



FISCAL NOTE

House Bill 559

Committee: State Government

Sponsor: Representative Kerry Underwood

Analyst: Jennifer Farish

Date: 03/11/2026

House Bill 559 as reported by the Committee on State Government would, beginning in Fiscal Year 2027, establish the non-reverting Alabama Market Accountability Compensation Fund (Fund) within the State Treasury to be administered by the Alabama Securities Commission to provide partial reimbursement to victims of investment fraud.

This bill would: (1) require an initial transfer of \$2.5 million from the Alabama Securities Commission Fund to this new Fund; (2) allow additional transfers, as determined by the commission, not to exceed \$2.25 million per transfer; (3) cap the amount of monies in the Fund at any time at \$2.5 million; (4) require certain recovered funds to be deposited into the Fund; and (5) provide that monies in the Fund may only be expended to provide monetary relief to victims of investment fraud.

This bill would increase the obligations of the Fund by an undetermined amount dependent on the amount of restitution assistance awards, of up to \$50,000 each, that the commission pay to certain claimants. This increase in obligations would be offset by the transfers provided above and any restitution recovered by the commission from a defendant, due to the subrogation provided by this bill, as well as refund payments paid by award claimants from restitution received by them.

Finally, this bill could increase receipts to the State General Fund and municipal general funds from fines; increase receipts to the State General Fund, county general funds, municipal general funds, and other funds to which court costs are deposited; and could increase the obligations of the State General Fund, district attorneys, and local jails by an undetermined amount dependent upon the number of persons charged with and convicted of the offenses provided by this bill and

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the penalties imposed.