

HB297 INTRODUCED



1 HB297
2 KKBBAA5-1
3 By Representatives Fidler, Shirey, Robbins, Marques, Sorrells,
4 Colvin, Kiel, Ross, Brown
5 RFD: Ways and Means Education
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SYNOPSIS:

Under existing law, money transmission businesses, which include businesses that conduct electronic wire transfers, must be licensed by the Alabama Securities Commission.

This bill would require money transmission businesses to collect on outgoing international electronic wire transfers a fee equal to four percent of the total amount of the wire transfer and would provide that the fees collected be transmitted to the Alabama Securities Commission.

This bill would require the commission to deposit the funds into the Sheriffs' Immigration Enforcement and Detainer Fund and the Immigration Assimilation Resources Fund.

This bill would create the Sheriffs' Immigration Enforcement and Detainer Fund in the State Treasury to fund county sheriffs for costs and expenses related to enforcing immigration laws and housing violators of immigration laws.

This bill would create the Immigration Assimilation Resources Fund in the State Treasury to fund English language learner instruction and public health.

This bill would allow taxpayers to be granted a



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29 tax credit against income taxes in the amount of
30 international electronic wire transfer fees paid by the
31 customer, with a maximum credit of \$5,000.

32 This bill would require the Department of
33 Revenue to establish a notice to customers who initiate
34 international electronic wire transfers of the ability
35 to be granted a tax credit for outgoing international
36 wire transfer fees paid by a taxpayer.

37 This bill would authorize the Alabama Securities
38 Commission and the Alabama Department of Revenue to
39 administer this act.

40 This bill would establish a legislative study
41 commission to ensure that wire transfer fee proceeds
42 are meeting the needs of affected communities and to
43 recommend legislative changes.

44 This bill would also be repealed after four
45 years.

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47

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A BILL

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TO BE ENTITLED

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AN ACT

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52 Relating to wire transfers; to require money
53 transmission businesses to collect fees on outgoing
54 international wire transfers and provide for distribution of
55 fee proceeds; to establish the Sheriffs' Immigration
56 Enforcement and Detainer Fund and the Immigration Assimilation



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57 Resources Fund; to authorize an income tax credit equal to the
58 amount of fees paid by taxpayers for outgoing international
59 wire transfers; to authorize the Alabama Securities Commission
60 and the Alabama Department of Revenue to administer this act;
61 to establish a legislative study commission to review this
62 act; and to provide for the repeal of this act.

63 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

64 Section 1. For the purpose of this act, the following
65 terms have the following meanings:

66 (1) COMMISSION. The Alabama Securities Commission.

67 (2) DEPARTMENT. The Alabama Department of Revenue.

68 (3) ELECTRONIC WIRE TRANSFER. An electronic transfer of
69 money via a network. The term does not include a transaction
70 where money debited is from an account held by the requester
71 of a transfer of a banking institution or credit union
72 authorized to do business in this state or any business entity
73 authorized by law to do business in this state other than a
74 money transmission business.

75 (4) MONEY TRANSMISSION BUSINESS. Any person required to
76 obtain a license pursuant to Chapter 7A of Title 8, Code of
77 Alabama 1975.

78 Section 2. (a) (1) On and after January 1, 2026, each
79 money transmission business shall collect a fee on every
80 outgoing international electronic wire transfer equal to four
81 percent of the amount of the international electronic wire
82 transfer.

83 (2) A money transmission business shall provide to each
84 customer a receipt for each international electronic wire



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85 transfer which clearly delineates the fee incurred pursuant to
86 this subsection.

87 (b) Not later than the 45 days following the close of
88 each calendar quarter, a money transmission business shall
89 remit the fees collected under subsection (a) to the
90 commission by means established by rule or order of the
91 commission. The commission shall deposit funds collected
92 pursuant to this subsection to the State Treasury as follows:

93 (1) Thirty-eight percent to the credit of the Sheriffs'
94 Immigration Enforcement and Detainer Fund.

95 (2) Sixty-two percent to the credit of the Immigration
96 Assimilation Resources Fund.

97 (c) (1) Not later than 45 days following the close of
98 each calendar quarter, a money transmission business shall
99 provide to the commission a detailed listing of each
100 individual international electronic wire transfer associated
101 with the fees remitted to the commission, including the date
102 and the amount of the wire transfer and amount of the fee
103 charged and collected, the country of destination, the address
104 from where the international electronic wire transfer
105 originated, and any additional information required by the
106 commission. The address shall include the street number,
107 street name, municipality, county, and zip code. The
108 commission shall establish by rule or order the means by which
109 the fees and detailed information shall be transmitted to the
110 commission.

111 (2) The detailed information received by the commission
112 from a money transmission business shall be forwarded to the



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113 Comptroller at or near the time that the funds are deposited
114 pursuant to subsection (b).

115 (d) Each money transmission business shall post the
116 notice established pursuant to Section 5(e) in an area
117 accessed by the public where electronic wire transfers are
118 conducted.

119 (e) Except as provided in this act, Chapter 7A of Title
120 8, Code of Alabama 1975, shall apply.

121 (f) The commission shall adopt rules or issue orders to
122 administer this section.

123 Section 3. (a) There is created within the State
124 Treasury the Sheriffs' Immigration Enforcement and Detainer
125 Fund. Amounts deposited into the fund shall be budgeted and
126 allotted in accordance with Section 41-4-80 through 41-4-96,
127 Code of Alabama 1975.

128 (b) The Comptroller shall allocate funds on a quarterly
129 basis to all county sheriffs based on the percentage of total
130 population of the respective counties as reported in the most
131 recent federal decennial census. Funds shall be expended by
132 county sheriffs to offset any additional costs and expenses
133 related to enforcing or assisting the enforcement of federal
134 and state immigration laws and the care and housing of
135 individuals who violate immigration laws.

136 (c) Funds received by a sheriff under this section
137 shall be subject to audit by the Department of Examiners of
138 Public Accounts in the same manner as other funds expended by
139 the sheriff.

140 Section 4. (a) There is created within the State



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141 Treasury the Immigration Assimilation Resources Fund. Amounts
142 deposited into the fund shall be budgeted and allotted in
143 accordance with Section 41-4-80 through 41-4-96, Code of
144 Alabama 1975.

145 (b) The Comptroller shall allocate funds on a quarterly
146 basis to each respective county commission of each respective
147 county where the fees were collected in proportion to the
148 share of the fees collected in the county.

149 (c) Funds received by a county commission under this
150 section shall be subject to audit by the Department of
151 Examiners of Public Accounts in the same manner as other funds
152 expended by the county commission.

153 (d) Funds received by the county commissions shall be
154 distributed as follows:

155 (1)a. Seventy-five percent shall be distributed to city
156 and county public K-12 schools throughout the county in
157 proportion to the number of students classified as English
158 language learners to be used exclusively for English language
159 learner instruction. A school shall determine its need for
160 funds under this paragraph in accordance with the following
161 parameters:

162 1. English language learners shall not be counted for
163 any grade that has less than two percent who qualify as
164 English language learners.

165 2. One English language learner instructor may be
166 allocated for every 10 English language learners with a cap of
167 seventy thousand dollars (\$70,000) for every 10 learners.

168 3. The calculation of the number of English language



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169 learners attending a school may be made based on the previous
170 year's number.

171 4. If the amount of available funds exceeds the funds
172 needed for English language learner instruction, as calculated
173 in paragraphs 1. through 3., public K-12 schools may use the
174 available funds for transportation of English language
175 learners.

176 b. Notwithstanding paragraph a., if there is evidence
177 that a substantial number of adult English language learners
178 reside within the county, the county commission may remit some
179 or all of this share to entities other than public K-12
180 schools to be used exclusively for English language learner
181 instruction.

182 c. Notwithstanding paragraphs a. and b., if there is
183 written evidence from city and county school officials that
184 there is no financial need for English language learner
185 instruction for immigrants in the K-12 or adult population,
186 the county commission may remit some or all of this share to
187 support programs in communities impacted by immigration, such
188 as programs supporting immigrant assimilation and civic
189 education, assisting in naturalization efforts, or providing
190 financial support for transportation of immigrants.

191 (2) Twenty-five percent shall be distributed among the
192 regional hospitals in the county, or if no regional hospitals
193 are located within the county, among the regional hospitals
194 located within 50 miles of the county, to reimburse the
195 hospitals for uncompensated care expenses. If no regional
196 hospitals are located with 50 miles of the county, the funds



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197 shall be distributed to the county health department to
198 support public health.

199 (e) The county commission may charge from available
200 funds a reasonable fee to cover the costs of administering
201 this section, which may be no more than one-half of one
202 percent of the total funds available in any calendar year.

203 Section 5. (a) (1) For tax years beginning on and after
204 January 1, 2026, through December 31, 2029, a credit is
205 allowed against income taxes imposed by Chapter 18 of Title
206 40, Code of Alabama 1975, in the amount of all international
207 electronic wire transfer fees paid by any taxpayer under
208 Section 2 or five thousand dollars (\$5,000), whichever is
209 less. The credit must be claimed on the tax return that
210 corresponds with the tax year during which the fees were paid.

211 (2) To qualify for the income tax credit, a taxpayer
212 shall submit to the department in a manner prescribed by the
213 department, by rule, the receipts received under Section
214 2(a) (2).

215 (b) The tax credit shall not be allowed to decrease a
216 taxpayer's liability to less than zero. The credit is not
217 refundable and may not be carried forward. The credit shall be
218 available on a pro-rata basis to entities taxed under 26
219 U.S.C. Subtitle A, Chapter 1, Subchapter S or Subchapter K.

220 (c) The department shall not be required under this
221 section to disclose confidential information subject to
222 Section 40-2A-10, Code of Alabama 1975. However, the
223 department may share information with the commission upon
224 written request in order to aid or assist with any



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225 investigation or other action authorized by Chapter 7A of
226 Title 8, Code of Alabama 1975. Additionally, the commission
227 may share information with the department to enforce this act.
228 The information shared shall be limited to what is necessary
229 to administer this act and shall not be considered public
230 records for purposes of Article 3 of Chapter 12 of Title 36,
231 Code of Alabama 1975. Upon receipt of information from the
232 department, Section 40-2A-10, Code of Alabama 1975, shall
233 apply to the commission and its employees with respect to the
234 use, dissemination, or other handling of the information. The
235 department shall comply with Section 8-7A-21(b), Code of
236 Alabama 1975, as to any information shared by the commission.

237 (d) The department, by rule, may require a money
238 transmission business to provide certifying documents and
239 other information necessary to determine or confirm the tax
240 credit amounts referenced in this section.

241 (e) The department shall establish a standard form to
242 be posted by money transmission businesses which notifies
243 customers that upon filing an Alabama income tax return with
244 either a valid Social Security number or a valid taxpayer
245 identification number, the customer may be entitled to an
246 income tax credit equal to the amount of the electronic wire
247 transfer fees paid by the customer for the international
248 electronic wire transfer.

249 (f) The department shall adopt rules to implement this
250 section.

251 Section 6. (a) There is established a legislative
252 review committee to review the expenditures of wire transfer



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253 fee proceeds by counties throughout the state, as contained in
254 audits conducted by the Department of Examiners of Public
255 Accounts. The committee shall examine how proceeds are being
256 used and, at any time, may make recommendations to the
257 Legislature to redistribute the wire transfer fee proceeds to
258 better serve the counties or to otherwise amend this act.

259 (b) The study committee shall consist of the following
260 members:

261 (1) The primary House sponsor and primary Senate
262 sponsor of the legislation establishing this study committee
263 who shall serve as cochairs.

264 (2) Three members appointed by the Speaker of the House
265 of Representatives and three members appointed by the
266 President Pro Tempore of the Senate.

267 (c) Members shall be entitled to their legislative
268 compensation, per diem, and travel expenses for each day they
269 attend a meeting of the committee in accordance with Section
270 49 of the Constitution of Alabama of 2022.

271 (d) Pursuant to Section 36-14-17.1, Code of Alabama
272 1975, the committee shall provide to the Secretary of State a
273 notice of all meetings, the name of each member of the
274 committee, and a copy of its findings and other documents
275 produced throughout the duration of the committee.

276 Section 7. This act is repealed July 1, 2029.

277 Section 8. This act shall become effective on July 1,
278 2025.