WINDOM GALLIHER

MONTGOMERY UPDATE

MAY 8, 2015

Trying to fit the puzzle pieces together

Each legislative session is a jigsaw puzzle with scores of pieces that ultimately fit together. As we passed the 20th legislative day this week, some of the pieces have been fashioned together but the picture remains unclear.

At the end of next week, we'll have a much clearer understanding of what the picture might look like in mid-June when the regular session adjourns.

As it stands now, it seems the House and Senate puzzle pieces won't fit together. Some might even wonder if several pieces are missing.

Senate President Pro Tem Del Marsh (R-Anniston), as expected, introduced his omnibus gaming bill that would: a) create a state lottery, b) allow current locations in Shorter, Birmingham, Mobile and Greene County to expand their offerings, and c) authorize Gov. Robert Bentley to negotiate a compact with the Poarch Creek tribe. Sen. Marsh believes his plan would generate \$400 million annually, but would require a bond issue against future earnings to pay for next year's budget needs.

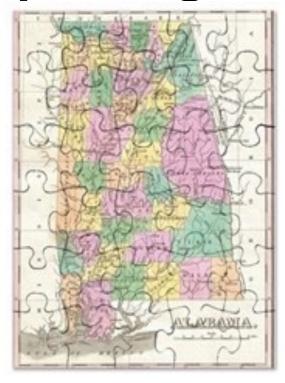
Speaker of the House Mike Hubbard (R-Auburn) has steered his caucus on a different path. The caucus this weekend endorsed \$129 million in various revenue increases and several cost-saving measures. The House Republicans also voiced support for a proffered \$250 million compact with the Poarch Creeks as the answer to the General Fund budget shortfall. The House plan would raise approximately \$400 million for the General Fund.

For his part, Gov. Bentley has seemingly run away as far as possible from gambling as a part of the solution, but has continued to dig in his heels on a demand for \$541 million in new dollars to shore up the General Fund, pay back rainy day funds and to replace money diverted from the Education Trust Fund.

None has an easy path to be the final answer.

The Marsh bill gets its first test Tuesday when it will be considered by the Senate Tourism and Marketing Committee, which Sen. Marsh chairs. He likely has the votes necessary to move the bill to the floor, but it becomes a different matter there.

Also on Tuesday, the House will have to make some tough calls on revenue. Late Thursday afternoon, the House Rules Committee set an agenda for Tuesday afternoon that contains bills that would – dare we say – increase taxes. Even later in the day, the leadership decided to make the agenda it developed a "continuing calendar," which means the calendar would be used on successive legislative days until completed.



The revenue increasing bills would:

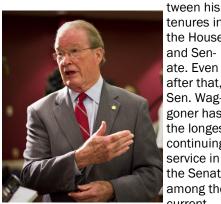
- Raise the tax on a pack of cigarettes by 25 cents to raise \$60 million.
- Increase the automobile title fee from \$15 to \$25 to raise \$14 million.
- Restructure the state's business privilege tax to raise \$39 million.
- Raise the car rental tax by a half percent to raise \$6 million.
- Place a licensing fee on coin-operated amusement machines to raise \$1 million.
- Assess federally qualified health care centers to raise \$3.5 million.
- Increase excise tax on lubricating oils to raise \$10 million.

One bill received final passage Thursday that would raise \$4.5 million for the General Fund. Insurers and insurance professionals would see modest increases in licensing and other related fees. The lubricating oils tax bill was defeated in committee on Wednesday, but House leadership rallied its troops to reconsider. On Thursday, the bill passed the House General Fund committee and will be on the agenda starting Tuesday.

Sub-terfuge? Waggoner blasts alternate version of bill

After brouhaha. House passes Waggoner's version of reform bill

Sen. Jabo Waggoner first came to Montgomery as a member of the House of Representatives in 1966 – before more than a handful of current legislators were even born. There was a seven-year hiatus in his service in the 1980s be-



VETERAN SEN. JABO WAGGONER (R-VESTAVIA HILLS) CARRIES THE DAY

the week prior.

tenures in the House and Senate. Even after that, Sen. Waggoner has the longest continuing service in the Senate among the current body having been elected in 1990.

All of that to say Sen. Waggoner (R-Vestavia Hills) has seen a lot. But earlier this week, he said he had never seen what happened

For the better part of three years, Sen. Waggoner has championed an overhaul of the Birmingham Water Works Board. Three weeks ago, Sen. Waggoner got his bill through the Senate just as he had the year before.

In 2014, with the Jefferson County delegation divided on party lines, House leadership told Sen. Waggoner that it wouldn't let the bill pass in order to give the combatants one more year to cut a deal. If a deal wasn't reached then the bill would be allowed to pass.

Something close to a deal was cobbled together in the Senate this year. Absent one noisy hiccup just before passage, Sen. Waggoner moved his bill through the Senate on a party-line vote but without the usual rancor that could consume several days and set the session on edge the rest of the way.



REP. JOHN ROGERS (D-BIRMINGHAM) THREATENS TO FILIBUSTER REST OF WAY

All that was fine and dandy for some, but not for Rep. John Rogers (D-Birmingham) who vowed to kill the bill. Then came a committee hearing. The bill went to the House Commerce & Small Business Committee, chaired by Rep. Jack Williams (R-Vestavia Hills).

A substitute purported to tweak the bill was introduced and passed out of the committee, then reported to the House for its second reading on April 30.

When Sen. Waggoner read the substitute, the word "tweak" wasn't used.

"It read like a bill written by the Birmingham Water Works," Sen. Waggoner told a business group early Tuesday morning.

There were a lot of theories: a slick move by opponents, an administrative mistake on substituting the wrong bill and more. Sen. Waggoner wouldn't offer his thoughts regarding who did what and how they did it.

"I'm just very disappointed," he said. "I don't know what happened, but I've never seen this happen. And it should never happen again."

Any chances opponents had of finding many allies to slow down the bill went down the drain, so to speak.

Later Tuesday, when the bill came to the floor for debate, the House tabled the

substitute and restored Sen. Waggoner's bill. After a brief filibuster, the GOP supermajority moved to cut off debate and passed the bill. The Waggoner version restructures the board, limits board members' pay, subjects them to the state ethics law and requires public hearings for potential rate increases.

Rep. Rogers, who insisted the bill was a local matter and that members should stay out of it, had little recourse except to try to filibuster and have a long memory.

"I'm gonna get a vote sheet," Rep. Rogers told House more than once, "and if you voted for this bad bill I'm gonna filibuster your bills."

After the Water Works bill - which was the single bill on a special agenda passed, the House took a dinner break Tuesday evening and returned to tackle its previously scheduled business. As promised, Rep. Rogers and longtime filibuster mate Rep. Mary Moore (D-Birmingham) slowed down the process for the remainder of the evening. Speaker of the House Mike Hubbard (R-Auburn) was undeterred, keeping the House in session until midnight.

As for Sen. Waggoner's bill, it was delivered to the Governor's office for signature, which will certainly occur soon.

Prison reform bill: Ward, Jones finish the task

If you had to pick a pair of legislators to tackle an emotional, highly complex issue, it would be hard to select a better pair than Sen. Cam Ward (R-Alabaster) and Rep. Mike Jones (R-Andalusia). This "dream team" was selected to head up the legislature's prison reform efforts, and it has paid off with the passage of a massive overhaul bill.

Both are regarded as thoughtful, extremely meticulous legislators. Although just 44 years old, Sen. Ward spent two terms in the House and is now in his second Senate term. The fact that he's never has an opponent on the ballot speaks to his popularity in Shelby County. He'll be on a statewide ballot sooner rather than later. Rep. Jones is four years older, but is only in his second legislative term. Even so, many call him the "Dean of the House" because of his attention to detail and legal expertise.



SEN. CAM WARD (R-ALABASTER)

Put simply, members, agencies and lobbyists all understand that if you're interested in passing a bill, it's a pretty good idea to stop by their offices to answer their questions first because nothing is getting by them.

As the Judiciary Committee chairs in the Senate and House, it

made sense for the two to lead together on the prison reform issue to help stave off federal intervention.

Several weeks after Sen. Ward navigated the Senate with his version of the bill, Rep. Jones took over from there. In his deliberate nature, Rep. Jones tweaked and re-tweaked the bill and reported it out of committee late last week and it came to the floor of the House for debate Thursday.



REP. MIKE JONES (R-ANDALUSIA)

Just as Sen. Ward did earlier in the session, Rep. Jones deliberately and politely answered questions and left members feeling they had a fair shot at considering the legislation. The members had to endure a two-hour reading the bill, courtesy of Rep. John Rogers (D-Birmingham) who used the reading as a filibuster in retaliation for the Birmingham Water Works bill. At the end of the day, the bill was passed 100-5. Sen. Ward immediately moved to concur in the House changes where a grateful Gov. Robert Bentley said he would sign it into law.

The bill aims to reduce state prison population through a greater emphasis on community-based corrections, creating a new lower class of felonies for non-violent crimes, and the hiring of additional parole officers. It will require \$25 million new dollars to implement, but there's little argument from anyone on the need to fund the bill.

TEN-MINUTE CALENDAR

'Tebow' bill crosses goal line on second down

Ever since a hotshot Florida quarterback while playing for Jacksonville's Nease High School nearly defeated a more-talented Hoover High School team on national television 10 years ago, families that home school their children have wanted the Alabama Legislature to follow in the footsteps of their Sunshine State counterparts.

That high school quarterback availed himself of a state law that allowed children being home schooled to participate in extracurricular activities at the public school that they would ordinarily attend.

Tim Tebow would sign with the University of Florida where he would help the Gators win a pair of national titles and win the Heisman Trophy.

As Tebow became a national celebrity, his name became attached to the movement in states to pass similar laws. For several years, the "Tebow Act" has been introduced in the Alabama Legislature, but has struggled to become law. On Tuesday night, the House version sponsored by Rep. Mike Ball (R-Madison) was on the agenda but was stopped short of passage when the hour of midnight was reached and ended the legislative day. Speaker of the House Mike Hubbard (R-Auburn) allowed the bill to return to the floor Thursday and the bill passed by a 52-43 margin.

If the bill becomes law, Alabama would be the 28^{th} state to pass a form of the bill.

Nerves start to fray during Senate spat

One of the popular coin-operated children's amusement games is "Whack-a-Mole." The gist is that the player has a rubber mallet and accumulates points for whacking "moles" as they emerge from the base of the game. The moles move slowly at first, but then speed up to a rapid pace.

It's a fair comparison to the mood of the Legislature during the course of a session. A problem jumps up in one place. Leadership works to smooth it over, only to have a problem emerge somewhere else. As the days slide by, the problems tend to come more frequently and furiously.

Sens. Paul Bussman (R-Cullman) and Slade Blackwell (R-Mountain Brook) got tangled up Thursday over a bill regarding insurance contracts with dentists. It ended up consuming most of the afternoon, and left Sen. Bussman promising extended time at the podium for the remainder of the session. Assuredly, one item on Senate President Pro Tem Del Marsh's (R-Anniston) agenda for early next week is to try to soothe Sen. Bussman because there are big-ticket items left to do in the remaining 10 days. With seemingly no real legislative consensus on how to deal with the General Fund, the skills of Sen. Marsh and Speaker of the House Mike Hubbard (R-Auburn) will be tested.