

SB152 INTRODUCED



1 SB152
2 BYB7EQQ-1
3 By Senator Albritton
4 RFD: Finance and Taxation General Fund
5 First Read: 14-Jan-26

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4 SYNOPSIS:

5 Under existing law, The Department of Human
6 Resources receives funds for the administration of the
7 food stamp program in an amount equal to 5% of the
8 value of food stamp benefits issued statewide. In order
9 to comply with the provisions set forth in the One Big
10 Beautiful Act, this bill would increase that amount of
11 7.5%.

12 Under existing law, the Children's Health
13 Insurance Program (CHIP) is funded as a first charge
14 against the use tax allocated to the General Fund. This
15 bill would amend that provision to allow for other
16 sources of revenue to be used to fund CHIP.

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19 A BILL
20 TO BE ENTITLED
21 AN ACT

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23 To amend Sections 40-23-35 and 40-23-85, Code of
24 Alabama 1975 to provide further distribution of sales and use
25 tax funds.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

27 Section 1. Section 40-23-35 Code of Alabama 1975 is
28 amended as follows:

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29 "§40-23-35

30 (a) Such amount of money as shall be appropriated for
31 each fiscal year by the Legislature to the Department of
32 Revenue with which to pay the salaries, the cost of operation
33 and management of the department shall be deducted, as a first
34 charge thereon, from the taxes collected under the provisions
35 of this division; provided, that the expenditure of the sum so
36 appropriated shall be budgeted and allotted pursuant to
37 Article 4 of Chapter 4 of Title 41, and limited to the amount
38 appropriated to defray the expenses of operating the
39 department for each fiscal year. After the payment of the
40 expenses, so much of the amount remaining as may be necessary,
41 after first applying all sums of money received by reason of
42 the application of the surplus in the income tax as provided
43 by Section 40-18-58, for the replacement in the public school
44 fund of the three-mill constitutional levy for schools and in
45 the General Fund of the one-mill levy for soldiers' relief and
46 the two and one-half mills for general purposes lost by
47 exemption of homestead provided for in this division shall be
48 first charges against the proceeds of the licenses, taxes, or
49 receipts levied or collected under this division. The
50 Comptroller, with the approval of the Governor, is hereby
51 directed to draw his or her warrants payable out of the total
52 proceeds of the licenses, taxes, or receipts levied or
53 collected under this division as herein provided in such sum
54 as shall be found necessary to take care of and replace the
55 three-mill constitutional school levy, the one-mill soldiers'
56 relief levy, and the two and one-half mill levy for general

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57 purposes of the state ad valorem taxes lost as above set
58 forth.

59 (b) Of the amounts of such collections in any fiscal
60 year remaining after the payment of the expenses of
61 administration and replacement of the amounts in the several
62 funds as herein provided there shall be paid into the Treasury
63 sums to be credited as follows:

64 (1) To the credit of the 67 counties of the state, to
65 be divided and distributed as hereinafter provided, \$378,000;

66 (2) To the Department of Human Resources, \$1,322,000;

67 (3) Beginning June 1, 2000, to the Department of
68 Conservation and Natural Resources for capital outlay for
69 acquisition of land contiguous to existing state parks and
70 land acquired for lakes and or water reservoirs, provision,
71 construction, improvement, renovation, equipping, and
72 maintenance of the state parks system only and not for use by
73 the Department of Conservation and Natural Resources for
74 personnel or administrative use, the sum equal to the increase
75 in receipts accruing to the State of Alabama due to the cap on
76 discounts per license holder in Section 40-23-36(b), which
77 increase shall be equal to the difference between the discount
78 rate or amount allowed under Section 40-23-36(b) and the
79 maximum discount rate allowable under Section 40-23-36(a);
80 provided, however, if at any time any bonds of the Alabama
81 State Parks System Improvement Corporation or the Alabama
82 Public Historical Sites and Parks Improvement Corporation are
83 outstanding (excluding bonds that have been refunded by the
84 establishment of an escrow trust for the payment thereof

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85 consisting solely of bonds or other obligations which as to
86 principal and interest constitute direct obligations of, or
87 are unconditionally guaranteed by, the United States of
88 America) there shall first be paid into the State General Fund
89 from such collections an amount equal to the debt service
90 (principal, interest, and premium, if any) payable on such
91 bonds in the then current fiscal year of the state. Provided,
92 however, that one million dollars (\$1,000,000) of such
93 increase in receipts per fiscal year shall be credited to the
94 Department of Human Resources beginning October 1, 1996, until
95 September 30, 2002, and shall be expended for the foster
96 children program.

97 (4)a. On October 1, 2002, to the Department of
98 Conservation and Natural Resources for capital outlay, repairs
99 and maintenance of the state parks system only, the minimum
100 sum of five million dollars (\$5,000,000) from the increase in
101 receipts accruing to the State of Alabama due to the cap on
102 discounts per license holder in Section 40-23-36(b) as
103 calculated in Section 40-23-35(b) (3). Beginning October 1,
104 2003 through September 30, 2021, annually, to the Department
105 of Conservation and Natural Resources for capital outlay,
106 repairs, and maintenance of the state parks system only, the
107 sum calculated by a fraction, the numerator of which is five
108 million dollars (\$5,000,000) and the denominator of which is
109 equal to the increase in receipts as calculated in Section
110 40-23-35(b) (3) for fiscal year 2002 accruing to the State of
111 Alabama multiplied by the increase in receipts as calculated
112 in Section 40-23-35(b) (3) for the then current fiscal year, or

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113 the sum of five million dollars (\$5,000,000), whichever is
114 greater. Notwithstanding the previous sentence, for the fiscal
115 years ending September 30, 2012, and September 30, 2013, only,
116 the five million dollars (\$5,000,000) shall be transferred to
117 the State General Fund.

118 b. Beginning October 1, 2021, annually, to the
119 Department of Conservation and Natural Resources for capital
120 outlay, repairs, and maintenance of the state parks system
121 only, seven million dollars (\$7,000,000). Beginning with the
122 fiscal year that starts October 1, 2022, the State Treasurer
123 shall annually adjust the dollar amount in this paragraph to
124 reflect the cumulative change in the Consumer Price Index for
125 All Urban Consumers (CPI-U), as published by the Bureau of
126 Labor Statistics of the United States Department of Labor, or
127 a successor index, for the annual period ending on the
128 December 31 preceding the adjustment date and rounded to the
129 nearest one thousand dollars (\$1,000).

130 c. Beginning October 1, 2002, to the credit of the
131 State General Fund, the balance of the sum equal to the
132 increase in receipts accruing to the State of Alabama due to
133 the cap on discounts per license holder in Section
134 40-23-36(b).

135 (c) One-half of the amount deposited to the credit of
136 the 67 counties as above provided, shall be divided and
137 distributed proportionately among the 67 counties of the state
138 according to the population of the counties as shown by the
139 last federal census as proclaimed, published, or certified by
140 the Director of the Bureau of the Census; and one-half of the

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141 proceeds shall be divided or distributed equally among 67
142 counties; provided, that the funds divided and distributed to
143 the several counties of the state as hereinabove provided for
144 shall be used exclusively for full-time health service in
145 cooperation with the State Board of Health or the federal
146 government, and for extension services in cooperation with the
147 Alabama Agriculture Extension Service or the federal
148 government, at the discretion of the county commissions of the
149 several counties of the state.

150 (d) The amounts provided in subsection (b) for the
151 Department of Human Resources shall be used for general
152 welfare purposes. For purposes of this division, "general
153 welfare purposes" means:

154 (1) The administration of public assistance as set out
155 in Sections 38-2-5 and 38-4-1;

156 (2) Services, including supplementation and
157 supplementary services under the federal Social Security Act,
158 to or on behalf of persons to whom such public assistance may
159 be given under Section 38-4-1;

160 (3) Services to and on behalf of dependent, neglected,
161 or delinquent children; and

162 (4) Investigative and referral services to and on
163 behalf of needy persons.

164 (e) In addition, there shall be paid, commencing on
165 January 1, 1978, and on the first day of each fiscal quarter
166 thereafter, to the Department of Human Resources for a
167 statewide, state-administered food stamp program, as
168 authorized by the Food Stamp Act of 1964, Public Law 88-525,

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169 88th Congress, and amendments thereto, an amount equal to ~~five~~
170 seven and one-half percent of the value of food stamp
171 benefits issued statewide in excess of the amount paid by
172 recipients (bonus or free stamps) during the immediate prior
173 fiscal quarter, which sum so appropriated shall be paid
174 quarterly to the Department of Human Resources Trust Fund for
175 administration of the food stamp program in conformity with
176 rules and regulations promulgated by the United States
177 Department of Agriculture and in conformity with Sections
178 38-1-1 through 38-6-9. The administrative funds shall be
179 limited to and based on fiscal year 1976-77 administrative
180 costs, normal inflationary increases, and mandated
181 administration requirements of the Alabama Legislature and the
182 United States Department of Agriculture. The Department of
183 Human Resources will not staff any county food stamp office at
184 a level that exceeds the average staff-to-recipient ratios
185 that existed in Alabama during fiscal year 1976-77. This
186 restriction will apply in coordination with those provided
187 hereinabove and, should conflict occur, the lesser amount of
188 expenditure shall be required. At the end of each fiscal year,
189 an accounting shall be made of the sum so that any unexpended
190 and unencumbered balance of funds may be determined for the
191 purpose of paying such balance to the Education Trust Fund.

192 (f) The amount of the proceeds of all taxes levied by
193 this division remaining after the payment of the expenses of
194 administration and enforcement and the replacement in the
195 several funds of the amount lost by any homestead exemptions
196 and the distribution as provided in subsections (b) and (d),

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197 shall be paid into the Education Trust Fund except as provided
198 in subdivision (4) of Section 40-23-2 and subsection (c) of
199 Section 40-23-61 and, beginning January 1, 2016, except those
200 collected on consumable vapor products as defined in
201 subdivision (15) of subsection (a) of Section 40-23-1, which
202 shall be distributed to the State General Fund."

203 Section 2. Section 40-23-85 Code of Alabama 1975 is
204 amended as follows:

205 "§40-23-85

206 All taxes, fees, interest, or penalties imposed and all
207 amounts of tax herein required to be paid to the state under
208 this article must be paid to the Department of Revenue at
209 Montgomery, Alabama, with remittance payable to the Treasurer
210 of Alabama. Such amount of money as shall be appropriated for
211 each fiscal year by the Legislature to the Department of
212 Revenue with which to pay the salaries, the cost of operation
213 and the management of the department shall be deducted, as a
214 first charge thereon, from the taxes collected under and
215 pursuant to Section 40-23-61; provided, that the expenditure
216 of the sum so appropriated shall be budgeted and allotted
217 pursuant to Article 4 of Chapter 4 of Title 41, and limited to
218 the amount appropriated to defray the expenses of operating
219 the department for each fiscal year. After the distributions
220 provided herein and the distributions of use tax on
221 automobiles to the General Fund as provided in Section
222 40-23-61(c), the balance of the tax collected under and
223 pursuant to Section 40-23-61 shall be distributed as follows:
224 (1) remote use tax amounts, seventy-five percent (75%) to the

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225 General Fund and twenty-five percent (25%) to the Education
226 Trust Fund, and (2) any remaining amounts, forty-seven percent
227 (47%) to the Education Trust Fund and fifty-three percent
228 (53%) to the General Fund. ~~An amount sufficient to fund the~~
229 ~~Children's Health Insurance Program (CHIP) shall be~~
230 ~~distributed annually as a first charge against the amounts~~
231 ~~allocated to the General Fund under this section.~~ It is the
232 legislative intent that all amounts collected on transactions
233 involving a seller located outside the State of Alabama when
234 the property is shipped or transported from outside the state
235 shall be considered use tax for the purpose of this
236 distribution, regardless of whether the taxes may be
237 considered sales taxes for other purposes."

238 Section 3. This act shall become effective September 1,
239 2026.