year 1979. Such distribution to
8 the municipalities will be administered by the county
9 governing body.

10 "Beginning in the fiscal year ending September 30,
11 2010, the distribution provided in this subsection to the dry
12 counties and municipalities that are not served by T.V.A.
13 shall be reduced by an amount equal to the funds allocated to
14 those dry counties and municipalities from liquor tax revenues
15 pursuant to Section 2 of this act until the aggregate annual
16 amount of revenue received by those dry counties and
17 municipalities from the provisions of Section 2 is equal to
18 the amount of T.V.A. payments distributed to the dry counties
19 and municipalities therein pursuant to this subdivision for
20 the fiscal year ending September 30, 2009. Until the aggregate
21 annual amount of liquor tax distributions to the dry counties
22 and municipalities not served by T.V.A. provided in Section 2
23 is equal to the amount of T.V.A. payments distributed to the
24 dry counties and municipalities therein pursuant to this
25 subdivision for the fiscal year ending September 30, 2009, the

1 annual amount by which any payments to such counties and
 2 municipalities are reduced by liquor tax revenues pursuant to
 3 Section 2 of this act shall be distributed to the counties
 4 served by T.V.A. Thereafter, all payments distributed pursuant
 5 to this subsection shall be distributed to the counties served
 6 by T.V.A. The distribution to the counties served by T.V.A.
 7 provided in this subsection is to be allocated in the same
 8 manner as the increase generated by the amendment to this
 9 section made during the 2006 Regular Session of the
 10 Legislature that now appears as subsection (b).

11 "Notwithstanding the foregoing, the distributions to
 12 Limestone County, to Madison County, to Marshall County, and
 13 to Morgan County provided in this subsection shall be
 14 allocated by local law.

15 The additional distributions to the above listed
 16 counties pursuant to this amendatory act shall be held by the
 17 respective county separate and apart from other T.V.A.
 18 distributions and shall not be expended by the county until
 19 the effective date of the local law providing for the
 20 allocation of such funds.

21 "(2) Effective for transfers after July 1, 2006,
 22 adding this subdivision, the distribution to the State General
 23 Fund shall remain at the level received on July 1, 2006, until
 24 the level received attains the amount of seventeen million
 25 eight hundred forty thousand two hundred thirty-three dollars

1 (\$17,840,233) and thereafter the state shall receive 17
2 percent of the total amount of the in-lieu-of-taxes payments.

3 "(d) Any T.V.A.-served dry county which is eligible
4 to receive funds under Section 40-28-3 shall receive from that
5 portion of the in-lieu-of-taxes payments not less than that
6 amount which the county received in A.B.C. payments in the
7 fiscal year 1978-79."

8 Section 2. (a) Beginning with the fiscal year ending
9 September 30, 2010, the Public Welfare Trust Fund, the Special
10 Mental Health Fund, and the State General Fund shall annually
11 receive the same amount of revenue from the state taxes on
12 spirituous and vinous liquors pursuant to Sections 28-3-201,
13 28-3-202, 28-3-203, 28-3-204, and 28-3-205, Code of Alabama
14 1975, respectively, that such entities received for the fiscal
15 year ending September 30, 2009, until the annual growth in
16 such receipts above this amount equals the amount of T.V.A.
17 payments distributed to the dry counties and municipalities
18 therein pursuant to subsection (c)(1) of Section 40-28-2, Code
19 of Alabama 1975, for the fiscal year ending September 30,
20 2009. Thereafter, in addition to the above amounts, the Public
21 Welfare Trust Fund, the Special Mental Health Fund, and the
22 State General Fund shall annually receive the amount of growth
23 in those liquor tax receipts that exceeds the amount of T.V.A.
24 payments distributed to the dry counties and municipalities
25 therein pursuant to subsection (c)(1) of Section 40-28-2, Code

1 of Alabama 1975, for the fiscal year ending September 30,
2 2009.

3 (b) Beginning with the fiscal year ending September
4 30, 2010, an amount up to the amount of T.V.A. payments
5 distributed to the dry counties and municipalities therein
6 pursuant to subsection (c)(1) of Section 40-28-2, Code of
7 Alabama 1975, for the fiscal year ending September 30, 2009,
8 of the growth in state taxes on spirituous and vinous liquors
9 provided in subsection (a) above shall be distributed to the
10 dry counties and municipalities therein that are not served by
11 T.V.A. and that receive T.V.A. in-lieu-of-taxes payments
12 pursuant to Section 40-28-2(c)(1). Notwithstanding subsection
13 (a), in addition to the distributions provided for in this
14 subsection, the state shall distribute to the dry counties and
15 dry municipalities therein each fiscal year from the state
16 taxes on spirituous and vinous liquors an amount equal to the
17 percentage growth in T.V.A. in-lieu-of-taxes payments received
18 by the state.

19 (c) In addition to the above distribution, for the
20 fiscal year ending September 30, 2011, there shall be an
21 adjustment to increase or decrease the amount of state taxes
22 on spirituous liquors distributed to the non-served T.V.A.
23 counties as necessary to make the total amount paid to such
24 counties for the fiscal year ending September 30, 2011, equal
25 to the amount of T.V.A. payments such counties would have

1 received T.V.A. payments prior to the amended distribution
2 provided in this act.

3 Section 3. All laws or parts of laws which conflict
4 with this act are repealed.

5 Section 4. This act shall become effective
6 immediately following its passage and approval by the
7 Governor, or its otherwise becoming law.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

Speaker of the House of Representatives

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 19-JAN-10.

Greg Pappas
Clerk

Senate	16-FEB-10	Passed as amended
House	16-FEB-10	Concurred in Senate Amendment
House	02-MAR-10	Passed, the Governor's objections to the contrary notwithstanding Yeas 56, Nays 21, Abstains 1
Senate	04-MAR-10	Passed, the Governor's objections to the contrary notwithstanding Yeas 19, Nays 10, Abstains 0