

HB335 INTRODUCED



1 HB335
2 6YK6D33-1
3 By Representatives Whitt, Shaw
4 RFD: Economic Development and Tourism
5 First Read: 25-Feb-25



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SYNOPSIS:

This bill would authorize a county or municipality to levy an additional residential building permit fee to be deposited into the Alabama Construction Trade Academy Fund and provide further for awarding of grants from the fund.

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. The Legislature further finds that, as authorized under Section 94.01 of the Constitution of Alabama of 2022, local



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29 governments within the state may lend their credit to or grant
30 public funds and things of value to promote economic
31 development such as residential construction.

32 Section 2. (a) (1) Any county or municipality, by
33 resolution or ordinance, may levy an additional fee of up to
34 twenty dollars (\$20), in addition to any other fees authorized
35 by law, for the issuance of any permit connected to the
36 construction of a residence or structure as defined in Section
37 34-14A-2, Code of Alabama 1975.

38 (2) For the purposes of this section, the term permit
39 includes, but is not limited to, building permits, mechanical
40 permits, plumbing permits, electrical permits, or any
41 combination of the foregoing, and any other permit required
42 for the construction or remodeling of a new or existing
43 residence or structure as defined in Section 34-14A-2, Code of
44 Alabama 1975.

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

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

50 "§34-14A-20

51 (a) (1) The Alabama Construction Trade Academy Fund is
52 established in the State Treasury. The fund ~~shall be comprised~~
53 ~~of~~ may receive federal, state, and private funding ~~through~~
54 ~~direct budgetary funding~~ and grants for the expansion of
55 construction trade education. To the extent practicable,
56 monies in the fund shall be used to leverage other forms of



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57 funding from private sources. ~~A percentage of matching funds,~~
58 ~~as established by the Alabama Construction Trade Advisory~~
59 ~~Council, must come from private, non-governmental sources.~~ The
60 board may not use ~~more than 15 percent of the~~any monies in the
61 fund for administrative and operational costs ~~incurred in the~~
62 ~~implementation and administration of this section.~~ ~~The board's~~
63 ~~statutory~~Any obligations of the board provided pursuant to
64 this ~~chapter~~section shall be contingent upon the
65 appropriation of funding. Amounts deposited in the fund shall
66 be budgeted and allotted in accordance with Sections 41-4-80
67 through 41-4-96, inclusive, and Sections 41-19-1 through
68 41-19-12, inclusive. Monies in the fund at the end of a fiscal
69 year shall not revert to any source but shall remain in the
70 fund.

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

74 (b) (1) The board, in cooperation with public and
75 private sector partners, shall establish a grant program to
76 provide funding mechanisms for tool grants, program
77 incentives, supplies, mobile facilities, and other programs to
78 support the development and continuation of construction trade
79 education programs in the state.

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

83 (c) The board shall administer the program and may
84 apply for funds from federal grant programs and other



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85 applicable funding sources authorized by law.

86 (d) (1) The Alabama Construction Trade Advisory Council
87 is established. The advisory council shall consist of the
88 following members:

89 a. One member appointed by and currently serving on the
90 Home Builders Licensure Board.

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

93 ~~e. One member appointed by and currently serving on the~~
94 ~~State Licensing Board for General Contractors.~~

95 ~~e~~c. One member appointed by and currently serving on
96 the State Board of Heating, Air Conditioning, and
97 Refrigeration Contractors.

98 ~~e~~d. One member appointed by and currently serving on
99 the Alabama Board of Electrical Contractors.

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

102 ~~f~~e. One appointee of the Alabama Community College
103 System who specializes in technical trade education.

104 (2) Members of the advisory council shall be appointed
105 for a period of ~~one year~~three years. Membership on the
106 advisory council shall be without compensation, except for
107 reimbursement of necessary travel expenses as is paid to state
108 employees for attending meetings and other necessary events of
109 the advisory council. Any expenses paid to a member of the
110 advisory council shall be paid by the member's appointing
111 authority.

112 (e) ~~The~~In consultation with the advisory council ~~shall~~



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113 ~~make recommendations to the board, and,~~ the board shall
114 establish program guidelines, promote the program statewide,
115 evaluate applications for funds, distribute funds, and monitor
116 and report the effect of the funding on the availability of
117 construction trade education. The board may adopt rules to
118 implement and administer this section.

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

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

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

136 (2) Tool and supply grants for public and private
137 educational providers that provide construction trade
138 education.

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



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141 (4) Adult education initiatives that provide continued
142 learning opportunities through mobile training facilities or
143 distance learning opportunities with priority focus on those
144 serving underserved areas and widely offered trainings.

145 (5) Any other proposal that in the opinion of the board
146 would address the need for construction trade education in the
147 state.

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

152 (1) Demonstrate its capacity to successfully implement
153 the proposal.

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

156 (3) Demonstrate private sector support through matching
157 funding.

158 (4) Establish an advisory council consisting of at
159 least three active trade representatives from the construction
160 trade being funded.

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

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

165 b. Comply with all data collection and reporting
166 requirements established by the board.

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



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169 (1) The level of private sector support for the
170 project.

171 (2) The level of need in the area in which the funding
172 is directed.

173 (3) The projected number of students that will be
174 served.

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

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

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

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

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

195 (l) (1) The board may not distribute any monies from the
196 fund to a recipient unless the board has received a proposed



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197 operating budget of the recipient. The annual operating budget
198 shall include a breakdown of all anticipated operational costs
199 and projected workforce programs to be provided.

200 ~~(k)~~ (2) ~~In the event that~~ If a recipient of funding
201 provided by this section fails to provide the proposed project
202 in accordance with the guidelines set ~~forth~~ by the board, any
203 equipment, supplies, or materials acquired with the funding
204 shall be transferred to the Alabama Home Builders Foundation
205 for redistribution to public or private programs that provide
206 construction trade education to high school, postsecondary, or
207 adult learners supported by this section.

208 ~~(l)~~ (m) ~~Any and all~~ All proceeds from the sale of
209 equipment, supplies, or materials acquired ~~through academy~~
210 ~~funding~~ with monies from the fund shall ~~go~~ be deposited into the
211 fund.

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

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

222 (o) Funds collected pursuant to this section may not be
223 used to develop or provide continuing education required by
224 any professional licensing board, commission, or agency within



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225 [this state.](#)"

226 Section 4. This act shall become effective on October

227 1, 2025.