

2023 Legislative Report

2023 Regular Legislative Session

This year's regular legislative session was dominated by financial issues. In addition to allocating the last round of American Rescue Plan Act (ARPA) funding, the legislature faced the difficult task of allocating record-high surplus amounts in both the General Fund budget and the Education Trust Fund budget.

Sweet Home Alabama Tourism Investment Act

A key priority for the Ivey Administration and the Alabama legislature was passage of a four-bill package renewing and expanding Alabama's existing economic development incentives, including the Alabama Jobs Act.

The first bill in the package, the Enhancing Economic Progress Act, was sponsored by Rep. Danny Garrett (R-Trussville). This bill increased the Alabama Jobs Act cap by \$25 million annually and expanded the Growing Alabama cap by \$35 million.

There was also a substantial new provision included in the Enhancing Economic Progress Act, that added new tourism incentive language for large tourism destination projects. The Sweet Home Alabama Tourism Investment Act allows tax rebates for companies that meet certain criteria when developing tourism destination projects.

Christie Strategy Group and GUMBO worked hard to ensure that the tourism incentive provision was included in the Jobs Act bill rather than introduced as a stand alone piece of legislation. Senate Pro Tem Greg Reed (R-Jasper), Speaker of the House Nathaniel Ledbetter (R-Rainsville), Senator Chris Elliott (R-Josephine), and many other Baldwin county delegation members played major roles in making certain that tourism is viewed as economic development.

When referred to the Senate Finance and Taxation Education Committee, Chairman Arthur Orr (R-Decatur) offered an amendment to the bill that would have increased the baseline private investment needed to qualify for new tourism incentives in Alabama, along with several other changes. The previously set minimum of \$35 million in entertainment and historical districts would have increased to \$50 million and the "mega project" minimum would have gone from \$75 million to \$95 million. The amendment would have also added appointments to the Tourism Advisory Board and increased the local match requirement from 20% to 50%.

Christie Strategy Group worked closely with Sen. Chris Elliott to encourage committee members to oppose the amendment on behalf of GUMBO. The amendment ultimately failed with a 6-9 vote, and the bill received a favorable report without amendments. All four of the economic incentive bills, including

HB 241, ultimately passed early in the legislative session, and Governor Kay Ivey quickly signed them into law.

When asked about the inclusion and passage of the tourism incentives in HB 241, Sen. Chris Elliott said, “This process was a great example of GUMBO’s successful influence in Montgomery throughout the entirety of this bill’s life span. I am proud of the efforts shown by all parties involved and look forward to seeing what results these new incentives will garner for our state and the tourism industry.”

Following the successful passage of the Sweet Home Alabama Tourism Investment Act, a bill was introduced later in the regular session intended to clarify the start date for projects that would qualify for the new tourism incentives. HB 445, sponsored by Rep. Danny Garrett (R-Trussville), clarified that the tax rebates for certified tourism destination projects are only available for projects placed into service after the effective date of the act.

Chairman Arthur Orr (R-Decatur) offered a substitute to HB 445 in the Senate Finance and Taxation Education Committee that increased a population range for “targeted counties” to match an existing definition in the Jobs Act and removed the carry forward language for the tax rebates. Sen. Orr also offered a floor amendment that added legislative representation to the tourism advisory board that will review and approve selected projects that qualify for the rebates.

HB 445 passed the Senate with a 32-0 vote, and the House later concurred with the changes by a vote of 103-0. The bill was signed by Governor Ivey shortly thereafter.

GUMBO is thrilled that Alabama is able to offer cutting edge tourism incentives in order to attract the best large tourism destination projects in the country.

Game-Changing Dram Shop Legislation

Another important victory for GUMBO this session included the passage of the Dram Shop legislation, which was endorsed by GUMBO and many other retail and hospitality organizations.

Under previous law, Alabama had a “strict liability” standard where the owner of an establishment that served alcohol could be held civilly liable for an accident involving an intoxicated patron. Alabama’s was one of the strongest standards in the nation and made it increasingly difficult for proprietors to obtain affordable liability insurance. Previously, liability coverage of \$100,000 could cost as much as \$35,000.

SB104, sponsored by Sen. Chris Elliott, replaced that strict liability standard with a new standard under which a server would have to knowingly serve a visibly intoxicated person, and for that service to be the proximate cause of an injury or death in order for the business to be held liable.

The legislation sought to bring common sense insurance reform and increased personal responsibility to situations where damages have taken place due to overconsumption of alcohol. Specifically, the legislation was designed to build on language used in surrounding states to help drive down the cost of



liquor liability insurance for restaurant and bar owners, while maintaining appropriate levels of liability for those who serve individuals who are intoxicated.

The bill received unanimous support and approval in the House where it was carried by Rep. David Faulkner (R-Mountain Brook). The bill successfully passed through the Senate as well and was quickly signed by the Governor.

The monumental piece of legislation had an almost immediate effect. ISO confirmed that Alabama's Grade 10 designation for liquor liability has now been revised to a Grade 5. The new filing will apply to all policies written on or after August 1, 2023. This should prove to be a major accomplishment for the hospitality, insurance, retail, and tourism industries and financial relief to many small businesses.

Special Retail Licensee Age Requirement Update to Sell Alcohol

Hotels that have a restaurant or special retail license can now hire 18- to 20-year-olds to serve alcoholic beverages under legislation the governor signed into law earlier in May. The 18- to 20-year-old servers cannot work as bartenders, cannot deliver alcohol to a guest room, and must complete responsible vendor training.

SB 135 by Sen. Chris Elliott and Rep. Frances Holk-Jones (R-Foley) also allows responsible vendor training to take place online or in a classroom setting. Any online training must include employee testing. The training records may be maintained in a digital format provided they can be produced within 48 hours at the request of the Alabama Alcoholic Beverage Control Board. The new act amends the server law, which was last updated during the 2022 regular session.

The new law is designed to assist in the workforce shortage, and many GUMBO stakeholders and south Baldwin County employers will benefit.

2023 Leadership Trip

Every two years, GUMBO hosts a policy summit in Montgomery for interested Stakeholders. This year, members of the legislature, prominent cabinet heads, the Governor, and Lieutenant Governor interacted with a group of thirty business, government, and community leaders from Baldwin County.

The trip began with a welcome luncheon where Governor Kay Ivey joined GUMBO stakeholders and discussed the vital importance of tourism in Alabama and how tourism is economic development. Governor Ivey strongly reinforced her support of the tourism industry, attractions on Alabama's Gulf Coast, and the work that GUMBO has been spearheading for decades.

GUMBO stakeholders then attended a speaker series where they heard from Tourism Director Lee Sentell. Director Sentell provided an in-depth look at how Alabama is marketing its tourism attractions, a comparison of out-of-state marketing strategies, and the huge increase of revenue that tourism has brought to Alabama in the past 20 years.



Conservation Commissioner Chris Blankenship spoke to the group next where he provided background and insight on the operations of the Department of Conservation and Natural Resources and the importance of maintaining and upgrading Alabama's state parks, including the Gulf State Park.

A private reception and dinner were hosted by GUMBO on behalf of key legislative committees including the House and Senate Tourism committees, the Joint State Parks Committee, legislative leadership, and members of the Mobile and Baldwin delegations.

The summit continued the next morning with a private breakfast where Lieutenant Governor Will Ainsworth joined GUMBO stakeholders for a briefing on economic development, workforce training and recruitment, and tourism in Alabama. The breakfast included a very interactive Q&A segment where stakeholders were able to ask the Lieutenant Governor their own questions.

Finally, stakeholders were taken to the Alabama Supreme Court building where they received a private tour of the building and met with Justice Will Sellers in the Supreme Court chamber.

Overall, it was a very successful trip, which coincided with the passage of the tourism incentive legislation.

2023 Special Session II on Reapportionment

Heading into the summer special session, state lawmakers faced a deadline to adopt new district lines after the Supreme Court in June upheld a three-judge panel's finding that the current state map violates the federal Voting Rights Act due to having one majority-Black district out of seven with a 27% statewide African American population. The three-judge panel gave Alabama until Friday to adopt a new map and submit it for review.

The Alabama legislature convened for its special session at 2:00pm on Monday, July 17th, 2023 to address the redistricting issue. In weeks leading up to the special session, the Joint Legislative Reapportionment Committee held multiple public hearings where members of the public, plaintiff members, and organization heads were allowed the opportunity to speak on their support or opposition to released maps and submit their own maps.

The three-judge panel ruled in 2022 that the current legislative map likely violates the federal Voting Rights Act and said any map should include two districts where "Black voters either comprise a voting-age majority or something close to it."

A few map versions of note that progressed through the process until Friday afternoon included the Communities of Interest map by Rep. Chris Pringle (R-Mobile) and the Livingston Congressional Plan by Sen. Steve Livingston (R-Scottsboro). There were also many map versions that were introduced by democratic leaders like Sen. Bobby Singleton (D-Greensboro), Sen. Rodger Smitherman (D-Birmingham), Sen. Vivian Figures (D-Mobile), and Rep. Chris England (D-Tuscaloosa), but none received an approving vote throughout the week.



With the House and Senate disagreeing on their maps, three members of both bodies met as a conference committee on Friday afternoon to negotiate changes. The conference committee members from the House included Rep. Chris Pringle, Rep. Chris Sells (R-Greenville), and Rep. Chris England. The Senate members included Sen. Steve Livingston, Sen. Clay Scofield (R-Guntersville), and Sen. Rodger Smitherman.

After behind the scenes negotiations, a new map called the Livingston Congressional Plan 3 was drawn up and voted on during the conference committee meeting later Friday afternoon. Many throughout the week argued the opinion that Mobile and Baldwin counties should remain together in Alabama's First Congressional District, currently being served by Congressman Jerry Carl. The approved map kept with this trend and maintains that those two counties will remain in the same congressional district.

A copy of the new map and demographic statistics by congressional district can be viewed [here](#).

Summary

Legislators from throughout the state know GUMBO and know of our legislative priorities. The 2023 legislative session was extremely fruitful for GUMBO and the passage of the legislation as outlined in this report will continue to pay dividends for south Baldwin County for years to come.



