



**House Ways and Means Education Reported Substitute
for HB297**

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A BILL
TO BE ENTITLED
AN ACT

Relating to wire transfers; to require money transmission businesses to collect fees on outgoing international wire transfers and provide for distribution of fee proceeds, with exceptions; to create the Wire Transfer Fee Fund within the Alabama Securities Commission; to authorize an income tax credit equal to the amount of fees paid by taxpayers for outgoing international wire transfers; to authorize the Alabama Securities Commission and the Alabama Department of Revenue to administer this act; to establish a legislative study commission to review this act; and to provide for the repeal of this act.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

- (1) COMMISSION. The Alabama Securities Commission.
- (2) ELECTRONIC WIRE TRANSFER. An electronic transfer of money via a network.
- (3) MONEY TRANSMISSION BUSINESS. Any person required to obtain a license pursuant to Chapter 7A of Title 8, Code of



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29 Alabama 1975.

30 (4) PAYMENT PROCESSOR. An operator of a payment system
31 acting in a third-party capacity, to the extent that the
32 operator provides processing, clearing, settlement, or other
33 similar services between individuals and businesses for a
34 traceable debt of a good or service in connection with wire
35 transfers, credit card transactions, debit card transactions,
36 stored value transactions, automated clearinghouse transfers,
37 or other similar funds transfers or transactions.

38 Section 2. For the purpose of this act, the following
39 entities or transactions are exempt from Section 3:

40 (1) Any transaction by the requester where the money
41 debited is from an account held by, or for the benefit of, the
42 requester at a banking institution or credit union authorized
43 to do business in this state.

44 (2) Any business entity authorized by law to do
45 business in this state other than a money transmission
46 business.

47 (3) Payment processors lawfully registered or licensed
48 to conduct business in Alabama.

49 (4) Credit card or debit card transfers conducted via
50 the Internet or telephone, including transfers by means of
51 credit cards, debit cards, or ACH.

52 (5) Entities exempt or excluded from the license
53 requirements pursuant to Chapter 7A of Title 8, Code of
54 Alabama 1975.

55 (6) The sale of money orders.

56 (7) Check cashing transactions.



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57 Section 3. (a)(1) On and after January 1, 2026, each
58 money transmission business shall collect a transaction fee on
59 every outgoing international electronic wire transfer equal to
60 four percent of the amount of the international electronic
61 wire transfer.

62 (2) A money transmission business shall provide to each
63 customer a receipt for each international electronic wire
64 transfer originating from this state which clearly delineates
65 the fee incurred pursuant to this subsection.

66 (b) There is created within the Alabama Securities
67 Commission the Wire Transfer Fee Fund. Amounts deposited into
68 the fund shall be budgeted and allotted in accordance with
69 Section 41-4-80 through 41-4-96, Code of Alabama 1975.

70 (c) Not later than the 30 days following the close of
71 each calendar quarter, a money transmission business shall do
72 both of the following:

73 (1) Remit the fees collected under subsection (a) to
74 the commission for deposit into the fund by means established
75 by rule or order of the commission.

76 (2) Provide to the commission a detailed listing of
77 each individual international electronic wire transfer
78 associated with the fees remitted to the commission, including
79 the date and the amount of the international electronic wire
80 transfer and amount of the fee charged and collected, the
81 country of destination, the address from where the
82 international electronic wire transfer originated, and any
83 additional information required by the commission. The address
84 shall include the street number, street name, municipality,



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85 county, and zip code. The commission shall establish by rule
86 or order the means by which the fees and detailed information
87 shall be transmitted to the commission.

88 (d) (1) Not later than 45 days following the close of
89 each calendar quarter, the commission shall allocate all fees
90 deposited into the fund as follows:

91 a. Thirty-eight percent shall be transferred to the
92 Office of Prosecution Services to be distributed pursuant to
93 Section 4.

94 b. Forty-six and one-half percent shall be transferred
95 to the State Department of Education to be distributed
96 pursuant to Section 5.

97 c. Fifteen and one-half percent shall be transferred to
98 the Alabama Department of Public Health to be distributed
99 pursuant to Section 6.

100 (2) In addition, the commission shall forward the
101 detailed information received by the commission from money
102 transmission businesses pursuant to subdivision (c) (2) to the
103 Office of Prosecution Services, State Department of Education,
104 and Alabama Department of Public Health on the same date the
105 fees are allocated under subdivision (1).

106 (d) Each money transmission business shall post the
107 notice established pursuant to Section 7(e) in an area
108 accessed by the public where international electronic wire
109 transfers are conducted.

110 (e) Except as provided in this act, Chapter 7A of Title
111 8, Code of Alabama 1975, shall apply.

112 (f) The commission shall adopt rules or issue orders to



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113 administer this section.

114 Section 4. (a) The Office of Prosecution Services
115 shall distribute the funds received under Section 3 on a
116 quarterly basis to all county sheriffs based on the percentage
117 of total population of the respective counties as reported in
118 the most recent federal decennial census. Funds shall be
119 expended by county sheriffs to offset any costs and expenses
120 incurred by the office of the sheriff on or after January 1,
121 2026, related to the enforcement or assistance with the
122 enforcement of federal or state immigration laws, including
123 the care and housing in the county jail of individuals charged
124 with any suspected violation of federal or state immigration
125 laws.

126 (b) The Office of Prosecution Services may retain from
127 the funds received those monies necessary to cover the costs
128 to administer this section, but in no event more than two
129 percent of the total funds received.

130 (c) Funds received by the Office of Prosecution
131 Services under this act shall be subject to audit by the
132 Department of Examiners of Public Accounts in the same manner
133 as other funds expended to the Office of Prosecution Services.

134 Section 5. (a) (1) The State Department of Education
135 shall distribute the funds received under Section 3 on a
136 monthly basis to city and county public K-12 schools as
137 provided in this section. The amount of funds distributed to
138 each respective county in the state shall be in proportion to
139 the share of the electronic wire transfer fees collected in
140 that county. Within each respective county, the State



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141 Department of Education shall allocate the funds among public
142 K-12 schools in proportion to the number of students
143 classified as English language learners. The funds shall be
144 used exclusively for English language learner instruction
145 except as provided in subdivisions (2) and (3). Each school
146 shall determine its need for funds under this subdivision in
147 accordance with the following parameters:

148 a. English language learners shall not be counted for
149 any grade that has less than two percent who qualify as
150 English language learners.

151 b. One English language learner instructor may be
152 allocated for every 10 English language learners with a cap of
153 seventy thousand dollars (\$70,000) for every 10 learners.

154 c. The calculation of the number of English language
155 learners attending a school may be made based on the previous
156 year's number.

157 d. If the amount of available funds exceeds the funds
158 needed for English language learner instruction, as calculated
159 in paragraphs a. through c., public K-12 schools may use the
160 available funds for transportation of English language
161 learners.

162 (2) Notwithstanding subdivision (1), if there is
163 evidence that a substantial number of adult English language
164 learners reside within a respective county, the State
165 Department of Education may remit some or all of the funds to
166 entities other than public K-12 schools to be used exclusively
167 for English language learner instruction.

168 (3) Notwithstanding subdivisions (1) and (2), if there



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169 is written evidence from city and county school officials that
170 there is no financial need for English language learner
171 instruction for immigrants in the K-12 or adult population in
172 their respective county, the State Department of Education may
173 remit some or all of the funds for that county to support
174 programs in communities impacted by immigration, such as
175 programs supporting immigrant assimilation and civic
176 education, assisting in naturalization efforts, or providing
177 financial support for transportation of immigrants.

178 (b) The State Department of Education may retain from
179 the funds received monies necessary to cover the costs to
180 administer this section, but in no event more than two percent
181 of the total funds received.

182 (c) Funds received by State Department of Education
183 under this act shall be subject to audit by the Department of
184 Examiners of Public Accounts in the same manner as other funds
185 expended to the State Department of Education.

186 Section 6. (a) The Alabama Department of Public Health
187 shall distribute the funds received under Section 3 on a
188 quarterly basis as provided in this section. The amount of
189 funds distributed to each respective county in the state shall
190 be in proportion to the share of the electronic wire transfer
191 fees collected in that county. Within each respective county,
192 the Alabama Department of Public Health shall apportion the
193 funds among the regional hospitals in the county, or if no
194 regional hospitals are located within the county, among the
195 regional hospitals located within 50 miles of the county, to
196 reimburse the hospitals for uncompensated care expenses. If no



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197 regional hospitals are located within 50 miles of the county,
198 the funds shall be distributed to the county health department
199 to support public health. For purposes of this subsection,
200 "regional hospital" means a general acute care hospital,
201 critical access hospital, rural emergency hospital, or
202 specialized hospital other than a rehabilitation hospital,
203 licensed by the Alabama Department of Public Health and
204 certified by the Centers for Medicare and Medicaid Services.

205 (b) The Alabama Department of Public Health may retain
206 from the funds received those monies necessary to cover the
207 costs to administer this section, but in no event more than
208 two percent of the total funds received.

209 (c) Funds received by the Alabama Department of Public
210 Health under this act shall be subject to audit by the
211 Department of Examiners of Public Accounts in the same manner
212 as other funds expended to the Alabama Department of Public
213 Health.

214 Section 7. (a) (1) For tax years beginning on and after
215 January 1, 2026, through December 31, 2029, a credit is
216 allowed against income taxes imposed by Chapter 18 of Title
217 40, Code of Alabama 1975, in the amount of all international
218 electronic wire transfer fees paid by any taxpayer under
219 Section 3 or five thousand dollars (\$5,000), whichever is
220 less. The credit must be claimed on the tax return that
221 corresponds with the tax year during which the fees were paid.

222 (2) To qualify for the income tax credit, a taxpayer
223 shall submit to the Alabama Department of Revenue in a manner
224 prescribed by the department, by rule, the receipts received



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225 under Section 3(a)(2).

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

231 (c) The Alabama Department of Revenue shall not be
232 required under this section to disclose confidential
233 information subject to Section 40-2A-10, Code of Alabama 1975.
234 However, the department may share information with the
235 commission upon written request in order to aid or assist with
236 any investigation or other action authorized by Chapter 7A of
237 Title 8, Code of Alabama 1975. Additionally, the commission
238 may share information with the department to enforce this act.
239 The information shared shall be limited to what is necessary
240 to administer this act and shall not be considered public
241 records for purposes of Article 3 of Chapter 12 of Title 36,
242 Code of Alabama 1975. Upon receipt of information from the
243 department, Section 40-2A-10, Code of Alabama 1975, shall
244 apply to the commission and its employees with respect to the
245 use, dissemination, or other handling of the information. The
246 department shall comply with Section 8-7A-21(b), Code of
247 Alabama 1975, as to any information shared by the commission.

248 (d) The Alabama Department of Revenue, by rule, may
249 require a money transmission business to provide certifying
250 documents and other information necessary to determine or
251 confirm the tax credit amounts referenced in this section.

252 (e) The Alabama Department of Revenue shall establish a



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253 standard form to be posted by money transmission businesses
254 which notifies customers that upon filing an Alabama income
255 tax return with either a valid Social Security number or a
256 valid taxpayer identification number, the customer may be
257 entitled to an income tax credit equal to the amount of the
258 electronic wire transfer fees paid by the customer for the
259 international electronic wire transfer.

260 (f) The Alabama Department of Revenue shall adopt rules
261 to implement this section.

262 Section 8. (a) There is established a legislative
263 review committee to review the expenditures of international
264 electronic wire transfer fee proceeds under this act, as
265 contained in audits conducted by the Department of Examiners
266 of Public Accounts. The committee shall examine how proceeds
267 are being used and, at any time, may make recommendations to
268 the Legislature to redistribute the international electronic
269 wire transfer fee proceeds to better serve the counties or to
270 otherwise amend this act.

271 (b) The study committee shall consist of the following
272 members:

273 (1) The primary House sponsor and primary Senate
274 sponsor of the legislation establishing this study committee
275 who shall serve as cochairs.

276 (2) Three members appointed by the Speaker of the House
277 of Representatives and three members appointed by the
278 President Pro Tempore of the Senate.

279 (c) Members shall be entitled to their legislative
280 compensation, per diem, and travel expenses for each day they



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281 attend a meeting of the committee in accordance with Section
282 49 of the Constitution of Alabama of 2022.

283 (d) Pursuant to Section 36-14-17.1, Code of Alabama
284 1975, the committee shall provide to the Secretary of State a
285 notice of all meetings, the name of each member of the
286 committee, and a copy of its findings and other documents
287 produced throughout the duration of the committee.

288 Section 9. Not later than February 1, 2027, and
289 annually thereafter, the following entities shall submit a
290 report to the legislative review committee established under
291 Section 8:

292 (1) The commission shall specify the amount of fees
293 collected and amounts allocated to the Office of Prosecution
294 Services, the State Department of Education, and the Alabama
295 Department of Public Health per quarter;

296 (2) The Office of Prosecution Services shall specify
297 the amount of funds distributed per quarter to each county
298 sheriff under Section 4;

299 (3) The State Department of Education shall specify the
300 amount of funds distributed per quarter to each public K-12
301 school and otherwise distributed to counties to support
302 communities impacted by immigration under Section 5; and

303 (4) The Alabama Department of Public Health shall
304 specify the amount of funds distributed per quarter to each
305 hospital and county health department under Section 6.

306 Section 10. This act is repealed July 1, 2029.

307 Section 11. This act shall become effective on July 1,
308 2025.