

# CAPITOL REPORT



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## **Regular Session Ends in Turmoil: Education Budget Fails to Pass**

The Alabama Legislature held its last meeting day of the 2008 Regular Session on Monday, and the Senate began the day debating the Education Budget. No progress was made however, as the Senate broke down over K-12 education opposing a request by the four year universities for \$25 million in funds out of the \$6 billion budget. Several Republicans and some Democrats voted against ending debate and forcing a vote late Monday night, and as the night ended, it became apparent that nothing else would pass. In the 2008 Session, roughly 60 general laws passed, including 3 AAR bills.

## **Recap of 2008 AAR Successes**

**1. Prevent Municipalities or Counties from Imposing Sign Fees.** House Bill 296 by Representative Craig Ford, D-Gadsden, now enacted into law, prohibits fees or taxes from being imposed on real estate companies for signs advertising real estate for sale or lease. This legislation prohibits permit fees or taxes for on-premise signs and directional signs. Local governments may still ban directional signs if they choose. Senator Parker Griffith, D-Huntsville, sponsored the companion bill in the Senate.

**2. Captive Insurance Companies Allowed for Coastal Real Estate.** Senate Bill 3 by Senator Ben Brooks, R-Mobile, now law, allows captive insurance companies to issue homeowners insurance on homes and commercial real estate located near or on the Alabama Gulf Coast. A captive insurance company will allow a group of property owners to pool their risk in a company that insures properties that other companies will not insure.

**3. Strengthening the Viability of the Alabama Beach Pool Insurance Program.** Senate Bill 296 by Senator Roger Bedford, D-Russellville, changes the legal authority for the current beach pool structure known as the Alabama Insurance Underwriters Association. This is an insurer of last resort providing wind coverage on real estate near or on the Alabama Gulf Coast. The current beach pool was created by the regulatory authority of the Commissioner of Insurance. This new law makes the beach pool an entity established by the Alabama Legislature. The beach pool will now be able to carryover funds from year to year and sell bonds, which will strengthen its financial viability.

## **Special Session May Be Held As Early as Next Week**

Talk among Montgomery is that Governor Bob Riley may call the Legislature back into Special Session beginning Tuesday of next week to address the Education Trust Fund budget and other issues. The failure of the Legislature to pass the budget will likely result in teacher layoffs among many school systems that may begin as early as tomorrow due to the uncertainty superintendents face over the funding levels for their 2008-09 school years.

## FINAL STATUS OF AAR LEGISLATION FOR 2008 REGULAR SESSION

Note: Blue ✓ denotes status achieved this week.

### House Bills

Bill	Bill #	House Filing	House Cmte	House Passage	Senate Filing	Senate Cmte	Senate Passage	Gov.'s Signature
Letter Size	HB 331	✓	✓	✓	✓	✓		
Tenant Contracts	HB 280	✓	✓	✓	✓	✓		
Lodging Tax Clarification	HB 483	✓	✓	✓	✓	✓		
Sign Fee Ban	HB 296	✓	✓	✓	✓	✓	✓	✓
Electronic Property Records	HB 295	✓	✓	✓	✓	✓		
New Home Tax Reduction	HB 155	✓						
Appraisal Licensing	HB 675	✓						
Mortgage Broker Licensing	HB 643	✓	✓					
Landlord-Tenant Clarification	HB 857	✓	✓					

### Senate Bills

Bill	Bill #	Senate Filing	Senate Cmte	Senate Passage	House Filing	House Cmte	House Passage	Gov.'s Signature
Coastal Ins.: Captive Insurance	SB 3	✓	✓	✓	✓	✓	✓	✓
Coastal Ins: Beach Pool Exp.	SB 5	✓	✓	✓	✓			
Coastal Ins.: Beach Pool	SB 296	✓	✓	✓	✓	✓	✓	✓
Electronic Property Records	SB 7	✓	✓					
Sign Fee Ban	SB 268	✓	✓					
Letter Size	SB 72	✓	✓					
Tenant Contracts	SB 127	✓	✓	✓	✓	✓		
Appraisal Licensing	SB 475	✓						
Real Estate Commission Sunset	SB 183	✓	✓	✓	✓	✓	✓	✓
Landlord-Tenant Clarification	SB 568	✓						

*The AAR Capitol Report is produced weekly while the Alabama Legislature is in session, and as needed. If you have questions, contact Greg Masood at (334)354-5833 or [agmasood@govtstrategies.com](mailto:agmasood@govtstrategies.com).*