

**House Judiciary Reported Substitute for HB227**

A BILL

TO BE ENTITLED

AN ACT

Relating to the Administrative Office of Courts; to amend Section 12-5-11, Code of Alabama 1975; to authorize the Administrative Office of Courts to form and use a nonprofit entity for judicial education expenses; to authorize the entity to maintain accounts outside the State Treasury which would be audited or reviewed annually; to authorize the Administrative Office of Courts and other state agencies to transfer funds to the entity to support judicial education; to provide that this act is remedial and curative; to exempt the Alabama Judicial College Education Fund from paying sales and use taxes; and to make nonsubstantive, technical revisions to update the existing code language to current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 12-5-11, Code of Alabama 1975, is amended to read as follows:

"§12-5-11

In connection with the continuing judicial education of justices, judges, circuit clerks, and court-supportive personnel, the Administrative Office of Courts and the Administrative Director of Courts ~~is authorized to~~ may:

(1) direct ~~Direct~~ the expenditure of funds appropriated

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to the account of the National College of State Trial Judges or any college of judges by whatever name the account appears, or to any accounts ~~or judicial education~~ for the judicial education of any justice, judge, circuit clerk, or court-supportive personnel;

(2) and may direct Direct that the actual and reasonable expenses incurred by a justice, judge, circuit clerk, or court-supportive personnel attending the National College of State Judiciary or any other college, institute, conference, seminar, or organization be paid;

(3)a. Create and use a nonprofit entity as defined by 26 U.S.C § 501(c)(3) to develop, implement, manage, and fund judicial educational plans, conferences, and programs. The entity may collect nonpublic funds to support this purpose;

b. An entity created under paragraph a. may hold nonpublic funds in an account or accounts maintained outside of the State Treasury, provided the account or accounts are audited or reviewed annually by a certified, independent accounting entity;

c. Any money received by the nonprofit entity that exceeds two thousand five hundred dollars (\$2,500) from a single nonpublic source within a fiscal year shall be made publicly available as part of the entity's audit obligations under paragraph b. Conference registration fees or other similar payments for participation in educational events shall not be considered outside funds for purposes of this paragraph; and

d. Funds received by an entity created under this

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subsection may not be conditioned upon, directed to, or restricted for the benefit of a particular justice, judge or judges, circuit clerk, or court-supportive personnel. General support provided to develop or expand judicial education programs shall not be considered a prohibited restriction;

(4) Transfer state funds to the nonprofit to support judicial education purposes; and

(5) House the entity created under paragraph (3)a. at the Administrative Office of Courts and staff the entity with employees of the Administrative Office of Courts."

Section 2. (a) The Alabama Judicial College Education Fund is exempt from paying state sales and use taxes.

(b) Any county or municipality may exempt this entity from the payment of county or municipal sales and use taxes in accordance with Section 40-23-4.01, Code of Alabama 1975.

(c) The exemption provided by this section is effective September 1, 2026, through August 31, 2031.

Section 3. The provisions of Section 1 of this act are remedial and curative and any actions taken by the Administrative Office of Courts in conformance with this act are ratified and confirmed.

Section 4. This act shall become effective on May 1, 2026.