

## INSIDE THIS ISSUE:

- Online Retail Sales, Profitability Continue Climb
- 2005 Regular Legislative Session Review
- ARC Corner. . .
  - Back Injuries Major Pain for Alabama Retail Comp
  - Back Injury Prevention Tips
- The eTax Collector Cometh
- New Members

THE OFFICIAL  
PUBLICATION OF THE  
ALABAMA RETAIL  
ASSOCIATION

*THE VOICE  
of Retailing in Alabama*



ALABAMA RETAIL  
ASSOCIATION

## 2004 EXAMINER OF THE YEAR AWARD GOES TO COFFEEVILLE WOMAN

The Alabama Department of Public Safety and the Alabama Retail Association have partnered up to take an aggressive role in curtailing Driver License Fraud. Identification fraud is one of the fastest growing forms of robbery costing financial institutions, businesses, government, and consumers an estimated fifty billion dollars annually. Examiners working in the Department of Public Safety are on the frontline everyday working diligently to protect these people.



On Monday, April 11, 2005 these two public and private agencies presented the "*Examiner of the Year Award*" for excellence in recognizing fraudulent activity. This special award is given to those who go the extra mile to fight deceptive criminals and prevent fraud. This year's recipient is **Marica Lynn Howze**, Driver License Specialist, of the Huntsville Driver License Office, Decatur District. In determining the winner a point system is used, with five points allocated for each misdemeanor arrest and ten points for each felony arrest. Howze received **483 points last year**.

Howze was hired by the Department of Public Safety in December of 1988 as an Examiner I, and was later promoted to a

Driver License Specialist. Her expertise resulted in the arrest of 101 persons that were wanted by various agencies during the 2004 year.

Twenty-two of these arrests were felonies, the highest number of felony arrests attributed to any employee in the Decatur District. Howze demonstrates the ability to recognize and put into action the necessary procedures needed in order to initiate the arrest of a person with a warrant.

"People just don't realize how important a driver license is when it comes to security," says Major Roscoe Howell, Chief of the Driver License Division. "A driver license used to be just that, now it's like a national identification card used to verify whether you are who you say you are, and here in Alabama we want you to prove it."

Without question, the unique partnership between the Alabama Department of Public Safety and the Alabama Retail Association saves thousands of lost retail dollars by preventing individuals from obtaining false identities, or stealing some innocent individual's identity, and using this identification to obtain checking and credit accounts for unlawful purposes.



*Pictured from left to right: Alison Wingate, Director of Governmental and Public Affairs, ARA; Major Roscoe Howell, Alabama Department of Public Safety; Marica Lynn Howze, 2004 Examiner of the Year; Jerry Beasley, Chairman, ARA; Charles McDonald, President, ARA; and Colonel W.M. Coppage, Alabama Department of Public Safety.*

# THE VOICE

THE VOICE OF  
RETAILING IN ALABAMA  
VOLUME 5, NUMBER 2  
SECOND QUARTER

**PUBLISHER:**

CHARLES MCDONALD

**EDITOR:**

ALISON WINGATE

**2004-2005 ARA OFFICERS**

**CHAIRMAN:**

JERRY BEASLEY  
Beasley Honda, Ozark

**VICE CHAIRMAN:**

KEN HUBBARD  
Western Supermarkets, Birmingham

**PRESIDENT:**

CHARLES MCDONALD  
Montgomery

**VICE PRESIDENT:**

RICHARD E. BROWN, JR.  
Montgomery

**TREASURER:**

BOB QUERY  
Montgomery

**SECRETARY:**

VIRGIE TODD  
Montgomery

**IMMEDIATE PAST CHAIRMAN:**

CLAUDE "BUD" KITCHIN IV  
SalePoint, Inc., Anniston

**2004-2005 ARC OFFICERS**

**CHAIRMAN:**

JAMES ROTENSTREICH  
JHF Holdings, Inc., Birmingham

**TRUSTEES:**

JERRY BEASLEY  
Beasley Honda, Ozark

DARRELL BOURNE

Ragland Bros. Retail Cos., Inc., Huntsville

DAN EDGAR

Edgar's Foodland, Inc., Eutaw

BUD SKINNER

Jubilee Seafood, Montgomery

JIMMY SMITH

Jimmy Smith Jewelers, Decatur

WILLIAM "BILL" WAGNER

The Athlete's Foot, Tuscaloosa

**FUND ADMINISTRATOR:**

RICHARD E. BROWN, JR.  
Montgomery

*THE VOICE* is the official publication of the Alabama Retail Association, 7265 Halcyon Summit Drive, Montgomery, Alabama 36117. Telephone (334) 263-5757; FAX (334) 262-3991.

*THE VOICE* is published four times a year, quarterly. Views and conclusions expressed in articles herein are those of the authors, not necessarily those of the editors or officers of the Alabama Retail Association. Opinions expressed in this magazine do not necessarily reflect the policies of the Alabama Retail Association.

**Advertising:** Inquiries should be directed to the Alabama Retail Association. Rates will be furnished on request. The Alabama Retail Association reserves the right to omit any advertising or editorial copy deemed to be unsuitable for publication. Publication herein does not necessarily imply endorsement of any product or service offered.

**Postmaster:** Send address changes to *THE VOICE*, P. O. Box 240669, Montgomery, Alabama 36124.

# COMMENTARY

R I C K B R O W N

*ARA Vice President*

**"YOU CAN'T ESCAPE THE RESPONSIBILITY OF TOMORROW BY EVADING IT TODAY."**

*—Abraham Lincoln*



It seems as though the Alabama Senate has failed to learn this lesson.

After one of the most partisan, contentious legislative sessions on record, many thought the last legislative day would bring forth a General Fund Budget. Supposedly, funds had been found to cobble together enough money to finance the operating expenses of most non-educational state agencies. The Education Budget had passed, been vetoed by the Governor, and the veto had been overridden, making law of the Education Budget.

If the Senate could only put agendas aside and pass the General Fund Budget, a Special Session of the Alabama Legislature could be avoided, saving Alabama taxpayers nearly half of a million dollars.

Alas, that did not happen.

So, here we are: a budget must be passed by October 1, to ensure no disruption in state services. The Governor has now said he will not call a Special Session until he knows a budget will pass. More money will be needed to make everyone happy enough to pass a budget, and this budget is leaking like a sieve!

This budget was more than a quarter of a billion dollars short when drafting began. Hocus pocus, and once again, a pot of gold was found. Seems to happen this way every year, doesn't it? The Legislature yet again puts off a true fix for one more year, instead raiding trust funds and other accounts and inserting one-time money that may or may not be available for the next year.

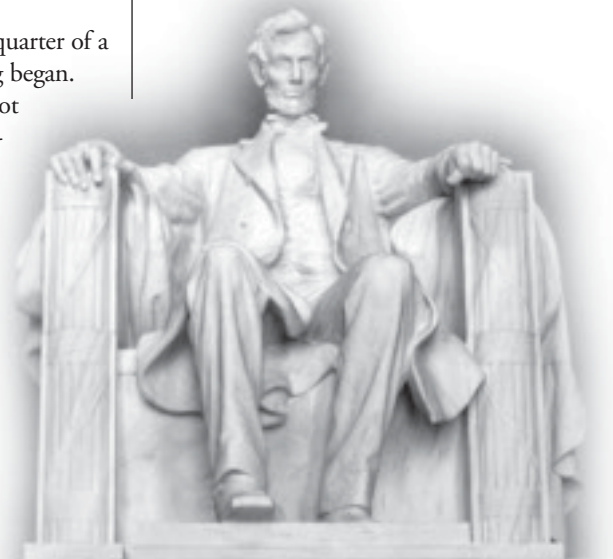
Of course, the hole in next year's General Fund Budget is even bigger. It grows each year, and fundamental change is put on the back burner.

ARA, through the Business Associations' Tax Coalition (BATC), has endorsed a budget stabilization plan which has been

introduced in the past few years. Key to this is a bill that would set up a budget management plan that uses real revenue figures from the previous 12 months rather than the current process of revenue estimates. Appropriations would be capped at the previous 12 month levels with additional revenue appropriated separately. It would further mandate the state to keep the "rainy day" funds full at 6 percent to prevent pro-ration.

It is easier, however, to keep using the "crystal ball" and make projections that more often than not are never met. Everyone can leave town happy and pass the buck when the money doesn't materialize, once again, pushing off until tomorrow the effects of today's actions.

One day, all the pots will be empty, all the tricks used, and someone will be left holding an empty bag. Maybe then our government will change the system destined to fail. We can only hope someone takes responsibility sooner than later.



# ONLINE RETAIL SALES, PROFITABILITY CONTINUE CLIMB

## U.S. ONLINE SALES EXPECTED TO HIT \$172 BILLION IN 2005

Ten years after its inception, online retailing is growing up fast. According to *The State of Retailing Online 8.0*, an annual Shop.org study conducted by Forrester Research of 137 retailers, 2004 online sales rose 23.8 percent to \$141.4 billion. Excluding travel, online retail sales also rose 23.8 percent to \$89.0 billion, representing 4.6 percent of total retail sales.

The report predicts that online sales (including travel) will rise 22.0 percent to \$172.4 billion this year. Sales excluding travel are expected to reach \$109.6 billion.

## WOMEN'S RETAIL CATEGORIES POISED FOR GROWTH

Several retail categories will experience steep growth this year, largely due to the growing acceptance of online shopping by women. In fact, categories with products purchased largely by women will see the most growth this year. Online sales of cosmetics and fragrances are expected to grow 33 percent while sales of over-the-counter medications and personal care will rise 32 percent. Additionally, sales of jewelry and luxury goods (31%) and flowers, cards, and gifts (30%) are expected to rise dramatically.

"Though initially adopted by men as a shopping tool, women are flocking to the Internet in droves to comparison shop, research, and buy," said Scott Silverman, Executive Director of Shop.org. "Online retailers who sell products that are purchased by women are in a favorable position this year, as we expect those categories to grow substantially."

In addition, several categories are expected to receive at least ten percent of their sector's sales from the Internet this year, including: computer hardware and software (48%), tickets (28%), travel (26%), books (20%), consumer electronics (13%), cosmetics and fragrances (12%), toys and video games (12%), and flowers, cards, and gifts (10%). This year, a total of 13 categories will reach the five-percent penetration point.

## PROFITABILITY CONTINUES TO CLIMB

Multichannel retailers again posted record profitability last year. Last year,

online retailers improved overall operating margins to 28 percent from 21 percent in 2003. Catalog-based retailers continue to boast the best operating margins, which rose to 32 percent last year from 28 percent in 2003.

"With profitability behind them, retailers can now focus on innovation and growth through things like increased integration of their online and offline businesses and internationalization of their sites," said Carrie Johnson, lead author of the report and Principal Analyst at Forrester Research. "One way retailers will grow sales over the next several years will be by launching country-specific sites and operations to accommodate a growing number of international customers."

## ONLINE RETAILERS FIND SEARCH ENGINE MARKETING PAYS OFF

One of the most compelling findings of the study addressed retailers' marketing budgets and the effectiveness in marketing through certain channels. This year, search engine marketing appeared as the clear leader as a source of new customers, with retailers reporting that search engine marketing delivered 43 percent of overall cus-

tomers to their sites. In 2004, 87 percent of retailers who participated in the study used pay-for-performance search placement and spent more than twice as much from their marketing budgets on this category than they did in 2003 (\$877,630 in 2004 vs. \$399,923 in 2003).

## MULTICHANNEL RETAILING ADVANCES

According to the study, retailers are keenly aware of the importance that their website plays into their overall sales goals. In fact, retailers reported that the Web influenced 20 percent of in-store sales. As a result, retailers are striving to integrate their stores and websites, which signals cooperation among channels.

Last year, almost all (92%) multichannel retailers included URLs on in-store materials, up from just 77 percent in 2003. The majority of retailers (81%) also used websites to tout their stores. Additionally, 45 percent allowed consumers to purchase and redeem gift cards online and in stores, up from 30 percent in 2003. And nearly one-fourth (24%) of retailers offered in-store product availability on their websites last year.

Employers will benefit from legislation signed by President Bush on February 18, 2005 that limits the forum and scope of class action litigation. Known as the Class Action Fairness Act, the primary purpose of the law is to shift products liability and tort class action claims from state court to federal court. The Act's supporters contend that state court class action litigation results in disproportionate fees for attorneys compared to class member recovery and "forum shopping" to find an elected judge who they believe will be sympathetic to their claims. Under the Act, most class actions will be moved to federal court unless all of the parties are residents of the state in which the case was filed or the damages alleged are less than \$5,000,000.

The most immediate impact on employers relates to wage and hour "collective actions." When these claims are filed in federal court, class members have to decide whether to join the class (i.e., "opt-in"). When plaintiffs' attorneys file a wage and hour class action in state court, they have access to a potentially much larger class because class members have an "opt-out" choice; they are part of the class unless they elect not to be. Another advantage to employers under this new law is the pool from which potential juries are selected. A federal jury pool is much broader geographically and thus more diverse than a jury for state court, which is typically limited to residents of the county in which they claim is pending.

Lehr Middlebrooks Price & Vreeland, P.C.  
2021 Third Avenue North  
Birmingham, AL 35203  
205-326-3002



# 2005 REGULAR LEGISLATIVE SESSION REVIEW

The 2005 Regular Session of the Alabama Legislature crawled to a close at midnight on Monday, May 16. The session was filled with partisan bickering, and much of the session was wasted while the Senate was in a filibuster. This made it easy to kill legislation, but next to impossible to pass anything.

The Senate failed to pass the General Fund budget, from which most non-educational state agencies are funded. This must happen prior to October 1, 2005, if there is to be no disruption in state services. A date for a Special Session has not yet been decided, and Gov. Bob Riley has said that he won't call it until he believes lawmakers are ready to pass a General Fund budget.

Following is a brief re-cap of legislation of interest to ARA members.

## SUCCESSSES

Once again, ARA lobbyists were able to ward off consideration of legislation to require country of origin labeling (COOL) for seafood products. A bill unanimously passed the House Agriculture Committee but was never considered by the full House. The Senate version passed the Senate Health Committee but was never debated by the full Senate.

Bills to change the way we elect Supreme Court Justices and to ban judges from running for office by party were also thwarted. A constitutional amendment was proposed to require the eight Associate Justices on the Alabama Supreme Court to be elected by district. The Chief Justice would run at-large. Many feel giving Justices a specific constituency is a bad idea.

Another bad idea is a bill that would have eliminated partisan elections (running by political party) for all judicial offices and created a separate ballot for the judicial candidates called "the Official Nonpartisan Judicial Ballot." Often a political party affiliation is used by voters to determine philosophy of a candidate and this should be maintained.

A huge victory for ARA members was the lack of movement of a "soft drink tax" bill with proceeds earmarked for Medicaid. This bill would have placed an excise tax of \$.53 per gallon of bottled soft drinks to be paid initially by the distributor, manufacturer, or wholesale dealer, then would be added to the sales price of the products and passed on to the consumer.

A bill that would prohibit the sale of

any gift certificate or gift card that contains an expiration date or a service fee was carried over and never addressed in the House Commerce Committee. It would require gift certificates or cards to be redeemable in cash for its value and be subject to replacement with a new gift certificate at no cost to the purchaser or holder if lost or stolen.

## AMENDED/COMPROMISED

When the Alabama Legislature met for the final day of the 2005 Regular Session on Monday, one of the few bills passed was Rep. Frank McDaniel's pseudoephedrine restriction bill as agreed upon by ARA's Chain Drug Council. Many in the Legislature wanted to make ALL products containing pseudoephedrine a Schedule V Drug, requiring a doctor's prescription. We worked with interested parties to find a balance between curbing methamphetamine production and keeping available a widely-used, inexpensive decongestant.

## WORK ON AGAIN NEXT YEAR

At the request of ARA, bills to create a back-to-school sales tax holiday were introduced to remove the state sales tax on cer-

tain items for the first full weekend in August (Friday, Saturday and Sunday). The bills were very narrow in scope and only exempted clothing items with a selling price of less than \$100, school supplies costing less than \$50, and computers and equipment less than \$1500.

Another bill of great importance to retailers was brought to the attention of ARA, to force businesses with state contracts to collect and remit Alabama sales taxes from Alabama citizens. This bill is seen by many as a way to begin taxation of Internet sales.

This bill and the sales tax holiday bill were tied together with an amendment making the sales tax holiday to only go into effect if the state contract bill passed.

Although these bills did not pass this session, this does set a precedent and will allow us to hit the ground running in the next legislative session.

Two bills to establish the crime of "organized retail theft" received approval by the House and Senate Judiciary committees, but never saw action on either floor. The ARA Loss Prevention Committee identified organized retail theft as their most expensive and

*(Continued on page 8)*



# ARC CORNER



## BACK INJURIES MAJOR PAIN FOR ALABAMA RETAIL COMP

More than 27% of every dollar spent on a claim at Alabama Retail Comp in Fund Years 2000-2004 was on a back injury. During the same period, back injury claims filed with Alabama Retail Comp accounted for only 15% of the number of all claims filed.

More surprisingly, the average cost of back claims increased 82% from Fund Year 2000 to 2004.

Fund Year	Number of Back Claims Filed	Average Cost of Back Claim	Back Claims Costs as a % of Total Paid on all Claims
2004	160	\$12,066	29%
2003	173	\$9,404	22%
2002	181	\$7,212	29%
2001	184	\$6,724	23%
2000	168	\$6,622	30%

Please remember we are spending your money, so reporting claims immediately allows us to direct the injured employee to the proper specialist. Please report all claims to our office immediately by calling 1-888-327-1915.

Below we have included some helpful tips on preventing back injuries. Please review these basic safety tips and implement them in your workplace.

## BACK INJURY PREVENTION TIPS

*Hugh Langdale, Jr., WSO-CSE, CSSD, Associated Safety Service Providers, Inc.*

Most of you have probably heard that in order to lift safely, you must lift properly. You're told to "bend your knees not your back," and "don't twist as you lift." This is good advice but sometimes seems to go against human nature. Yet, there are actions you can take to help you lift properly.

- **Get as close to the load as possible.** The further the load is from the center line of your body, the greater the strain imposed on your back. If need be, squat down to lift the load and pull it between your legs. This gets it closer to the center of your body and helps prevent the need to bend at the waist. However, since your leg muscles are the largest muscles in your body, they are the biggest energy consumers. Repeated squatting can be very fatiguing, and reduces a person's ability to lift in this manner for any length of time. In addition to lifting the load, you are also hoisting the majority of your body weight. For repeated lifting, other strategies must be used.
- **Avoid picking up heavy objects placed below your knees.** Try to see that heavy objects are placed and stored above knee level and below shoulder level. If you suspect the load is too heavy to be lifted comfortably, do not chance it. Use a mechanical aid, break the load down into its component parts, or get help. The most common cause of back injury is overloading.
- **Keep your back straight.** This means don't bend at the waist when reaching to lift an object. Keep the natural arch in your lower back, which distributes the load evenly over the surface of spinal disks, and is less stressful than if the disk is pinched between vertebrae. Bending principally from the hips is acceptable if you maintain the arch in your back, rather than bending at the waist.
- **Glue your hand to your thigh.** If you carry a load in one hand, such as when carrying a tool box, place your free hand on the outside of your thigh and mentally "glue" it into position. This will help you maintain correct back alignment rather than lifting and tilting to one side. When carrying a heavy load, side bending can be just as stressful to the spine as bending forward.
- **Tighten your stomach muscles.** This technique helps prevent your spine from twisting. If you lift a load and need to place it off to one side, turn by moving your feet.
- **After repeated lifts you might find yourself getting a bit sloppy and forgetting**

*(Continued on page 8)*

## RETAILERS WELCOME SIGNING OF BANKRUPTCY REFORM

On April 20, 2005, retailers rejoiced over the signing of long-awaited bankruptcy reform legislation. S. 256, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, sponsored by Senate Finance Committee Chairman Charles Grassley, R-Iowa, represents the most significant change to the nation's bankruptcy laws in 25 years.

The new law will make it harder for individuals to file Chapter 7 bankruptcy, which eliminates most debts. Individuals whose earnings exceed their state's median income will be required to file Chapter 13, which sets up a court-ordered repayment plan.

The National Retail Federation has led retailers' support for bankruptcy reform legislation for close to a decade. There were 1.56 million consumer bankruptcy filings in 2004—roughly twice the 780,455 of 1994—and retailers who offer store credit or proprietary credit cards bear a large share of the increasing volume of bad debt.

The last comprehensive bankruptcy update was the Bankruptcy Reform Act of 1978. Personal bankruptcies totaled 172,423 that year, according to the U.S. Administrative Office of the Courts. That amounted to one filing for every 1,291 U.S. residents in 1978 compared with one in 334 in 1994 and one in 189 in 2004. U.S. population was 222.6 million in 1978, 260.3 million in 1994 and 295.9 million in 2004. While total bankruptcy filings in 2004 were approximately nine times the 1978 level, the increase in the per capita rate of filing was six-fold because bankruptcy filings increased much more rapidly than population.

In a statement, Bush said the law will prevent abuses by people who can afford to pay their debts.

"This practical reform will help ensure that debtors make a good-faith effort to repay as much as they can afford," Bush said. "This new law will help make credit more affordable, because when bankruptcy is less common, credit can be extended to more people at better rates."

NRF Senior Vice President and General Counsel Mallory Duncan agrees. "Annual bankruptcy filings have increased nine-fold since then, and bankruptcy has gone from a stigma to a financial planning tool for many. Every one of those filings means more bad debt that gets passed on to consumers, and consumers are tired of picking up the tab. Many bankruptcies are legitimate but too many are being filed by people who could afford to pay but choose not to. This bill will return bankruptcy to being the safety net it was meant to be."

"This affects more than just big credit card companies and banks," Duncan said. "There are thousands of small Main Street retailers selling merchandise on store credit who can't afford not to get paid. Whether it's a Mom and Pop store or a national chain, retailers who get left holding bad debt are forced to pass that cost on to their customers and everyone ends up paying more."

# THE eTAX COLLECTOR COMETH

*As states streamline their sales tax codes, they are moving ahead with the technology to make it easy for online businesses to collect the tax.*

State and local governments have been trying for decades to collect the sales tax owed on out-of-state mail order catalog sales and more recently, online purchases. Thanks to a technology linchpin, the “checks” could soon be in the e-mail.

The software needed to collect taxes on non-brick-and-mortar sales has been around for along time. But it was difficult for businesses to stay up-to-date on varying state and local tax rates. That increased their chances for error during collection and left them subject to audit.

The Streamlined Sales Tax Project- a state effort put together in 2000 that partners with local governments and the private sector- has worked on simplifying tax codes and is making strides in putting the technology piece in place.

The way the sales tax project envisions it, “certified service providers” it contracts with will go out to individuals businesses and provide the software and assistance in set-

ting it up so that even a small business with no tax department could collect taxes.

The project will pay for the cost of the collection software. The states will provide the businesses with their simplified state tax database. Any company contracted as a tax collector will incorporate those state rates into its system. Then, if there are rate errors in the collection process, the businesses will not be held responsible. “If they incorporate our information and we goofed, it’s our fault, and we will not hold them liable,” says Scott Peterson, director of South Dakota’s sales tax division and co-chair of the sales tax project.

In addition, if businesses agree to sign up with a certified provider to collect taxes owed states, they will get tax amnesty for one year with “no look back” on earlier taxes they might owe now. Relief from that burden could be significant if Congress ends up blessing the streamlined sales tax agreement and compels all businesses-online or otherwise-to collect taxes due.

Late last year, the sales project issued an RFP for certified service providers and now is evaluating 12 proposals from company

offering systems to collect and report taxes for businesses. The systems need to identify items purchased and shipping locations, determine whether items are taxable or not and what the tax rate is, accumulate data monthly and compile it into a tax return for the states.

The 42 states participating in the project have their own job to do. They have to simplify and modernize their sales taxes in accordance with the SSTP guidelines, and many states need legislation to do so. Between 15 and 19 states are expected to be ready by October, when the collection system is slated to start up.

Simplifying the tax structure for input into the database is easier for some states than for others. New Jersey, for instance, has no local sales tax. All it has to do is provide correct ZIP codes. Texas, on the other hand, has more than 1,300 local sales tax jurisdictions and many districts that overlap. The challenge is to figure out a tax data system based on addresses when one address may be located within several taxing districts.

Some states have finished modernizing their systems and are ready to roll. South Dakota, which had multiple local sales tax rates, worked on streamlining for two years. Now, of the 200 localities with a sales tax, 132 changed tax rates so local tax rates could be uniform throughout the state.

The state developed a GIS system and created maps of municipalities with sales taxes. Those maps were shipped to the local governments for approval of legal boundaries. Streets and addresses were added. Now, businesses can type in an address from South Dakota and receive a tax rate and tax identification number. Once chosen, a certified service provider will incorporate the state database into its system.

Some states can practically taste the new revenues. Washington State estimates that if the system is in place in October, it could see \$25 million in additional state taxes in the first year. Tennessee could pull in \$24.4 million in state taxes and \$8 million in local taxes. For Wisconsin, the ultimate prize could be \$150 million a year—the amount it currently loses in uncollected sales taxes.

Streamlining activity is moving along—there is an RFP for a registration system that allows businesses to sign up in one place for 50-state tax collection. “We’ve still got a long ways to go,” says Diane Hardt, co-chair of the project. “It’s evolving.”

*“Reprinted with permission, Governing magazine, copyright 2005.”*

## PETE MATHEWS 1917-2005

The Alabama Retail Association recently lost a dear friend and long-time employee, Pete Mathews.

Mr. Mathews was born in Ashland, Clay County, Alabama, in 1917. There he received his elementary and secondary education. Later, he graduated from Jacksonville State Teachers’ College.

Mr. Mathews entered the United States Army at the outbreak of World War II, served four years, and was discharged as First Lieutenant. Following Army service, he received a law degree from the University of Alabama. Mr. Mathews practiced law in his hometown of Ashland until residents of that district elected him to the Alabama House of Representatives.

During the next twenty years, he served the people of Alabama in the halls of their legislature in both the Senate and House. He was voted the outstanding State Senator by the Alabama Capitol Press, Radio and Television Corps. He was voted most effective member of the House of Representatives while serving in that body.

Upon completion of his legislative offices, Mr. Mathews was elected to the Alabama Public Service Commission, concluding 24 years of elective service to the State of Alabama.

Mr. Mathews served for 19 years as the in-house counsel for the Alabama Farm Bureau and its insurance company. He followed that service as the legislative liaison for the Alabama Retail Association in both Montgomery and Washington from 1981 to 2005.

Mr. Mathews has contributed more than \$1 million to the establishment of the Pete Mathews Foundation for tuition scholarships to students to Jacksonville State University. He served as Chairman of the Board of Trustees of Jacksonville State University from 1967 to 2002.





# WELCOME NEW MEMBERS

82 Family Restaurant, Inc. . . . . Maplesville  
 Alabama Physical Services, Inc . . . . . Homewood  
 Allied Products, LLC . . . . . Enterprise  
 American Society of Ocular Trauma, Inc. . . . . Birmingham  
 Austin's Flowers. . . . . Wetumpka  
 Autauga Home Supply, Inc. . . . . Prattville  
 Axessable Internet Services, Inc. . . . . Hartselle  
 B & D Stephens, Inc. . . . . Selma  
 Bank of Vernon . . . . . Vernon  
 Beverly's BBQ, LLC . . . . . Columbiana  
 BGG, LLC . . . . . Huntsville  
 Boars Butt, Inc. . . . . Winfield  
 Bobbie J Inc. . . . . Rogersville  
 Branch Co., Inc. . . . . Tuscaloosa  
 Brazelton Foods, Inc. . . . . Birmingham  
 Business & Professional Systems, Inc. . . . . Mobile  
 Callaghan's Irish Social Club, Inc. . . . . Mobile  
 Carto Craft Maps, Inc. . . . . Birmingham  
 Centcomm Wireless, L.L.C. . . . . Montgomery  
 Charles Sowell, Landscape Architect, LLC. . . . . Hoover  
 Chuck's Catfish House . . . . . Tuscaloosa  
 CNHM, LLC . . . . . Mobile  
 Cocina Enterprises, Inc. . . . . Birmingham  
 Coffee On Valley, Inc. . . . . Birmingham  
 Costa's Famous Bar-B-Que #3, LLC . . . . . Birmingham  
 Courtland Discount Pharmacy, Inc. . . . . Courtland  
 Crowe's Chicken of Brundidge . . . . . Troy  
 Custom Supply, Inc. . . . . Birmingham  
 D. V. Hart, Inc. . . . . Florence  
 Dawson Engineering, Inc. . . . . Birmingham  
 Dickinson & Company, LLC. . . . . Hoover  
 DJ's Diner . . . . . Georgiana  
 Donda, Inc. . . . . Troy  
 Doug Sweet & Associates, Inc. . . . . Birmingham  
 Downtowner's on Dauphin Street, LLC. . . . . Mobile  
 Earth Creations, Inc. . . . . Bessemer  
 Eat Here, Inc. . . . . Auburn  
 El Metate Authentic Mexican Restaurant . . . . . Dothan  
 Emerald Coast Laundry and Linen Supply, LLC . . . . . Foley  
 Extreme Marine Boat Sales & Service, Inc. . . . . Decatur  
 Eyecare of East Chase, L.L.C. . . . . Montgomery  
 FAC Market Co., Inc. . . . . Helena  
 Falcon Direct, Inc. . . . . Birmingham  
 Fi-Plan Partners, LLC . . . . . Hoover  
 First Security Title, Inc. . . . . Birmingham  
 Fonseca Factory Restaurant, Inc. . . . . Arab  
 Gallegos, Inc. . . . . Ozark  
 Galley Restaurant . . . . . Haleyville  
 Genala Banc, Inc. . . . . Geneva  
 Gilchrist, Inc. . . . . Opp  
 Glory Days, LLC. . . . . Pell City  
 Grand Gulf Corporation . . . . . Orange Beach  
 Graphics Warehouse, LLC . . . . . Pelham  
 Great Taste Alabama, LLC . . . . . Mableton  
 Guthries Homestyle Cookin . . . . . Jasper  
 H. T. General Merchandise. . . . . Florence  
 Harden's . . . . . Eclectic  
 Hearne, Inc. . . . . Athens  
 Hendon + Huckestein Architects, P.C. . . . . Birmingham  
 Homer A. Jackson Company . . . . . Birmingham  
 Hometown Diner . . . . . Lincoln  
 Hoover Shoe Repair . . . . . Hoover  
 Hungry Hut Bar-b-que . . . . . Glencoe  
 Innovative Advertising of North Alabama, Inc. . . . . Huntsville  
 J/T Bell Home Improvement Company, LLC . . . . . Hayneville

J-Nan, Inc. . . . . Cullman  
 Kanwars, Inc. . . . . Oxford  
 Ken's Cleaners . . . . . Pelham  
 La Bella Vita, LLC . . . . . Eufaula  
 LaFiesta South, Inc. . . . . Tuscaloosa  
 Like New Motorcars, Inc. . . . . Alabaster  
 Mamma B's, Inc. . . . . Mobile  
 Market Direct Designs, LLC . . . . . Orange Beach  
 Master Graphics, Inc. . . . . Auburn  
 Maxvision Corporation . . . . . Madison  
 McCorvey, Inc. . . . . Huntsville  
 Medtown, Inc. . . . . Birmingham  
 Mental Health Management, LLC . . . . . Birmingham  
 Michael's Chinese Buffet Inc. . . . . Russellville  
 Midas Burger, Inc. . . . . Arab  
 Milbang, Inc. . . . . Mobile  
 MKM, L.L.C. . . . . Gulf Shores  
 Modernistic Printers, Inc. . . . . Cullman  
 Moe Faith II, LLC . . . . . Birmingham  
 Moe Faith, LLC. . . . . Vestavia Hills  
 Moore's Auto Parts, Inc. . . . . Berry  
 MP Surplus Outdoors, Inc. . . . . Pinckard  
 Mr. Johnny's . . . . . Linden  
 O's Good BBQ, Inc. . . . . Oneonta  
 Our Back Yard, LLC . . . . . Huntsville  
 Patt, Inc. . . . . New Site  
 Pickensville Marina & Sports Shop, Inc. . . . . Carrollton  
 Pizza Partners, LLC . . . . . Birmingham  
 Playland Entertainment, L.L.C. . . . . Selma  
 Polaris Sensor Technologies, Inc. . . . . Huntsville  
 Real Estate Funding Corporation . . . . . Montgomery  
 Retail Specialists, Inc. . . . . Birmingham  
 River Forks Imports, Inc. . . . . Geneva  
 Robert K. Walden, Inc. . . . . Montgomery  
 Sai-Ram, L.L.C. . . . . Rainbow City  
 Security Federal Savings Bank . . . . . Jasper  
 Sentinel, Inc. . . . . Huntsville  
 Sloss Real Estate Company, Inc . . . . . Birmingham  
 Smallwood Foods, Inc. . . . . Cullman  
 Smokin S Bar BQ . . . . . Wetumpka  
 Solid Civil Design, LLC . . . . . Birmingham  
 Southeastern Business Machines Inc. . . . . Huntsville  
 Southern Fitness, Inc. . . . . Pelham  
 Sportsman Outfitters, LLC . . . . . Dothan  
 Springhill Seafood . . . . . Mobile  
 Sunrise Buffet, Grill & Bar, Inc. . . . . Hoover  
 Sweet Basil, L.L.C. . . . . Florence  
 Swen Chinese Restaurant . . . . . Northport  
 Synco Drugs . . . . . Troy  
 Tan Palace, Inc. . . . . Birmingham  
 The Farmhouse Restaurant . . . . . Demopolis  
 Title Assurance Company, Inc. . . . . Mobile  
 TJM Enterprises, LLC . . . . . Dothan  
 Triwt Enterprises, Inc. . . . . Decatur  
 USA Storage, LLC. . . . . Mobile  
 V.M.K. Incorporation . . . . . Montgomery  
 Ward's Sporting Goods and Marine Supplies, Inc. . . . . Mobile  
 Wayne's Restaurant . . . . . Opelika  
 Welch Enterprises, Inc. . . . . Hoover  
 West Insurance Agency, Inc. . . . . Oxford  
 Westglenn Software, Inc. . . . . Birmingham  
 Wetumpka Dairy Queen . . . . . Wetumpka  
 Whaley and Sons, Inc. . . . . Anniston  
 Wrapsody, Inc. . . . . Hoover  
 Yarbrough Farms, LLC. . . . . Auburn

## 2005 REGULAR LEGISLATIVE SESSION REVIEW

(Continued from page 4)

fastest-growing crime and was instrumental in the drafting of this bill.

Legislation to create an "Energy Savings Month" in October was introduced to help educate and provide incentives for Alabamians on ways to save and conserve energy. Certain ENERGY STAR® appliances would be exempt from sales taxes during this month.

A bill was introduced to give the city council of any class 4,5,6 "wet" municipality the authority to call for a referendum on the expansion of the time and sale of alcoholic beverages on and off premise within the corporate limits of the municipality. The bill was reported out of the Senate Tourism and Marketing Committee, but never received a floor vote.

Tuscaloosa, Gadsden, Anniston, Decatur, Dothan, Florence, Selma, Alex City, Athens, Enterprise, Ozark, Sheffield, Sylacauga and Talladega are all cities that are "wet" but have no provision for Sunday sales.

Once again, a three-bill package of tort reform bills was introduced, and once again, none passed. Bills addressing the post-judgment interest rate, mental anguish evidence standards and product liability were backed by the Alabama Civil Justice Reform Committee (of which ARA is a member), but none were ever debated on either floor.

Finally, The Alabama Legislature adjourned without adopting legislation, supported by the Alabama Department of Industrial Relations and ARA, to prohibit an employer from setting up a shell company with the potential of earning a low unemployment experience rate, in order to transfer some or all workers from an original high unemployment experience rate company. This would put Alabama law in line with federal law. Without passage, Alabama will stand to lose an estimated \$630 million in federal unemployment compensation tax credits for Alabama employers in 2006. No doubt this bill will surface in the Special Session. A more in-depth analysis of the session is available from ARA. Please contact us to receive a copy.

## HOUSE OF REPRESENTATIVES CREATES TASK FORCE TO STUDY SST

By Bruce P. Ely, Bradley Arant Rose & White LLP, Birmingham, AL

**O**n April 5, 2005, the Alabama House of Representatives unanimously adopted House Resolution 676, sponsored by Speaker of the House Seth Hammett (D-Andalusia) and Representative Betty Carol Graham (D-Alexander City). The resolution creates a "special interim committee" to study the potential revenue loss to the State of Alabama caused by the "significant growth" in the e-commerce sector and "the lack of a streamlined sales tax system . . ." for the State.

The task force will consist of five members of the House of Representatives, to be appointed by the Speaker of the House, and is charged with studying "all facets of a streamlined sales tax." There is no deadline by which those members must be appointed but observers expect the Speaker to act quickly.

Readers may recall that Speaker Hammett and Representative Graham were two of the primary advocates of the Legislature's unsuccessful effort in 2004 to cause Alabama to become an SST Implementing State. Readers may also recall a recent study prepared by professors at the University of Alabama at Birmingham and the University of North Alabama that projected more than a \$400 million per year revenue loss because of the State's constitutional inability to collect sales tax from e-commerce businesses.

The task force is charged with reporting its findings, conclusions and recommendations to the full House of Representatives not later than the tenth legislative day of the 2006 Regular Session.

©May 2005. Bruce P. Ely. All rights reserved.

## BACK INJURY PREVENTION TIPS (Continued from page 5)

**to move your feet.** You can overcome this tendency if the place you set the load down is at least one step away from where it is lifted. If you wear a back support belt, wear it low on your trunk and loosen it when you are not lifting.

• **Stay in good physical condition.** A protruding stomach is an extra load carried away from the center line of the body, and prevents you from keeping a lifted object close—the number one rule for back care. When you bend at the waist to lift, due to the leverage principal, the load is up to 10 times heavier than its actual weight. A "pot belly" puts extra, stressful weight on the spine.

• **Stretch and loosen up before work.** Research has shown that trunk flexibility and mobility is significantly lower in the morning than later in the day, increasing the number and severity of back strains at this time. A few minutes of stretching can warm up cold stiff muscles and tendons and help you avoid an injury. All professional athletes know this—"industrial athletes" should too!

Please report all claims to our office immediately by calling 1-888-327-1915.



ALABAMA RETAIL  
ASSOCIATION

7265 Halcyon Summit Drive  
Post Office Box 240669  
Montgomery, Alabama 36124

PRESORTED STD  
US POSTAGE  
**PAID**  
PERMIT #456  
MONTGOMERY, AL