

1 HB566
2 211392-6
3 By Representatives Ledbetter and Kitchens
4 RFD: Ways and Means General Fund
5 First Read: 30-MAR-21

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ENROLLED, An Act,

Relating to taxation; to amend Section 40-23-35, Code of Alabama 1975, to further provide for the distribution and expenditure of the sales tax revenue.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-23-35, Code of Alabama 1975, is amended to read as follows:

"§40-23-35.

"(a) Such amount of money as shall be appropriated for each fiscal year by the Legislature to the Department of Revenue with which to pay the salaries, the cost of operation and management of the department shall be deducted, as a first charge thereon, from the taxes collected under the provisions of this division; provided, that the expenditure of the sum so appropriated shall be budgeted and allotted pursuant to Article 4 of Chapter 4 of Title 41, and limited to the amount appropriated to defray the expenses of operating the department for each fiscal year. After the payment of the expenses, so much of the amount remaining as may be necessary, after first applying all sums of money received by reason of the application of the surplus in the income tax as provided by Section 40-18-58, for the replacement in the public school fund of the three-mill constitutional levy for schools and in the General Fund of the one-mill levy for soldiers' relief and

1 the two and one-half mills for general purposes lost by
2 exemption of homestead provided for in this division shall be
3 first charges against the proceeds of the licenses, taxes or
4 receipts levied or collected under this division. The
5 Comptroller, with the approval of the Governor, is hereby
6 directed to draw his or her warrants payable out of the total
7 proceeds of the licenses, taxes or receipts levied or
8 collected under this division as herein provided in such sum
9 as shall be found necessary to take care of and replace the
10 three-mill constitutional school levy, the one-mill soldiers'
11 relief levy and the two and one-half mill levy for general
12 purposes of the state ad valorem taxes lost as above set
13 forth.

14 "(b) Of the amounts of such collections in any
15 fiscal year, remaining after the payment of the expenses of
16 administration and replacement of the amounts in the several
17 funds as herein provided there shall be paid into the Treasury
18 sums to be credited as follows:

19 "(1) To the credit of the 67 counties of the state,
20 to be divided and distributed as hereinafter provided,
21 \$378,000;

22 "(2) To the Department of Human Resources,
23 \$1,322,000;

24 "(3) Beginning June 1, 2000, to the Department of
25 Conservation and Natural Resources for capital outlay for

1 acquisition of land contiguous to existing state parks and
2 land acquired for lakes and or water reservoirs, provision,
3 construction, improvement, renovation, equipping, and
4 maintenance of the state parks system only and not for use by
5 the Department of Conservation and Natural Resources for
6 personnel or administrative use, the sum equal to the increase
7 in receipts accruing to the State of Alabama due to the cap on
8 discounts per license holder in Section 40-23-36(b), which
9 increase shall be equal to the difference between the discount
10 rate or amount allowed under Section 40-23-36(b) and the
11 maximum discount rate allowable under Section 40-23-36(a);
12 provided, however, if at any time any bonds of the Alabama
13 State Parks System Improvement Corporation or the Alabama
14 Public Historical Sites and Parks Improvement Corporation are
15 outstanding (excluding bonds that have been refunded by the
16 establishment of an escrow trust for the payment thereof
17 consisting solely of bonds or other obligations which as to
18 principal and interest constitute direct obligations of, or
19 are unconditionally guaranteed by, the United States of
20 America) there shall first be paid into the State General Fund
21 from such collections an amount equal to the debt service
22 (principal, interest, and premium, if any) payable on such
23 bonds in the then current fiscal year of the state. Provided,
24 however, that one million dollars (\$1,000,000) of such
25 increase in receipts per fiscal year shall be credited to the

1 Department of Human Resources beginning October 1, 1996, until
2 September 30, 2002, and shall be expended for the foster
3 children program.

4 "(4)a. On October 1, 2002, to the Department of
5 Conservation and Natural Resources for capital outlay, repairs
6 and maintenance of the state parks system only, the minimum
7 sum of five million dollars (\$5,000,000) from the increase in
8 receipts accruing to the State of Alabama due to the cap on
9 discounts per license holder in Section 40-23-36(b) as
10 calculated in Section 40-23-35(b) (3). Beginning October 1,
11 2003 through September 30, 2021, annually, to the Department
12 of Conservation and Natural Resources for capital outlay,
13 repairs, and maintenance of the state parks system only, the
14 sum calculated by a fraction, the numerator of which is five
15 million dollars (\$5,000,000) and the denominator of which is
16 equal to the increase in receipts as calculated in Section
17 40-23-35(b) (3) for fiscal year 2002 accruing to the State of
18 Alabama multiplied by the increase in receipts as calculated
19 in Section 40-23-35(b) (3) for the then current fiscal year, or
20 the sum of five million dollars (\$5,000,000), whichever is
21 greater. Notwithstanding the previous sentence, for the fiscal
22 years ending September 30, 2012, and September 30, 2013, only,
23 the five million dollars (\$5,000,000) shall be transferred to
24 the State General Fund.

1 "b. Beginning October 1, 2021, annually, to the
2 Department of Conservation and Natural Resources for capital
3 outlay, repairs, and maintenance of the state parks system
4 only, ~~seven six million five hundred thousand dollars~~
5 ~~(\$7,500,000) ~~(\$6,500,000)~~seven million dollars (\$7,000,000).~~
6 Beginning with the fiscal year that starts October 1, 2022,
7 the State Treasurer shall annually adjust the dollar amount in
8 this subsection to reflect the cumulative change in
9 the Consumer Price Index for All Urban Consumers (CPI-U), as
10 published by the Bureau of Labor Statistics of the United
11 States Department of Labor, or a successor index, for the
12 annual period ending on the December 31 preceding the
13 adjustment date and rounded to the nearest one thousand
14 dollars (\$1,000).

15 ~~"b.~~ c. Beginning October 1, 2002, to the credit of
16 the State General Fund, the balance of the sum equal to the
17 increase in receipts accruing to the State of Alabama due to
18 the cap on discounts per license holder in Section
19 40-23-36(b).

20 "(c) One-half of the amount deposited to the credit
21 of the 67 counties as above provided, shall be divided and
22 distributed proportionately among the 67 counties of the state
23 according to the population of the counties as shown by the
24 last federal census as proclaimed, published or certified by
25 the Director of the Bureau of the Census; and one-half of the

1 proceeds shall be divided or distributed equally among 67
2 counties; provided, that the funds divided and distributed to
3 the several counties of the state as hereinabove provided for
4 shall be used exclusively for full-time health service in
5 cooperation with the State Board of Health or the federal
6 government, and for extension services in cooperation with the
7 Alabama Agriculture Extension Service or the federal
8 government, at the discretion of the county commissions of the
9 several counties of the state.

10 "(d) The amounts provided in subsection (b) for the
11 Department of Human Resources shall be used for general
12 welfare purposes. For purposes of this division, "general
13 welfare purposes" means:

14 "(1) The administration of public assistance as set
15 out in Sections 38-2-5 and 38-4-1;

16 "(2) Services, including supplementation and
17 supplementary services under the federal Social Security Act,
18 to or on behalf of persons to whom such public assistance may
19 be given under Section 38-4-1;

20 "(3) Services to and on behalf of dependent,
21 neglected or delinquent children; and

22 "(4) Investigative and referral services to and on
23 behalf of needy persons.

24 "(e) In addition, there shall be paid, commencing on
25 January 1, 1978, and on the first day of each fiscal quarter

1 thereafter, to the Department of Human Resources for a
2 statewide, state-administered food stamp program, as
3 authorized by the Food Stamp Act of 1964, Public Law 88-525,
4 88th Congress, and amendments thereto, an amount equal to five
5 percent of the value of food stamp benefits issued statewide
6 in excess of the amount paid by recipients (bonus or free
7 stamps) during the immediate prior fiscal quarter, which sum
8 so appropriated shall be paid quarterly to the Department of
9 Human Resources Trust Fund for administration of the food
10 stamp program in conformity with rules and regulations
11 promulgated by the United States Department of Agriculture and
12 in conformity with Sections 38-1-1 through 38-6-9. Such
13 administrative funds shall be limited to and based on fiscal
14 year 1976-77 administrative costs, normal inflationary
15 increases and mandated administration requirements of the
16 Alabama Legislature and the United States Department of
17 Agriculture. The Department of Human Resources will not staff
18 any county food stamp office at a level which exceeds the
19 average staff-to-recipient ratios which existed in Alabama
20 during fiscal year 1976-77. This restriction will apply in
21 coordination with those provided hereinabove and, should
22 conflict occur, the lesser amount of expenditure shall be
23 required. At the end of each fiscal year, an accounting shall
24 be made of the sum so that any unexpended and unencumbered

1 balance of funds may be determined for the purpose of paying
2 such balance to the Education Trust Fund.

3 "(f) The amount of the proceeds of all taxes levied
4 by this division remaining after the payment of the expenses
5 of administration and enforcement and the replacement in the
6 several funds of the amount lost by any homestead exemptions
7 and the distribution as provided in subsections (b) and (d),
8 shall be paid into the Education Trust Fund except as provided
9 in subdivision (4) of Section 40-23-2 and subsection (c) of
10 Section 40-23-61 and, beginning January 1, 2016, except those
11 collected on consumable vapor products as defined in
12 subdivision (15) of subsection (a) of Section 40-23-1, which
13 shall be distributed to the State General Fund."

14 Section 2. This act shall become effective
15 immediately following its passage and approval by the
16 Governor, or its otherwise becoming law.

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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 13-APR-21, as amended.

Jeff Woodard
Clerk

Senate	29-APR-21	Amended and Passed
House	29-APR-21	Concurred in Senate Amendment