

1 HB351
2 217398-2
3 By Representatives Greer and Pettus
4 RFD: Ways and Means General Fund
5 First Read: 15-FEB-22

8 SYNOPSIS: Under existing law, the state receives
9 annual Tennessee Valley Authority (T.V.A.)
10 in-lieu-of-taxes payments and those funds are
11 allocated to counties served by the T.V.A. and the
12 State General Fund.

13 This bill would revise the distribution of
14 T.V.A. in-lieu-of-taxes payments received by
15 certain counties and would make other
16 nonsubstantive technical revisions to update
17 existing Code language to current style.

18 This bill would also repeal Section 40-28-5,
19 Code of Alabama 1975.

21 A BILL

22 TO BE ENTITLED

23 AN ACT

24
25 Relating to Tennessee Valley Authority in-lieu-of
26 taxes payments; to amend Section 40-28-2, Code of Alabama
27 1975, to provide further for the distribution of proceeds to

1 served counties; to make other nonsubstantive technical
2 revisions to update the existing Code language to current
3 style; and repeal Section 40-28-5, Code of Alabama 1975.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. Section 40-28-2, Code of Alabama 1975, is
6 hereby amended as follows:

7 "§40-28-2.

8 "(a) ~~Beginning in the fiscal year ending September~~
9 ~~30, 1980, the~~ The State of Alabama will annually transfer to
10 the counties in Alabama served by T.V.A. a portion of the
11 in-lieu-of-taxes payments made by T.V.A. to the State of
12 Alabama. Such transfer of funds shall be according to the
13 following schedule:

14 For the Fiscal Year:	Percentage of In-Lieu-of-Taxes 15 Payments Transferred to 16 T.V.A.-Served Counties by the State 17 Shall Be:
18 1979-80	20%
19 1980-81	30%
20 1981-82	40%
21 1982-83	50%
22 1983-84	60%
23 1984-85	70%
24 1985-86 through 2004-05	75%

For the Fiscal Year:	Percentage of In-Lieu-of-Taxes
1 2005-2006 and each fiscal year	78%
2 thereafter	

3 "(b) The state shall distribute the in-lieu-of-taxes
4 payments each fiscal year to each of the counties served by
5 T.V.A., and the three percent increases after September 30,
6 2005, ~~generated by the amendments to this section at the 2006~~
7 ~~Regular Session of the Legislature~~ shall be allocated by local
8 legislation.

9 "(c) (1) In addition to the distribution provided for
10 in subsection (a) of this section, the state shall distribute
11 each fiscal year five percent of the in-lieu-of-taxes payments
12 ~~to the dry counties and municipalities therein which are not~~
13 ~~served by T.V.A. Said five percent shall be distributed on the~~
14 ~~same proportionate basis that each such county received in~~
15 ~~fiscal year 1978-79 from A.B.C. payments as compared to the~~
16 ~~total A.B.C. payments received by all dry counties not served~~
17 ~~by T.V.A. during the same fiscal year. The distribution of~~
18 ~~such in-lieu-of-taxes payments between each dry~~
19 ~~non-T.V.A. served county and the municipalities located~~
20 ~~therein shall be made pro rata on the basis of A.B.C. payments~~
21 ~~received by each such jurisdiction in the fiscal year 1979 to~~
22 ~~the total A.B.C. payments to the county and all municipalities~~
23 ~~in such county in the fiscal year 1979. Such distribution to~~

1 ~~the municipalities will be administered by the county~~
2 ~~governing body.~~

3 ~~Beginning in the fiscal year ending September 30,~~
4 ~~2010, the distribution provided in this subsection to the dry~~
5 ~~counties and municipalities that are not served by T.V.A.~~
6 ~~shall be reduced by an amount equal to the funds allocated to~~
7 ~~those dry counties and municipalities from liquor tax revenues~~
8 ~~pursuant to Section 40-28-5 until the aggregate annual amount~~
9 ~~of revenue received by those dry counties and municipalities~~
10 ~~from the provisions of Section 40-28-5 is equal to the amount~~
11 ~~of T.V.A. payments distributed to the dry counties and~~
12 ~~municipalities therein pursuant to this subdivision for the~~
13 ~~fiscal year ending September 30, 2009. Until the aggregate~~
14 ~~annual amount of liquor tax distributions to the dry counties~~
15 ~~and municipalities not served by T.V.A. provided in Section~~
16 ~~40-28-5 is equal to the amount of T.V.A. payments distributed~~
17 ~~to the dry counties and municipalities therein pursuant to~~
18 ~~this subdivision for the fiscal year ending September 30,~~
19 ~~2009, the annual amount by which any payments to such counties~~
20 ~~and municipalities are reduced by liquor tax revenues pursuant~~
21 ~~to Section 40-28-5 shall be distributed to the counties served~~
22 ~~by T.V.A. Thereafter, all payments distributed pursuant to~~
23 ~~this subsection shall be distributed to the counties served by~~
24 ~~T.V.A. The distribution to the counties served by T.V.A.~~
25 ~~provided in this subsection is to be allocated in the same~~
26 ~~manner as the increase generated by the amendment to this~~

1 ~~section made during the 2006 Regular Session of the~~
2 ~~Legislature that now appears~~ as subsection (b).

3 "Notwithstanding the foregoing, the distributions to
4 Limestone County, to Madison County, to Marshall County, and
5 to Morgan County provided in this subsection shall be
6 allocated by local law. Notwithstanding the foregoing or any
7 other law to the contrary, in any county that has established
8 an agriculture authority pursuant to Article 3 of Chapter 20
9 of Title 11, Code of Alabama 1975, any proceeds previously
10 allocated to the county or any municipality shall be
11 distributed to the authority.

12 "The additional distributions to the above listed
13 counties pursuant to Act 2010-135 shall be held by the
14 respective county separate and apart from other T.V.A.
15 distributions and shall not be expended by the county until
16 the effective date of the local law providing for the
17 allocation of such funds.

18 "~~(2) Effective for transfers after July 1, 2006, the~~
19 ~~The~~ distribution to the State General Fund ~~shall remain at the~~
20 ~~level received on July 1, 2006, until the level received~~
21 ~~attains the amount of seventeen million eight hundred forty~~
22 ~~thousand two hundred thirty-three dollars (\$17,840,233) and~~
23 ~~thereafter the state shall~~ be receive 17 percent of the total
24 amount of the in-lieu-of-taxes payments.

25 "(d) Any T.V.A.-served dry county which is eligible
26 to receive funds under Section 40-28-3 shall receive from that
27 portion of the in-lieu-of-taxes payments not less than that

1 amount which the county received in A.B.C. payments in the
2 fiscal year 1978-79."

3 Section 2. Section 40-28-5, Code of Alabama 1975, is
4 hereby repealed.

5 Section 3. This act shall become effective on the
6 first day of the third month following its passage and
7 approval by the Governor, or its otherwise becoming law.