

1 HB377
2 127967-1
3 By Representatives Melton, Harper, Lindsey and Scott
4 RFD: Ways and Means Education
5 First Read: 29-MAR-11

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8 SYNOPSIS: This bill would add Article 7 to Chapter 29
9 of Title 40, to the Code of Alabama 1975, to
10 provide for reportable transactions.

11 This bill would provide definitions;
12 taxpayer responsibility for disclosure of
13 reportable transactions; time and manner of
14 disclosure; imposition and amount of penalties,
15 assessment date, and waiver; penalties related to
16 understatement of tax resulting from a reportable
17 transaction, interest penalty, and waiver;
18 extension of statute of limitations for
19 assessments; material advisor responsibility for
20 disclosure; penalty for failure to disclose a
21 reportable transaction or to maintain advisee list
22 and waiver; penalty for tax shelters; and
23 injunction of certain conduct related to reportable
24 transactions and tax shelters.

25
26 A BILL
27 TO BE ENTITLED

1 AN ACT

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3 To add Article 7, relating to Reportable
4 Transactions and Penalties, to Chapter 29 of Title 40 of the
5 Code of Alabama 1975.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Article 7 of Chapter 29, Title 40,
8 consisting of Sections 40-29-121 to 40-29-130, inclusive, is
9 added to the Code of Alabama 1975, to read as follows:

10 Title 40, Chapter 29, Article 7.

11 Disclosure of Reportable Transactions.

12 §40-29-121.

13 As used in this article, the following words shall
14 have the following meanings:

15 (1) DISQUALIFIED OPINION. An opinion that does any
16 of the following:

17 a. Is based on unreasonable factual or legal
18 assumptions, including assumptions as to future events.

19 b. Unreasonably relies on representations,
20 statements, findings, or agreements of the taxpayer or any
21 other person.

22 c. Does not identify and consider all relevant
23 facts.

24 d. Fails to meet any other requirement as prescribed
25 by either the U.S. Secretary of the Treasury for purposes of
26 Internal Revenue Code Section 6664(d)(3)(B)(iii) or the
27 commissioner.

1 (2) DISQUALIFIED TAX ADVISOR. A tax advisor that
2 meets any of the following conditions:

3 a. A material advisor who participates in the
4 organization, management, promotion, or sale of the
5 transaction or is related, within the meaning of Internal
6 Revenue Code Section 267(b) or 707(b)(1), to any person who so
7 participates.

8 b. Is compensated directly or indirectly by a
9 material advisor with respect to the transaction.

10 c. A fee arrangement with respect to the transaction
11 which is contingent on all or part of the intended tax
12 benefits from the transaction being sustained.

13 d. As determined under regulations prescribed by
14 either the Secretary of the Treasury for purposes of Internal
15 Revenue Code Section 6664(d)(3)(B)(ii) or by the commissioner,
16 has a disqualifying financial interest with respect to the
17 transaction.

18 (3) LISTED TRANSACTION. A reportable transaction
19 that is the same as, or substantially similar to, a
20 transaction or arrangement specifically identified by the
21 commissioner as a tax avoidance transaction through notice,
22 regulation, bulletin, or other form of official department
23 guidance. In addition, the term "listed transaction" includes
24 any reportable transaction that is the same as, or
25 substantially similar to, a transaction or arrangement
26 specifically identified by the U.S. Secretary of the Treasury

1 as a tax avoidance transaction for purposes of Internal
2 Revenue Code Section 6011.

3 (4) MATERIAL ADVISOR. Any person who does any of the
4 following:

5 a. Provides any material aid, assistance, or advice
6 with respect to organizing, managing, promoting, selling,
7 implementing, insuring, or carrying out any reportable
8 transaction.

9 b. Directly or indirectly derives gross income in
10 excess of the threshold amount, or the other amount as may be
11 prescribed by the U.S. Secretary of the Treasury for purposes
12 of Internal Revenue Code Section 6111(b)(1)(A), for the advice
13 or assistance. For purposes of this article, the threshold
14 amount includes the following:

15 1. Fifty thousand dollars (\$50,000) in the case of a
16 reportable transaction substantially all of the tax benefits
17 from which are provided to natural persons.

18 2. Two hundred fifty thousand dollars (\$250,000) in
19 any other case.

20 (5) NON-ECONOMIC SUBSTANCE TRANSACTION. Any
21 transaction or arrangement that lacks economic substance, as
22 defined by state or federal law, including a transaction or
23 arrangement in which an entity is disregarded as lacking a
24 valid non-tax state business purpose.

25 (6) REPORTABLE TRANSACTION. Any transaction or
26 arrangement with respect to which information is required to
27 be included with a state return or statement because, as

1 determined under regulations prescribed pursuant to this
2 article, the transaction or arrangement is of a type which
3 includes all of the following:

4 a. The commissioner determines as having a potential
5 for avoidance or evasion of the tax imposed by Chapter 16 or
6 18 of this title, whether through deduction or credit, the
7 excludability or omission of any income, the manipulation of
8 any allocation or apportionment rule, or the securing of any
9 other tax benefit.

10 b. Is carried out through or invested in by at least
11 one entity or person that is organized in this state, doing
12 business in this state, deriving income from sources in this
13 state, subject to tax, or is otherwise subject to the
14 jurisdiction of this state. A reportable transaction includes,
15 but is not limited to, any transaction or arrangement
16 described in the U.S. Treasury Regulations Section
17 1.6011-4(b), a listed transaction as defined in this article,
18 or a non-economic substance transaction as defined in this
19 article. A "reportable transaction" does not include any
20 transaction identified by the commissioner through notice,
21 regulation, bulletin, or other form of official department
22 guidance as not constituting a tax avoidance transaction.

23 (7) TAX SHELTER. A partnership or any other entity,
24 any investment plan or arrangement, or any other plan or
25 arrangement, if a significant purpose of the partnership,
26 entity, plan, or arrangement is the avoidance of state or
27 federal income tax.

1 §40-29-122.

2 (a) For each tax year in which a taxpayer, or a
3 member of a federal consolidated group of which a taxpayer is
4 a member, has participated in a reportable transaction,
5 including a listed transaction, the taxpayer shall disclose
6 the transaction as provided in this section. In addition, for
7 each tax year in which a taxpayer, or a member of a federal
8 consolidated group of which a taxpayer is a member, is
9 required to make a disclosure statement under Treasury
10 Regulations Section 1.6011-4 with respect to a reportable
11 transaction, including a listed transaction, in which the
12 taxpayer participated, the taxpayer shall file a copy of the
13 disclosure with the department as provided in subsection (b).

14 (b) Reportable transactions, including listed
15 transactions, shall be disclosed in the manner prescribed in
16 Treasury Regulations Section 1.6011-4 and department rules and
17 regulations. With respect to a federal listed transaction
18 entered into after February 28, 2000, but before December 31,
19 2008, disclosure shall be made on or before the due date of,
20 and attached to, the taxpayer's original and any amended state
21 income tax return for any later tax year which reflects a
22 reduction in tax resulting from the listed transaction,
23 including a loss, deduction, or credit resulting from a
24 reportable transaction which is being carried forward or back.
25 With respect to a reportable transaction, including a state or
26 federal listed transaction, entered into after December 31,
27 2008, disclosure shall be attached to the taxpayer's original

1 and any amended state income tax return for the tax year
2 during which the transaction was entered into and to the
3 original and any amended state income tax return for any later
4 tax year which reflects a reduction in tax resulting from the
5 reportable or listed transaction, including a loss, deduction,
6 or credit which is being carried forward or back and which
7 resulted from the transaction. Disclosure of a reportable
8 transaction entered into after February 28, 2000, shall also
9 be attached to any amended state income tax return filed after
10 December 31, 2008, where the filing reflects a determination
11 by the Internal Revenue Service of the federal tax treatment
12 of the reportable transaction.

13 c. The provisions of this article shall apply to any
14 reportable transaction entered into after February 28, 2000,
15 for any tax year or years for which the transaction remains
16 undisclosed, and for which the statute of limitations on
17 assessment, taking into account the extension provided under
18 Section 40-29-125, has not expired as of 60 days after the
19 effective date of this article.

20 §40-29-123.

21 (a) Any person who fails to include on any return or
22 statement any information with respect to a reportable
23 transaction which is required pursuant to Section 40-29-122,
24 to be included with the return or statement shall pay a
25 penalty, in addition to any other penalty imposed, in the
26 amount determined under subparagraph 2.

1 1. Except as provided in subparagraph 2, the amount
2 of the penalty imposed pursuant to this subsection shall be
3 ten thousand dollars (\$10,000) in the case of a natural
4 person, and fifty thousand dollars (\$50,000) in any other
5 case. After imposition of the penalties, the commissioner may
6 impose additional penalties up to and including 10 percent of
7 the taxpayer's tax benefit from the reportable or listed
8 transaction as determined by the commissioner.

9 2. The amount of penalty under subparagraph 1 with
10 respect to a listed transaction shall be one hundred thousand
11 dollars (\$100,000) in the case of a natural person, and two
12 hundred thousand dollars (\$200,000) in any other case. After
13 imposition of the penalties, the commissioner may impose
14 additional penalties up to and including 10 percent of the
15 taxpayer's tax benefit from the reportable or listed
16 transaction as determined by the commissioner.

17 (b) The penalty imposed pursuant to subparagraph 1
18 shall be deemed assessed on the due date of the state income
19 tax return upon or attached to which the disclosure of the
20 reportable transaction was required pursuant to Section
21 40-29-122 and department rules and regulations.

22 (c) (1) The commissioner may waive or abate all or
23 any portion of any penalty imposed by this section with
24 respect to any violation if:

25 a. The violation is with respect to a reportable
26 transaction other than a listed transaction.

1 b. Rescinding the penalty would promote compliance
2 with the requirements of Chapters 16 and 18 of Title 40, and
3 effective tax administration.

4 (2) Notwithstanding any other law to the contrary,
5 any determination under this subsection may not be reviewed in
6 any judicial, quasi-judicial, or administrative proceeding.

7 (d) The penalty imposed under this section shall
8 apply to any failure to disclose any listed transaction
9 entered into after February 28, 2000, or any other reportable
10 transaction entered into after the effective date of this
11 article, as required by Section 40-29-122 for any tax year or
12 years for which the transaction remains undisclosed, and for
13 which the statute of limitations on assessment, taking into
14 account the extension provided under Section 40-29-125, has
15 not expired as of 60 days after the effective date of this
16 article.

17 §40-29-124.

18 (a) If a taxpayer has a reportable transaction
19 understatement for any taxable year, there shall be added to
20 the tax an amount equal to 20 percent of the amount of the
21 understatement.

22 (1) For purposes of this section, the term
23 "reportable transaction understatement" means the sum of the
24 following:

25 a. The product of all of the following:

26 1. The highest rate of tax imposed under Chapter 16
27 or 18 of Title 40.

1 2. The amount of increase, if any, in state taxable
2 income which results from a difference between the proper tax
3 treatment of an item to which subsection (a) of Section
4 40-29-122 applies and the taxpayer's treatment of the items as
5 shown on the taxpayer's return of tax, including an amended
6 return, provided the amended return is filed prior to the date
7 the taxpayer is first contacted by the department regarding
8 the examination of the tax year for which the amended return
9 is filed. The amount of the increase in state taxable income
10 for a particular tax year shall include the restatement for
11 another tax year to which a loss or deduction is carried
12 forward or carried back that is attributable to the reportable
13 transaction for that year in which the carry forward or carry
14 back of the loss or deduction applies.

15 b. The amount of the decrease, if any, in the
16 aggregate amount of credits which results from a difference
17 between the taxpayers treatment of an item to which this
18 section applies, as shown on the taxpayer's return of tax, and
19 the proper tax treatment of the item.

20 (2) Subsection (a) shall apply to any item which is
21 attributable to all of the following:

22 a. Any listed transaction.

23 b. Any reportable transaction, other than a listed
24 transaction, if a significant purpose of the transaction is
25 the avoidance of evasion of federal or state income tax.

26 (3) Subsection (a) shall be applied by substituting
27 "30 percent" for "20 percent" with respect to the portion of

1 any reportable transaction understatement with respect to
2 which the requirements of subsection (a) are not met.

3 (4) Except as provided in regulations, in no event
4 shall any tax treatment included with an amendment or
5 supplement to a return of tax be taken into account in
6 determining the amount of any reportable transaction
7 understatement if the amendment or supplement is filed after
8 the earlier of the date the taxpayer is first contacted by the
9 commissioner regarding the examination of the return or
10 another date as is specified by the commissioner.

11 (5) The penalty imposed under this section shall be
12 deemed assessed on the due date of the state income tax return
13 which shows the understatement of tax resulting from a
14 reportable transaction to which the penalty relates.

15 (b) (1) For any amended return filed after this
16 article becomes law and before the taxpayer is contacted by
17 the Internal Revenue Service or the department regarding a
18 reportable transaction, there shall be added to any reportable
19 transaction understatement, as determined under subdivision
20 (1) of subsection (a), a penalty in addition to any other
21 applicable penalties, equal to 50 percent of the interest
22 assessed under Section 40-1-44 on the reportable transaction
23 understatement for the period beginning on the last date
24 prescribed by law for the payment of the tax, determined
25 without regard to extensions, and ending on the date of
26 payment.

1 (2) If the taxpayer has been contacted by the
2 Internal Revenue Service or the department regarding a
3 reportable transaction, there shall be added to any reportable
4 transaction understatement, as determined under subdivision
5 (1) of subsection (a), a penalty in addition to any other
6 applicable penalties, equal to 100 percent of the interest
7 assessed under Section 40-1-44 on the reportable transaction
8 understatement for the period beginning on the last date
9 prescribed by law for the payment of the tax, determined
10 without regard to extensions, and ending on the date the
11 notice of proposed assessment is mailed.

12 (3) The penalty imposed under subsection (b) shall
13 be deemed assessed upon the assessment of the interest by
14 which the penalty is calculated and shall be collected and
15 paid in the same manner as the interest.

16 (c) (1) Except as provided in subdivision (2), the
17 commissioner may waive or abate all or any portion of any
18 penalty imposed by this section with respect to any portion of
19 a reportable transaction understatement if it is shown that
20 the taxpayer had reasonable cause for the portion and acted in
21 good faith with respect to the portion. Notwithstanding any
22 other law to the contrary, any determination by the
23 commissioner pursuant to this subdivision may not be reviewed
24 in any judicial, quasi-judicial, or administrative proceeding.

25 (2) Subdivision (1) shall not apply to any
26 reportable transaction understatement unless:

1 a. The relevant facts affecting the tax treatment of
2 the item are adequately disclosed in accordance with all
3 requirements of Section 40-29-122 and department rules and
4 regulations. A taxpayer failing to fully disclose shall be
5 treated as meeting the requirements of this paragraph if the
6 penalty for that failure to disclose was waived pursuant to
7 subsection (c) of Section 40-29-123.

8 b. There is or was substantial authority for the
9 treatment.

10 c. The taxpayer reasonably believed that the
11 treatment was more likely than not the proper treatment. A
12 taxpayer shall be treated as having a reasonable belief with
13 respect to the tax treatment of an item only if the belief
14 includes all of the following:

15 1. Is based on the facts and law that exist at the
16 time the return which includes the tax treatment is filed.

17 2. Is related solely to the taxpayer's chances of
18 success on the merits of the treatment and does not take into
19 account the possibility that a return will not be audited, the
20 treatment will not be raised on audit, or the treatment will
21 be resolved through settlement if it is raised.

22 3. Does not rely upon the opinion of a disqualified
23 tax advisor or a disqualified opinion.

24 (d) The penalty imposed under 40-29-124 shall apply
25 to any understatement of tax resulting from a listed
26 transaction entered into after February 28, 2000, or from any
27 other reportable transaction entered into after the effective

1 date of this article, in any tax year or years for which the
2 statute of limitations on assessment, taking into account the
3 extension provided under Section 40-29-125, has not expired as
4 of the effective date of this article.

5 §40-29-125.

6 If a taxpayer fails to include on any return or
7 statement for any taxable year any information with respect to
8 a listed transaction as required under Section 40-29-122, the
9 time for assessment of any tax imposed by Chapters 16 and 18
10 of Title 40 with respect to the transaction shall not expire
11 before the date which is two years after the earlier of any of
12 the following:

13 (1) The date on which the commissioner is furnished
14 the information so required.

15 (2) The date that a taxpayer meets the requirements
16 of Section 40-29-127 with respect to a request by the
17 commissioner under subsection (d) of Section 40-29-126
18 relating to the transaction with respect to the taxpayer.

19 §40-29-126.

20 (a) Each material advisor with respect to any
21 reportable transaction shall make a return in the form as the
22 commissioner may prescribe setting forth all of the following:

23 (1) Information identifying and describing the
24 transaction.

25 (2) Information describing any potential tax
26 benefits expected to result from the transaction.

1 (3) All other information as the commissioner may
2 prescribe.

3 In addition, each material advisor who is required
4 to disclose a reportable transaction pursuant to Internal
5 Revenue Code Section 6111 shall file a copy of the disclosure
6 with the department. The return and disclosure shall be filed
7 no later than the date specified by the commissioner.

8 (b) The commissioner may prescribe regulations which
9 provide all of the following:

10 (1) That only one person shall be required to meet
11 the requirements of subsection (a) in cases in which two or
12 more persons would otherwise be required to meet the
13 requirements.

14 (2) Exemptions from the requirements of this
15 section.

16 (c) Each material advisor with respect to any
17 reportable transaction whether or not required to file a
18 return pursuant to this section shall maintain a list
19 identifying each state taxpayer and member of a consolidated
20 return of a state taxpayer with respect to whom the advisor
21 acted as a material advisor with respect to the transaction.
22 This list shall include the same information, and shall be
23 maintained in the same form and manner, as required under the
24 Internal Revenue Code Section 6112, Treasury Regulations
25 Section 301.6112-1, and any additional information or
26 maintenance requirements as the commissioner may by regulation
27 require.

1 (d) Any person required to maintain a list pursuant
2 to subsection (c) shall do all of the following:

3 (1) Make the list available to the commissioner upon
4 written request by the commissioner.

5 (2) Except as otherwise provided by the commissioner
6 by regulation, shall retain any information which is required
7 to be included on the list for seven years.

8 (e) The commissioner may by regulation provide that
9 in cases in which two or more persons are required under
10 subsection (c) to maintain the same list, or portion thereof,
11 only one person shall be required to maintain the list or
12 portion.

13 §40-29-127.

14 (a) If a person who is required to file a return or
15 disclosure pursuant to Section 40-29-126 with respect to any
16 reportable transaction (1) fails to file the return or
17 disclosure on or before the date prescribed therefor, or (2)
18 files false or incomplete information with the commissioner
19 with respect to the transaction, the person shall pay a
20 penalty with respect to the return or disclosure in the amount
21 determined pursuant to subsections (b) and (c).

22 (b) Except as provided in subsection (c), the
23 penalty imposed under subsection (a) with respect to any
24 failure shall be fifty thousand dollars (\$50,000).

25 (c) The penalty imposed under subsection (a) with
26 respect to any listed transaction shall be an amount equal to
27 the greater of two hundred thousand dollars (\$200,000) or 50

1 percent of the gross income derived by the person with respect
2 to aid, assistance, or advice provided with respect to the
3 listed transaction before the date of the return.

4 Additionally, if the disclosure is filed under Section
5 40-29-126, the penalty pursuant to subdivision (1) of
6 subsection (b) of Section 40-29-124 shall be applied by
7 substituting 75 percent for 50 percent in the case of an
8 intentional failure to act as described in subsection (a).

9 (d) If any person who is required to maintain a list
10 pursuant to Section 40-29-126 fails to make the list available
11 to the commissioner upon written request in accordance with
12 subsection (d) of Section 40-29-126 within 20 business days
13 after the date of the request, the person shall pay a penalty
14 of ten thousand dollars (\$10,000) for each day of failure
15 after the 20th day.

16 (e) Each of the penalties imposed by this section
17 shall be in addition to any other applicable penalties.

18 (f) The commissioner may waive all or any portion of
19 any penalty imposed pursuant to this section with respect to
20 any violation of Section 40-29-126 if the violation is with
21 respect to a reportable transaction other than a listed
22 transaction, and waiver of the penalty would promote
23 compliance with the requirements of Chapters 16 and 18 of
24 Title 40 and effective tax administration.

25 (g) Notwithstanding any other law to the contrary,
26 any determination by the commissioner under this section may

1 not be reviewed in any judicial, quasi-judicial, or
2 administrative proceeding.

3 (h) (1) Section 40-29-126 and this section shall
4 apply to reportable transactions, other than listed
5 transactions, with respect to which material aid, assistance,
6 or advice referred to in Sections 6 and 7 is provided after
7 the date of the enactment of this article.

8 (2) Section 40-29-126 and this section shall apply
9 to listed transactions with respect to which material aid,
10 assistance, or advice referred to in this section is provided
11 and which were entered into on or after December 31, 2001, if
12 those transactions become listed transactions at any time.
13 Reporting required under Section 40-29-126 and this section
14 shall be furnished to the commissioner on or before the later
15 of any of the following:

16 a. Sixty days after entering into the transaction.

17 b. Sixty days after the transaction becomes a listed
18 transaction.

19 c. The effective date of this article.

20 §40-29-128.

21 (a) Any person who does all of the following:

22 (1) Organizes or assists in the organization of any
23 of the following:

24 1. Any partnership or other entity.

25 2. Any investment plan or arrangement.

26 3. Any other plan or arrangement.

1 (2) Participates, directly or indirectly, in the
2 sale of any interest in an entity or plan or arrangement
3 referred to in paragraph a.

4 (3) Makes or furnishes or causes another person to
5 make or furnish in connection with the organization or sale
6 any of the following:

7 a. A statement with respect to the allowability of a
8 deduction or credit, the excludability of any income, the
9 manipulation of any allocation or apportionment rule, the
10 securing of any other tax benefit by reason of holding an
11 interest in the entity, or participation in the plan or
12 arrangement which the person knows or has reason to know is
13 false or fraudulent as to any material matter shall pay 50
14 percent of the gross income derived or to be derived from the
15 activity by the person on which the penalty is imposed.

16 b. A gross valuation overstatement as to any
17 material matter shall pay, with respect to each activity
18 described in paragraph a., subdivision (1) of subsection (a),
19 and in addition to any other penalty provided by law, a
20 penalty equal to one thousand dollars (\$1,000) or, if the
21 person establishes that is lesser, 100 percent of the gross
22 income derived or to be derived by the person from the
23 activity. For purposes of the preceding sentence, activities
24 described in paragraph a. of subdivision (1) of subsection (a)
25 with respect to each entity or arrangement shall be treated as
26 a separate activity and participation in each sale described

1 in paragraph b. of subdivision (1) of subsection (a) shall be
2 so treated.

3 (b) The commissioner may waive all or any part of
4 the penalty provided by this section with respect to any gross
5 valuation overstatement on a showing that there was a
6 reasonable basis for the valuation and that the valuation was
7 made in good faith. Notwithstanding any other law to the
8 contrary, any determination by the commissioner pursuant to
9 this subsection may not be reviewed in any judicial,
10 quasi-judicial, or administrative proceeding.

11 (c) No privilege of confidentiality shall apply to
12 any written communication which is:

13 (1) Between a tax practitioner and all of the
14 following:

15 a. Any person.

16 b. Any director, officer, employee, agent, or
17 representative of the person.

18 c. Any other person holding a capital or profits
19 interest in the person.

20 (2) In connection with the promotion of the direct
21 or indirect participation of the person in any tax shelter.

22 (d) The provisions of this section shall apply to
23 activities after the date of the enactment of this article.

24 §40-29-129.

25 (a) Notwithstanding the provisions of Chapter 2A,
26 Title 40, a civil action in the name of the state to enjoin
27 any persons from further engaging in specified conduct may be

1 commenced at the request of the commissioner. Any action under
2 this section shall be brought in the Circuit Court of
3 Montgomery County, Alabama. The court may exercise its
4 jurisdiction over the action separate and apart from another
5 action brought by the state against the person.

6 (b) In any action under this section, if the court
7 finds that the person has engaged in any specified conduct,
8 and that injunctive relief is appropriate to prevent
9 recurrence of the conduct, the court may enjoin the person
10 from engaging in the conduct or in any other activity subject
11 to penalty under this article.

12 (c) For purposes of this section, the term
13 "specified conduct" means any action or failure to take
14 action, which is any of the following:

15 (1) Subject to penalty of this article.

16 (2) In violation of any requirement under
17 regulations issued pursuant to this article.

18 §40-29-130.

19 The provisions of this article, including all
20 internal effective date provisions, shall become effective
21 upon the Governor's signature or this bill, or its otherwise
22 becoming law.

23 Section 2. This act shall become effective on the
24 first day of the third month following its passage and
25 approval by the Governor, or its otherwise becoming law.