



**House Ways and Means General Fund Reported
Substitute for SB155**

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A BILL
TO BE ENTITLED
AN ACT

Relating to economic and workforce development; to establish the Coal-Impacted Communities Economic and Workforce Development Grant Program to assist local development organizations with economic and workforce development initiatives in coal-impacted communities; to provide for the purposes for which the grant funds may be used; to establish the Coal-Impacted Communities Economic and Workforce Development Grant Program Advisory Committee to review applications and make recommendations; to establish the Renewing Coal-Impacted Communities Act Fund in the State Treasury; to provide for the distribution of revenues received from rent and royalties derived from federal coal lease sales in the state beginning after January 1, 2027; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as the Renewing Coal-Impacted Communities Act.

Section 2. The Legislature finds and declares all the following:

(1) The Federal Lands Program regulates coal mining and reclamation operations on federal lands pursuant to the



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29 Surface Mining Control and Reclamation Act (SMCRA) and the
30 Mineral Leasing Act of 1920 (MLA).

31 (2) The United States Department of the Interior Office
32 of Natural Resources Revenue (ONRR) collects royalties and
33 other revenues from coal production on federal lands and pays
34 a portion of this revenue to the state where the mineral was
35 extracted.

36 (3) The primary intent of the royalties is to
37 compensate states that host federal mineral extraction
38 activities, including the communities most impacted by mineral
39 extraction. Costs to these communities, include, but are not
40 limited to, infrastructure, increased demand on public
41 services, and workforce-related costs.

42 (4) The McDuffie Coal Terminal at the Port of Mobile
43 serves as the primary export terminal for coal extracted from
44 federal lands in Alabama, handling the majority of coal
45 shipped from mining operations in coal-impacted communities.
46 The movement of coal through the McDuffie Coal Terminal at the
47 Port of Mobile generates significant economic activity,
48 creates jobs in transportation and logistics sectors, and
49 contributes substantial tax revenue to state and local
50 governments. Infrastructure improvements and maintenance at
51 the Port of Mobile are essential to maintaining the
52 competitiveness of Alabama's coal industry, ensuring efficient
53 market access for coal production, and supporting the broader
54 economic ecosystem dependent on coal mining activities.

55 (5) It is the intent of the Legislature, by the passage
56 of this act, to require that all federal funds made available



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57 to the state through 30 U.S.C. § 191(a), be expended within
58 coal-impacted communities, the Port of Mobile, and the State
59 General Fund.

60 Section 3. The following words and phrases, whenever
61 used in this act, have the following meanings:

62 (1) COAL-IMPACTED COMMUNITIES. Areas or jurisdictions
63 of the state that meet one or more of the following criteria:

64 a. Areas where coal is currently being mined on federal
65 lands.

66 b. Areas where a significant population of the
67 workforce is engaged in the mining of coal on federal lands.

68 c. Areas that have experienced substantial economic
69 impact due to the decline or cessation of coal mining
70 operations on federal lands.

71 d. Jurisdictions where coal mining on federal lands has
72 historically been a major source of employment or tax revenue.

73 e. For purposes of this definition, Fayette County,
74 Jefferson County, Tuscaloosa County, and Walker County are
75 designated as coal-impacted communities.

76 (2) DEPARTMENT. The Alabama Department of Workforce.

77 (3) FUND. The fund created in Section 6 of this act.

78 (4) LOCAL DEVELOPMENT ORGANIZATION. Any organization
79 that is determined by the board to meet both of the following
80 criteria:

81 a. The organization is an Alabama entity not operating
82 for profit, including, but not limited to, a municipality,
83 county, industrial development board, industrial development
84 authority, chamber of commerce, institution of higher



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85 education, or some other foundation or nonprofit organization
86 charged with improving a community or region of the state.

87 b. The organization has a record of supporting or
88 otherwise participating in economic or workforce development
89 in some parts of the state.

90 (5) PERSON. One or more individuals, corporations,
91 partnerships, associations, legal representatives, mutual
92 companies, joint-stock companies, trusts, unincorporated
93 organizations, trustees, bankruptcy, receivers, and
94 fiduciaries.

95 (6) SECRETARY. The Secretary of the Department of
96 Workforce.

97 Section 4. (a) The Coal-Impacted Communities Economic
98 and Workforce Development Grant Program is established for the
99 purpose of awarding grants to eligible local development
100 organizations for regional economic and workforce development
101 initiatives in coal-impacted communities in the state.

102 (b) The Secretary of the Department of Workforce shall
103 implement and administer the grant program.

104 (c) Grant funds awarded under this program may be used
105 to support coal-impacted communities through:

106 (1) Workforce development and training programs;

107 (2) Quality of place initiatives that enhance community
108 livability and economic competitiveness;

109 (3) Public works, infrastructure, and public services;

110 (4) Capital improvement that support community
111 resilience and economic development; and

112 (5) Operations of the Alabama Surface Mining



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113 Commission.

114 Section 5. (a) To ensure that coal-impacted communities
115 have meaningful input into the expenditure of grant funds, a
116 Coal-Impacted Communities Economic and Workforce Development
117 Grant Program Advisory Committee is established to review
118 applications and make recommendations to the secretary. Each
119 advisory committee member shall be appointed to a four-year
120 term and shall serve at the pleasure of their respective
121 appointing authority. The advisory committee shall meet at
122 least annually. Additional meetings may be called at the
123 discretion of the secretary.

124 (b) The committee shall consist of the following
125 members:

126 (1) One member appointed by the Governor from a
127 coal-impacted community.

128 (2) One member appointed by the Lieutenant Governor
129 from a coal-impacted community.

130 (3) One member appointed by the President Pro Tempore
131 of the Senate from a coal-impacted community.

132 (4) One member appointed by the Speaker of the House of
133 Representatives from a coal-impacted community.

134 (5) One member appointed by the Fayette County
135 Legislative Delegation.

136 (6) One member appointed by the Jefferson County
137 Legislative Delegation.

138 (7) One member appointed by the Tuscaloosa County
139 Legislative Delegation.

140 (8) One member appointed by the Walker County



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141 Legislative Delegation.

142 (9) The President of the Alabama Mining Association.

143 (c) The appointing authorities shall coordinate their
144 appointments to assure the advisory board membership is
145 inclusive and reflects the racial, gender, geographic, urban,
146 rural, and economic diversity of the state.

147 Section 6. (a) The Renewing Coal-Impacted Communities
148 Act Fund is created within the State Treasury to provide grant
149 funds to local development organizations for the purpose of
150 improving economic and workforce development in coal-impacted
151 communities. The fund shall be administered by the department
152 and shall be comprised of revenues received from rent and
153 royalties derived from federal coal lease sales in the state
154 beginning after January 1, 2027, or allocated by the
155 Legislature from other funds for the purposes of this act.
156 Amounts deposited into the fund shall be budgeted and allotted
157 in accordance with Sections 41-4-80 through 41-4-96 and
158 Sections 41-19-1 through 41-19-12, Code of Alabama 1975. All
159 funds received into the fund shall remain in the fund and not
160 revert or be expended for any other purposes other than those
161 set out in this act.

162 (b) The department may retain up to 10 percent of the
163 total funds allocated for the Coal-Impacted Communities
164 Economic and Workforce Development Grant Program for actual
165 expenses relating to administering the program and conducting
166 financial audits. Members of the board shall serve without
167 compensation but may be reimbursed for expenses incurred for
168 the performance of official board duties, including expenses



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169 incurred in attending meetings or otherwise conducting board
170 business. Reimbursement shall be made in accordance with the
171 per diem and travel expense rates authorized for state
172 officers and employees under applicable state law and any
173 rules or policies adopted pursuant thereto.

174 Section 7. The Secretary of the Department of Workforce
175 shall adopt rules as necessary to implement and administer the
176 provisions of this act.

177 Section 8. Notwithstanding any other law to the
178 contrary, beginning January 1, 2027 and ending December 31,
179 2030, the revenues derived from the payment of rent and
180 royalties of federal coal lease sales occurring in the state
181 after January 1, 2027 shall be distributed annually as
182 follows:

183 (1) The first one million dollars (\$1,000,000) shall be
184 deposited in the State General Fund.

185 (2) The next five-hundred thousand dollars (\$500,000)
186 shall be distributed to the Alabama State Port Authority for
187 the McDuffie Coal Terminal at the Port of Mobile.

188 (3) The next two-hundred fifty thousand dollars
189 (\$250,000) shall be distributed to the Alabama Surface Mining
190 Commission.

191 (4) The remaining revenues shall be deposited in the
192 Renewing Coal-Impacted Communities Act Fund and shall be used
193 by the department to award grants to eligible local
194 development organizations pursuant to the provisions of this
195 act.

196 Section 9. This act shall become effective on October



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197 1, 2026.