

**HB335 ENGROSSED**



1 HB335  
2 ZQQEFWW-2  
3 By Representatives Whitt, Shaw  
4 RFD: Economic Development and Tourism  
5 First Read: 25-Feb-25



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A BILL  
TO BE ENTITLED  
AN ACT

Relating to building permits; to authorize a county or municipality to levy an additional residential building permit fee to be deposited into the Alabama Construction Trade Academy Fund; and to amend Section 34-14A-20, Code of Alabama 1975, to provide further for awarding of grants from the fund.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The Legislature finds that there is a critical shortage of skilled tradesmen in the residential construction industry in Alabama and that this shortage has a direct and negative effect on housing affordability.

Section 2. (a) (1) Any county or municipality that has a permitting and inspection program for residential construction, by resolution or ordinance adopted by a majority of the total membership of the local governing body, may levy an additional fee of up to twenty dollars (\$20), in addition to any other fees authorized by law, for the issuance of any permit connected to the construction of a residence or structure as defined in Section 34-14A-2, Code of Alabama 1975.



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29 (2) For the purposes of this section, the term permit  
30 includes, but is not limited to, building permits, mechanical  
31 permits, plumbing permits, electrical permits, or any  
32 combination of the foregoing, and any other permit required  
33 for the construction or remodeling of a new or existing  
34 residence or structure as defined in Section 34-14A-2, Code of  
35 Alabama 1975.

36 (b) All fees collected pursuant to this section shall  
37 be deposited in the Alabama Construction Trade Academy Fund  
38 established in Section 34-14A-20, Code of Alabama 1975.

39 Section 3. Section 34-14A-20, Code of Alabama 1975, is  
40 amended to read as follows:

41 "§34-14A-20

42 (a) (1) The Alabama Construction Trade Academy Fund is  
43 established in the State Treasury. The fund ~~shall be comprised~~  
44 ~~of~~ may receive federal, state, and private funding ~~through~~  
45 ~~direct budgetary funding~~ and grants for the expansion of  
46 construction trade education. To the extent practicable,  
47 monies in the fund shall be used to leverage other forms of  
48 funding from private sources. ~~A percentage of matching funds,~~  
49 ~~as established by the Alabama Construction Trade Advisory~~  
50 ~~Council, must come from private, non-governmental sources.~~ The  
51 board may not use ~~more than 15 percent of the~~ any monies in the  
52 fund for administrative and operational costs ~~incurred in the~~  
53 ~~implementation and administration of this section.~~ ~~The board's~~  
54 ~~statutory~~ Any obligations of the board provided pursuant to  
55 ~~this chapter section~~ shall be contingent upon the  
56 appropriation of funding. Amounts deposited in the fund shall



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57 be budgeted and allotted in accordance with Sections 41-4-80  
58 through 41-4-96, inclusive, and Sections 41-19-1 through  
59 41-19-12, inclusive. Monies in the fund at the end of a fiscal  
60 year shall not revert to any source but shall remain in the  
61 fund.

62 (2) The board shall itemize monies deposited into the  
63 fund as provided in Section 1 by the county or municipality  
64 from which it originated.

65 (b) (1) The board, in cooperation with public and  
66 private sector partners, shall establish a grant program to  
67 provide funding mechanisms for tool grants, program  
68 incentives, supplies, mobile facilities, and other programs to  
69 support the development and continuation of construction trade  
70 education programs in the state.

71 (2) The board may award grants to programs recognized  
72 by the Alabama Home Builders Foundation as a part of the  
73 Alabama Homebuilding Academy Network.

74 (c) The board shall administer the program and may  
75 apply for funds from federal grant programs and other  
76 applicable funding sources authorized by law.

77 (d) (1) The Alabama Construction Trade Advisory Council  
78 is established. The advisory council shall consist of the  
79 following members:

80 a. One member appointed by and currently serving on the  
81 Home Builders Licensure Board.

82 b. One member appointed by and currently serving on the  
83 State of Alabama Plumbers and Gas Fitters Examining Board.

84 ~~c. One member appointed by and currently serving on the~~



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85 ~~State Licensing Board for General Contractors.~~

86 dc. One member appointed by and currently serving on  
87 the State Board of Heating, Air Conditioning, and  
88 Refrigeration Contractors.

89 ed. One member appointed by and currently serving on  
90 the Alabama Board of Electrical Contractors.

91 ~~f. One appointee of the State Department of Education  
92 who specializes in technical trade education.~~

93 ge. One appointee of the Alabama Community College  
94 System who specializes in technical trade education.

95 (2) Members of the advisory council shall be appointed  
96 for a period of ~~one year~~three years. Membership on the  
97 advisory council shall be without compensation, except for  
98 reimbursement of necessary travel expenses as is paid to state  
99 employees for attending meetings and other necessary events of  
100 the advisory council. Any expenses paid to a member of the  
101 advisory council shall be paid by the member's appointing  
102 authority.

103 (3) The appointing authorities shall coordinate their  
104 appointments to assure the advisory council membership is  
105 inclusive and reflects the racial, gender, geographic, urban,  
106 rural, and economic diversity of the state.

107 (e) ~~The~~In consultation with the advisory council ~~shall~~  
108 ~~make recommendations to the board, and,~~ the board shall  
109 establish program guidelines, promote the program statewide,  
110 evaluate applications for funds, distribute funds, and monitor  
111 and report the effect of the funding on the availability of  
112 construction trade education. The board may adopt rules to



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113 implement and administer this section.

114 (f) ~~The~~In consultation with the advisory council ~~shall~~  
115 ~~recommend and,~~ the board shall establish monitoring and  
116 accountability mechanisms for funded projects ~~receiving~~  
117 ~~funding~~. Not later than the fifth legislative day of each  
118 regular legislative session, the board shall file a report to  
119 the Legislature on the projects funded, the geographic  
120 distribution of projects funded, the private sector  
121 participation rates in funded projects, the administrative  
122 costs of the program, and the outcomes of the program,  
123 including the number of students and adult learners trained by  
124 each project funded through the program.

125 (g) ~~The~~In consultation with the advisory council ~~shall~~  
126 ~~recommend and,~~ the board shall create eligibility guidelines  
127 and provide project funding through an application process.  
128 Projects eligible for funding include the following:

129 (1) Mobile demonstration units that show the various  
130 systems of a structure and how they interconnect.

131 (2) Tool and supply grants for public and private  
132 educational providers that provide construction trade  
133 education.

134 (3) Incentives for newly established construction trade  
135 education courses, with priority given to carpentry courses.

136 (4) Adult education initiatives that provide continued  
137 learning opportunities through mobile training facilities or  
138 distance learning opportunities with priority focus on those  
139 serving underserved areas and widely offered trainings.

140 (5) Any other proposal that in the opinion of the board



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141 would address the need for construction trade education in the  
142 state.

143 ~~(h) An applicant may be a nonprofit organization,~~  
144 ~~not-for-profit entity, public school system, two-year college,~~  
145 ~~university, or other governmental entity.~~ An applicant for  
146 funding shall do all of the following:

147 (1) Demonstrate its capacity to successfully implement  
148 the proposal.

149 (2) Demonstrate how the proposal shall positively  
150 impact construction trade education in the state.

151 (3) Demonstrate private sector support through matching  
152 funding.

153 (4) Establish an advisory council consisting of at  
154 least three active trade representatives from the construction  
155 trade being funded.

156 (5) For a period of not less than five years, agree to  
157 comply with the following conditions:

158 a. Offer the courses funded through this section for a  
159 period of not less than five years.

160 b. Comply with all data collection and reporting  
161 requirements established by the board.

162 (i) In determining which qualified projects to fund,  
163 the board shall consider all of the following factors:

164 (1) The level of private sector support for the  
165 project.

166 (2) The level of need in the area in which the funding  
167 is directed.

168 (3) The projected number of students that will be



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169 served.

170 (4) The degree to which the project will have a  
171 positive impact on the availability of construction trade  
172 education in the area to be served.

173 (5) The degree to which the project will leverage  
174 public and private sector funds.

175 ~~(j) The board shall establish program guidelines that~~  
176 ~~require matching funds on all funded projects. A minimum of 10~~  
177 ~~percent of matching funds shall be provided by private,~~  
178 ~~non-governmental sources. Total matching funds required may~~  
179 ~~not be required to exceed 25 percent of awarded state funds,~~  
180 ~~although additional consideration may be provided to projects~~  
181 ~~that exceed this amount.~~

182 (j) The board shall not award funds to a recipient in  
183 an amount that is greater than the amount deposited into the  
184 fund from the county or municipalities where the participant  
185 is domiciled, as provided in Section 1 of this bill, unless  
186 the board has received authorization from the Alabama Home  
187 Builders Foundation.

188 (k) The board shall distribute monies to a recipient on  
189 no less than a quarterly basis.

190 (l) (1) The board may not distribute any monies from the  
191 fund to a recipient unless the board has received a proposed  
192 operating budget of the recipient. The annual operating budget  
193 shall include a breakdown of all anticipated operational costs  
194 and projected workforce programs to be provided.

195 ~~(k) (2) In the event that~~If a recipient of funding  
196 provided by this section fails to provide the proposed project





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197 in accordance with the guidelines set ~~forth~~ by the board, any  
198 equipment, supplies, or materials acquired with the funding  
199 shall be transferred to the Alabama Home Builders Foundation  
200 for redistribution to public or private programs that provide  
201 construction trade education to high school, postsecondary, or  
202 adult learners supported by this section.

203 ~~(l)~~ (m) Any and all All proceeds from the sale of  
204 equipment, supplies, or materials acquired ~~through academy~~  
205 ~~funding~~ with monies from the fund shall ~~be~~ deposited into the  
206 fund.

207 (n) (1) No later than June 1 annually, any recipient of  
208 funds authorized by this section shall provide to the  
209 authority a report on the programs and activities of the  
210 academy and a full copy of all annual financial statements  
211 prepared by an independent certified public accountant  
212 licensed in this state, including any audits that may have  
213 been performed during the previous year.

214 (2) At its discretion and without cause, the authority  
215 may require any recipient of funds authorized by this section  
216 to an audit.

217 (o) Funds collected pursuant to this section may not be  
218 used to develop or provide continuing education required by  
219 any professional licensing board, commission, or agency within  
220 this state."

221 Section 4. This act shall become effective on October  
222 1, 2025.



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House of Representatives

Read for the first time and referred .....25-Feb-25  
to the House of Representatives  
committee on Economic Development  
and Tourism  
Read for the second time and placed .....27-Feb-25  
on the calendar:  
1 amendment  
Read for the third time and passed .....04-Mar-25  
as amended  
Yeas 90  
Nays 9  
Abstains 0

John Treadwell  
Clerk