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**CRR EXTRAS**

*Friday, April 02, 2010*

## Panel Puts Aside E-911 Overhaul

### Bill Sought to Revamp Board and Fee Collection

Told to Return Next Year with New Fee Schedule for Phone Customers

The House Boards and Commissions Committee summarily dismissed an attempt Wednesday by a single provider to overhaul the Alabama Wireless E-911 Board and push collection of the fees onto retailers. After a one-hour public hearing during which all the speakers except for one spoke against the measure, the committee indefinitely postponed **HB 662** by Rep. Craig Ford, D-Gadsden.



*From left, Boards and Commissions Vice Chairman Howard Sanderford, R-Huntsville, and Chairman Merika Coleman. 'The current 9-1-1 board works, and we're losing money on prepaid cellular,' Sanderford said.*

Committee Chairman Merika Coleman, D-Birmingham, told all of the parties involved to come back next year with legislation that would equalize the fee schedule for landline as well as wireless phone users.

**Alabama Retail Association Vice President Alison Wingate**,

along with representatives of the Alabama Chapter of the National Emergency Number Association, the Telecommunications Association of the Southeast, Alabama Public Service Commission, Alabama Department of Homeland Security and the Alabama Association of County Commissions **spoke against the bill**.

"The 9-1-1 community unanimously opposes this bill," Chris Heger, president of the professional association for those involved in providing 9-1-1 service, told the committee. The only person to testify in favor of the legislation was a representative of TracFone Wireless Inc., a prepaid cell phone provider who told the committee that five states already collect the fees at the point of sale and that similar legislation backed by the company is pending in 15 states.

#### TOP ISSUES

[Alabama Senate Opts Out of Federal Health Plan](#)

[House May Debate Dropping Food Sales Tax](#)

[Alabama 10th State to Track PSE Sales](#)

[Referendum Next for Tuscaloosa Sunday Sales](#)

[E-911 Fees Dead for Session](#)

[Restaurant Smoking Ban on Way to Senate](#)

[Budgets Continue to Move](#)

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[Appliance Rebates Price Reductions, Not Income, IRS Says](#)

#### BILLS

- [Act 2010-215](#)
- [Act 2010-271](#)
- [HB 001](#)
- [HB 274](#)
- [HB 290](#)
- [HB 526](#)
- [HB 662](#)
- [HB 697](#)
- [HB 704](#)
- [HB 720](#)
- [HB 765](#)
- [HB 813](#)
- [SB 233](#)

Ford's bill called for a revamped Alabama Wireless E-911 Board to decide by Jan. 11, 2011, how to collect fees from cell phone providers or users to support the state's enhanced 911 emergency telephone services. The bill also would have changed the board makeup by removing some board members representing wireless phone providers, county commissions and the state auditor, while adding representatives of the Cellular Telephone Industries Association (including a prepaid wireless representative), Homeland Security, the Alabama PSC and the attorney general.

It became clear in the debate that the driving force behind the bill was the disparity in fees collected from different phone customers to support emergency 911 services and the way those fees are collected. Cell phone users pay a flat 70-cent monthly fee, while the monthly fee for landline users can be as high as \$5.08, according to testimony. The landline fees have increased as more and more phone users have dropped their landlines and are using cell phones exclusively for their phone needs. The flat fee for wireless users as well as the variable fee for landline users based on their carrier and coverage area is set by law, and the board has no latitude to change those fees without legislation.

Phone service providers collect the fees from their customers and remit them to the state. Although the TracFone representative told the committee that "*there is no feasible means for prepaid carriers to remit their customers' fees*," Jim Sasser, attorney for the Alabama Wireless 9-1-1 Board, told the committee that TracFone had collected the fees until 2007 and then stopped. The board currently is suing the company for fees owed, amounting to \$2 million for 2008 alone, Sasser said.

**ARA opposes any attempts to use retailers as the collection agency for these fees.** Wingate told the committee that it would be inefficient to have thousands of retailers collect the fees as opposed to a handful of phone service providers.



ARA Vice President Alison Wingate testifies against HB 662, which could have led to retailers collecting E-911 fees.

- [SB 303](#)
- [SB 518](#)
- [SB 541](#)
- [SB 585](#)

## IN THE NEWS

[Grocery sales tax bill moves toward debate after committee approval](#)

[New food, income tax amendment proposed](#)

[Alabama Grocers Association endorsed sales tax repeal](#)

[Alabama Senate passes health care opt-out bill](#)

[Alabama House approves \\$5.49 billion education budget](#)

[Alabama House beginning work on General Fund](#)

[Electronic bingo bill passes Alabama Senate](#)

[Alabama to implement e-tracking program to block PSE sales](#)

[Governor signs law to help fight meth](#)

[Alabama governor signs law allowing Tuscaloosa to vote on Sunday liquor sales](#)

[Alabama House panel shoots down bill to allow workers to keep guns in vehicles at work](#)

[Bentley's Alabama jobs bill nears legislative passage](#)

[Bradley Byrne gets Jeb Bush endorsement, unveils education plan](#)

[Alabama Treasurer Kay Ivey switches from governor's to lieutenant governor's race for Republican primary](#)

[Florida's appliance rebate](#)

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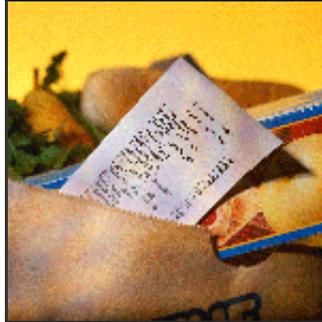
>> **Other News**

## TAXES

### Debate on Food and Drug Tax Possible Anytime

No Sales Taxes on Groceries or Over-the-Counter Drugs

On a voice vote Wednesday, the House Education Appropriations Committee approved a constitutional amendment by [Rep. John Knight, D-Montgomery](#), to remove the 4 percent state sales tax from food as defined by the federal food benefit



program as well as over-the-counter drugs by limiting the income tax deduction for federal income taxes paid. The legislation also would prohibit local governments from levying separate sales taxes specifically on groceries or over-the-counter drugs. Knight said he hopes to see the bill debated as soon as Thursday, April 8.

Under [HB 1](#), individuals with adjusted gross incomes of \$100,000 or less and couples making \$200,000 or less would continue to fully deduct the federal income taxes they pay from their taxable state income. For individuals making more than \$100,000, the tax deduction would be reduced by one percent of the federal income taxes paid for each \$500 of adjusted gross income. For couples, the same reduction would be based on each \$1,000 of adjusted gross income. According to the bill's fiscal note, the legislation would add \$407 million annually to the state's coffers and would reduce the amount of taxes coming into the state by about \$405 million annually. Thursday, [Sen. Hank Sanders, D-Selma](#), introduced the Senate companion bill, [SB 585](#).

If passed by the Legislature, this constitutional amendment would have to be approved by Alabama voters before it could become law. **ARA will continue to monitor this legislation.**

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## HEALTH

### Senate Votes to Opt Out of Federal Health Care Overhaul

Thursday evening, the Alabama Senate voted 23-8 for [SB 233](#) by [Sen. Scott Beason, R-Gardendale](#), a constitutional amendment stating that no person, employer or health care provider could be compelled to participate in any health care system.

The legislation, which still must be approved by the House plus Alabama voters in a July 31 referendum to become

[program expected to run out in one day](#)

[Alabama employment increases during February](#)

[Jobless benefits may end in April for thousands in Alabama](#)

*For more stories concerning legislative action and news of interest to retailers, go to [In the News](#)*

## ARA CONTACTS

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## LEGISLATIVE CONTACTS

To contact members of the Alabama Legislature:

### WRITE:

Alabama State House  
11 South Union Street  
Montgomery, AL 36130

### CALL:

HOUSE: (334) 242-7600  
SENATE: (334) 242-7800

### E-MAIL:

Most representatives can be reached through the House e-mail system by using the following format:  
[firstname.lastname@alhouse.org](#).

Those without e-mail addresses can be reached through the general e-mail address:

[house3@alhouse.org](#)

There is no general e-mail

effective, is a state reaction to last week's federal adoption of health care reform. The Senate's action came two days after more than 250 people rallied on the Statehouse steps in support of Beason's bill.

Democratic opponents filibustered most of Thursday, delaying adoption of Beason's bill until shortly after 6 that evening.

Also Thursday, [Rep. Robert Bentley, R-Tuscaloosa](#), introduced an identically worded constitutional amendment, [HB 813](#), to appear on the ballot, without setting a date for that election.

The Alabama Retail Association has created a page on your Web site to explain details of the massive federal health care plan to help you better understand what the federal plan will mean for your business. That page will be updated periodically as details of the plan become clearer.

[>> What the Federal Health Plan Means for You](#)

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## BUDGETS

### Legislature Concentrates on Budgets

This week, the Alabama House of Representatives approved a \$5.49 billion education budget, while the House budget-writing committee gave its approval to a \$1.6 billion General Fund budget. Meanwhile, the Alabama Senate approved legislation to allow the voters to decide whether to legalize electronic gambling, then began a lengthy filibuster on the legislation designed to fight the federal health care plan. The filibusters had said they would keep talking until the budgets made their way to the Senate floor, possibly as early as Thursday of next week. However, the filibuster ended on the same day it began.

Tuesday, the House unanimously approved [HB 274](#) by [Rep. Richard Lindsey, D-Centre](#), which is about 3 percent greater than the current year's education spending plan. [Sen. Hank Sanders, D-Selma](#), who chairs the Senate education budget committee, told reporters he expects the education budget to pass the Senate without significant changes.

Wednesday, the House Government Appropriations Committee gave a favorable report to [HB 290](#) by [Rep. John Knight, D-Montgomery](#), a nearly \$1.6 billion general operating budget for the fiscal year beginning Oct. 1. The General Fund budget is expected to be debated Tuesday on the House floor. Last week, the Senate Finance and Taxation-General Fund Committee approved [SB 303](#) by [Sen. Roger Bedford, D-](#)

address for senators. [Click here](#) for a roster of the state senators with their complete contact information.

### LINKS GO TO CONTACT INFO:

The link to each lawmaker mentioned in this publication goes to their individual websites, which have contact information. You can also find out whose legislative district you live or work in under [Find Your Lawmaker](#) in the [Political Affairs](#) section of [alabamaretail.org](#).



For committee assignments and clerk contacts for the Alabama Legislature, see [ARA's 2011 Legislative Roster](#).

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ARA constantly strives to increase the Value its members received from

[Russellville](#), a \$1.5 billion version of the General Fund budget.

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## PHARMACY ISSUES

### Alabama 10th to Track Pseudoephedrine Electronically

The **Alabama Retail Association** joined the Consumer Healthcare Products Association, the state's law enforcement community and the bill's sponsors for the formal signing ceremony this week for ARA-backed legislation that requires electronic



*ARA VP Alison Wingate, right, watches as Gov. Bob Riley signs PSE tracking bill.*

tracking of over-the-counter products that contain ephedrine and pseudoephedrine, key ingredients in the production of the illegal drug, methamphetamine.

Alabama joins nine other states — Arkansas, Illinois, Iowa, Kansas, Kentucky, Louisiana, Oklahoma, Missouri, and Washington — that have adopted electronic tracking of the sale of these common cold and allergy medications.

The tracking system called for in [Act No. 2010-215](#) should be in place by the first of next year. The manufacturers of ephedrine and pseudoephedrine will provide the needed equipment at no cost to pharmacies and other retailers, and the system will not alter the ability of cold and allergy sufferers to get the medication they need. The system's goal is to stop “smurfers” who go from store-to-store to try to illegally violate limits on the amount of these medicines individuals can purchase in a given period of time in order to produce methamphetamine.

**ARA again thanks [Rep. Frank McDaniel, D-Albertville](#), and [Sen. Lowell Barron, D-Fyffe](#), the legislation's sponsors, for their leadership in getting this system enacted into law.**

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## ALCOHOL

### Governor Signs Tuscaloosa Sunday Sales

The governor last week signed into law [HB 565](#) by [Rep. Chris England, D-Tuscaloosa](#), which would allow the city of Tuscaloosa to vote on Sunday alcohol sales. Under [Act No. 2010-271](#), the Tuscaloosa City Council has 30 days to set a referendum. If the council, which made this legislation part of its legislative agenda, sets an election date, voters then would

membership. Many members have been using our low-cost workers' comp program for years, but were asking for more. In January, we announced more savings. ARA members now have access to:

### Cost-Saving Credit Card Processing:

Through a partnership with Huntsville-based **CHECKredi**, ARA members get rates normally reserved for only the largest stores.

### Discounted Inbound and Outbound Shipping:

Through our arrangement with **PartnerShip** ARA members can save up to 27% on FedEx services and up to 70% on other shipping needs.

### Budget Friendly Email Marketing:

**Constant Contact** brings ARA members cutting edge e-mail marketing technology for as low as \$15 a month; members save up to 25%

### [Find Out More Today](#)

### IMPORTANT EVENT THIS WEEK

WHAT: **Birmingham Business Leadership Exchange**  
WHEN: **6 p.m. Wednesday, April 6**  
WHERE: Regions Center Upper Lobby Auditorium, 1900 5th Avenue North

*Complimentary parking available at Regions Center deck via 19th St. North*

The Speaker's Commission on Job Creation is partnering with the Birmingham Business Alliance to invite business owners of companies across the industrial spectrum to attend a “Business Leadership Exchange,” and share

have the choice of whether to allow liquor sales between noon and 9:30 p.m. on Sundays. When New Year's Eve falls on a Sunday, the legal sale time would be between noon Sunday and 2 a.m. Monday, under this bill. Restaurants, bars, grocery stores and other retailers licensed by the city and the Alabama Alcoholic Beverage Control Board would be able to sell alcohol on Sundays, just as they do the rest of the week.

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### City Entertainment Districts Ready for Consideration

Wednesday, the House Tourism and Travel Committee approved a substitute version of [HB 704](#), by [Rep. James Buskey, D-Mobile](#), which would allow cities with populations of more than 100,000 to create entertainment districts where patrons can walk from establishment to establishment while drinking alcoholic beverages. Montgomery created the state's first entertainment district in a downtown area known as the Alley through local legislation. Buskey's bill and its companion, [SB 518](#) [Sen. Bobby Singleton, D-Greensboro](#), would establish a separate liquor license for establishments within an entertainment district, and each municipality could have up to two separate districts with a maximum of four licenses allowed in each in those districts. Even the Montgomery district would need the Legislature to establish this separate license for its district to become a reality. Right now, there is no license that would allow patrons to walk out with an open container. The Senate Tourism and Marketing Committee approved Singleton's bill last week. It set an annual fee of \$800 for the new license, which would make it the highest of any other liquor license issued. The House substitute did not contain that provision.

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## SMOKING/TOBACCO

### Senate Panel OKs Statewide Ban on Smoking in Restaurants

The chairman of the Senate Education Committee guided a ban on smoking in restaurants statewide through her committee Wednesday. [SB 541](#) by [Sen. Vivian Figures, D-Mobile](#), defines a restaurant as an enclosed facility that primarily serves food. The



House Government Operations Committee has yet to place the House companion, [HB 720](#), by [Speaker Pro Tempore Demetrius Newton, D-Birmingham](#), on its agenda. Both bills amend the existing Clean Indoor Air Act. The Senate bill now

their ideas about how to improve the business climate in the state. If you have any questions, please **contact the office of House Speaker Mike Hubbard at 334-242-7668**. If you are unable to come to the Birmingham exchange but would like to submit ideas and recommendations, you may [email them to Alabama Jobs Commission](#)

or join the conversation on Facebook at

[facebook.com/speakersjobscommission](https://facebook.com/speakersjobscommission)

goes to the Senate with only six legislative days remaining in the session.

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## ELECTIONS

### Polls Shows Byrne Ahead of Competition

Two independent polls out this week show Republican gubernatorial candidate Bradley Byrne ahead of the pack, both in the primary and potential General Election matchups.



Public Policy Polling, ranked by the *Wall Street Journal* as the No. 2 swing state polling company in the 2008 elections, released a much anticipated poll Tuesday noting that Byrne leads the primary field with 27 percent of the vote. [Alabama](#)

[RetailPAC endorsed Byrne in the first week of January.](#) Roy Moore ranked a close second in the poll, while Rep. Robert Bentley, R-Tuscaloosa, and State Treasurer Kay Ivey tied for third, while Tim James, once considered Byrne's main competition since he began campaigning two years ago, finished off the field in last place. Following the results of this poll, Ivey dropped out of the governor's race to run for lieutenant governor

Thursday, the election season's first Rasmussen Reports Election 2010 survey of 500 Alabama voters showed Byrne would capture 50 percent of the vote in a match-up with Democratic Congressman Artur Davis, who would earn 33 percent support. Byrne outpolled his other Republican challengers in all matchups with potential Democratic opponents.

Candidates statewide had until 5 p.m. today to qualify for the 2010 elections. [Look for more information on the upcoming statewide elections in subsequent issues of the Capitol Retail Report.](#)

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## NEXT LEGISLATIVE DAY

**The Alabama Legislature will meet for organizational purposes beginning Jan. 11, 2011. The Alabama Senate and House will meet in regular session for 30 legislative days between March 1 and June 13, 2011.**

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## FEDERAL

### IRS Issues Ruling on Appliance Rebate Program

The Internal Revenue Service this week issued a memorandum about the upcoming State Energy Efficient Appliance Rebate Program. In Alabama, the program is being administered by the Energy Division of the Alabama Department of Economic and Community Affairs and begins **Monday, April 19, coinciding with the week of Earth Day**. State officials anticipate 50,000 prepaid VISA cards to be issued to Alabama residents as rebates during the program.

[>> For more information](#)

The IRS is treating any payments to consumers funded by the appliance rebate program as reductions in the purchase price of the purchased product rather than income.

Consumers who successfully receive a rebate through this program should reduce the value of any appliance purchased by the amount of the rebate and must not treat that amount as an expenditure in determining any federal income tax deduction or credit, according to the IRS.



Beginning April 19, consumers can apply for the rebates online at [www.alrebates.com](http://www.alrebates.com) or they can purchase qualifying Energy Star appliances and then apply for the rebate.

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