



**House Economic Development and Tourism Reported  
Substitute for HB335**

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

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

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

"§34-14A-20

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



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

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

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

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

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

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

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

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

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



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~~State Licensing Board for General Contractors.~~

ed. One member appointed by and currently serving on the State Board of Heating, Air Conditioning, and Refrigeration Contractors.

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

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

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

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

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

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



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implement and administer this section.

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

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

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

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

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

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

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



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

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

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

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

(3) Demonstrate private sector support through matching funding.

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

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

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

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

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

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

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

(3) The projected number of students that will be



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served.

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

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

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

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

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

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

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



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

~~(1)~~ (m) ~~Any and all~~ All proceeds from the sale of equipment, supplies, or materials acquired ~~through academy funding~~ with monies from the fund shall ~~go~~ be deposited into the fund.

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

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

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

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