Speaker, President Pro Tem forecast upcoming legislative session, top issues

At a July Legislative Review, hosted by Bradley Arant Boult Cummings, House Speaker Mike Hubbard and Senate President Pro Tem Del Marsh painted a victorious picture for the 2011 legislative session. Hubbard explained that all of the “Handshake with Alabama” bills were passed – several on the final night.

The victories included Greg Canfield’s Education Trust Fund Rolling Reserve Budget Act; the “Students First Act,” which amended teacher tenure laws; small business tax incentives; ethics reform; a block to any federal mandate of health care programs to the residents and employers in Alabama; and several tort reform bills.

Hubbard, however, did not mention the recently passed Immigration Reform bill, HB56, which was signed into law in June.

Marsh presented his outlook on the upcoming 2012 legislative session. Charter schools, school voucher programs, Taxpayer’s Bill of Rights II, legislative district reapportionment, constitutional reform, a push to help existing business, and several jobs bills all made the top priorities list. Marsh mentioned possible amendments to the new Immigration Reform law may need to be made. He also stated that there will be no tax increase legislation passed next session.

BBA urges timely sewer debt resolution

The Birmingham Business Alliance formally issued a statement August 2 encouraging efforts to settle Jefferson County’s sewer debt crisis.

James T. McManus II, chairman of the BBA’s board of directors and CEO of Energen Corp. in Birmingham, praised the Jefferson County Commission’s exhaustive and diligent efforts to reach a resolution to this legacy problem and urged them to move forward with settlement negotiations with creditors.

“The collaborative efforts of the County Commission to achieve a successful resolution to this crisis are very commendable,” said McManus. “The Commissioners have shown courage in their efforts to date to get this matter resolved in a manner that is in the best interest of taxpayers and ratepayers. We acknowledge that bankruptcy must be a serious option during such difficult negotiations; however, it appears from press reports that the Commissioners have succeeded in obtaining very substantial concessions from creditors. In a bankruptcy scenario, there can be no assurance that sewer rates will be lower than...
Shelby County Commission district lines contested

Shelby County has experienced abundant growth over the last decade, but these growing pains have especially been felt by those tasked with the reapportionment of the county commission’s new districts.

Each of the nine districts is required to contain 21,676 people, with an allowed deviation of 10 percent. The U.S. Department of Justice grants final approval, but has not yet weighed in on the new districts.

Hearings have been held in Columbiana over the past few weeks and so far there has not been much public support for the new districts. African American community leaders asked county officials to “go back to the drawing board.” With the population explosion of African Americans now living in Shelby County, community leaders say they would like to see a “majority black district.”

Shelby County’s African American population doubled in size according to the 2010 census. However, studies have shown this population is dispersed over much of the county and not concentrated enough in one area to create a black majority voting district without obvious gerrymandering.

The African American community is not alone. The city of Alabaster has also condemned the new lines, as this proposal splits Alabaster into six different districts. An Alabaster city council member said the plan would “fragment and dilute” the city’s representation on future commissions.

Special Election set for vacant House seats

District 45: Four candidates are seeking to fill the House seat vacated by the late Representative Owen Drake. The candidates are as follows:

From left to right is Irondale Mayor Tommy Joe Alexander (R), business owner Dickie Drake (R), former Miss Alabama Paige Parnell (D), and Vice President of Richardson Construction Michael Sumners (R).

**Learn more about the candidates by reading The Leeds News article on these candidates.

District 48: Two candidates are seeking the recently vacated House seat of Greg Canfield, who was appointed as Director of the Alabama Development Office.

From left, Irondale City Councilman Craig Sanderson (R) and former Jefferson County Commissioner and State Representative Jim Carns (R).

The special primary election for both house districts will be held on Tuesday, August 30, 2011. If a runoff is necessary, it will be held October 11, 2011, with a General Election date set for Tuesday, November 29, 2011. If no runoff election is necessary, the general election will be held October 11, 2011.
BBA applauds Governor’s appointment of Rep. Canfield to top ADO post

The recent appointment of Rep. Greg Canfield (R-Vestavia Hills) to the position of director of the Alabama Development Office has been well received by the economic development and business community. BBA President and CEO Brian Hilson told The Birmingham News, "Greg brings a personality that is conducive to a personal relationship that you have to develop in order to recruit industry. Recruiting industry is still a people business. If you cannot relate to people on a personal level, then you can’t be a good economic recruiter.”

Canfield has been an active member of the BBA’s Governmental Affairs Committee for several years. He also championed the 2011 Rolling Reserve Budget Act that will help stabilize the Education Trust Fund by preventing unnecessary proration. This bill was one of the BBA’s top state priorities during the 2011 legislative session.

Gov. Robert Bentley publicly made this selection on July 6; however, Canfield officially assumed his new role on August 1. He replaces former Speaker of the House Seth Hammett. Canfield will address the BBA’s Governmental Affairs Committee on August 15.

Pictured left: Canfield and Gov. Bentley at the official signing of the 2011 ETF Rolling Reserve Budget Act in the Capitol Building.

ALDOT to seek bids for long-awaited projects

In July, the Alabama Department of Transportation made an announcement that several projects could be ready for the bidding process. Two projects on this list are of particular interest to the BBA: the Finley Boulevard extension and fly-over project and the completion of Corridor X (I-22) and extension to US. Highway 31.

The Finley Boulevard project, championed by Birmingham City Councilwoman Maxine Parker, has long been on the regional transportation plan as well as the BBA's state and federal agendas. The Corridor X projects are also of high priority to the BBA as they are believed to create positive economic growth for this region. The completion of Corridor X paves the way for additional dedicated federal funding for the Northern Beltline (I-422).

Highway 280 could see a resolution soon

John Cooper, director of the Alabama Department of Transportation, presented several options to Gov. Bentley in July to help seek a final resolution for much needed improvements to the U.S. 280 corridor. Project proposals have ranged from $250 million to $400 million. Cooper indicated he has not made a decision on which proposal he favors. Mayor Terry Oden of Mountain Brook said he is convinced that ALDOT "will recommend the elevated plan."

Options include:

- Elevated toll road and express lanes from Elton B. Stephens Expressway to Double Oak Mountain
- Removing traffic lights from the Expressway to Dolly Ridge Road and include overhead bridges and sunken roads
- Improving the interchange at I-459 and U.S. 280 (estimated 30% of traffic off the road)
- Four laneing Hwy 119 to Grants Mill Road to I-459

SEC field hearing held, panelist suggests early warning system for distressed municipalities

The U.S. Securities and Exchange Commission (SEC) held a field hearing at Rosewood Hall in Homewood on Friday, July 29. The hearing, dubbed “The State of the Municipal Securities Market,” was organized into several different panels focused on having an open discussion on different entities currently affected by the intertemporal municipal securities markets. Panelists spanned from across the Southeast as well as the Birmingham region.

The current state of Jefferson County’s financial woes created a platform for a panel discussion that specifically targeted “Distressed Communities.” Panelist J. Foster Clark, a partner at Balch & Bingham, emphasized the need for the SEC to create an early warning system that would notify municipalities when they are heading towards financial distress. A few of the obvious warning signs listed were significant budget deficits, cuts to essential services, employee layoffs or hiring freezes, unusual spending from a reserve fund, etc. The Distressed Communities panel also suggested having a third party council option for municipalities that are in financial distress to receive support by creating long term fixes for financial issues that may arise unexpectedly.

It was the consensus of the panel should Jefferson County decide to file for Chapter 9 bankruptcy, any drastic or detrimental knee-jerk reactions be kept at a minimum. One panelist stated that filing for Chapter 9 would be extremely painful and it is very important how the county would handle the aftermath of such an event. All five Jefferson County commissioners were present during the morning sessions.

For the full statements given at the field hearing, please click here. To view the entire webcast of the hearing, click here.

BCA Conference touts education reform and strong leadership

The Business Council of Alabama held its annual Governmental Affairs Conference in Point Clear on July 29. Keynote speakers were former Secretary of Education Margaret Spellings and retired U.S. Army General Stanley McChrystal, who led U.S. forces in Afghanistan from 2003 to 2010. BBA staff members Myla Calhoun Choy and Alison Howell attended.

Read more about the conference by CLICKING HERE
“Super Committee” to take over deficit reduction

The Budget Control Act of 2011 (s.365) was passed and signed into law on August 2 – also the same day as the default deadline. The new law calls for at least $2.1 trillion in deficit reduction over 10 years and also forms the bipartisan 12-member Joint Select Committee on Deficit Reduction, dubbed the “Super Committee.” The committee, designed to hold its first meeting by September 16, is made up of six senators and six representatives.

Discretionary spending on important and deserving programs and projects here in the Birmingham region will be under review. There has already been some speculation made as to which programs could face cuts. Entities that require federal assistance have already taken an offensive approach. All defense and non-defense spending will see across-the-board cuts starting in 2013.

The ripple effect of the turmoil in Washington, D.C. and the recent downgrade of the U.S. Treasury from a AAA rating to a AA+, may have caused other Alabama municipalities to come under the microscope. Recently, Huntsville, Vestavia Hills and Mountain Brook were all placed on Moody’s “watch list” for a possible downgrade due to their current AAA warrant obligations. Nationwide, 137 cities were added to this list.

**BATSA on the move...**

The House Judiciary Committee approved the long-awaited Business Activity Tax Simplification Act (HR 1439) legislation on July 7 as introduced with no amendments.

BATSA has been on the BBA’s federal agenda for several years. The legislation expands the federal prohibition against state taxation of interstate commerce. The Congressional Budget Office will now take up the bill to score it. Last scored during the 109th Congress, the bill proved to be revenue positive in the amount of $3 billion over ten years.

For a complete summary of this bill, [CLICK HERE](https://www.businessactivitytax.org/)

**Birmingham, Jefferson County officials take on Capitol Hill with a unified message**

Officials from the City of Birmingham and Jefferson County joined forces on a trip to Washington, D.C. to ask Congress and the Obama administration for additional disaster relief. That relief request included money for cleanup, housing and redevelopment from the April tornado damage.

Sen. Richard Shelby said he had never seen that level of coordination from Alabama’s largest metropolitan area, and that it was about time. Other Washington officials were heard saying these local government offices are not known for cooperation when it comes to federal affairs. In years past, they’ve had competing lobbyists and different wish lists.

*The Birmingham News* reported Birmingham Mayor William Bell said the group asked for $20 million from the U.S. Department of Housing and Urban Development to help build single- and multi-family housing and acquire land not suitable for housing because of zoning changes. “We need to acquire those properties and either build something new or create green space,” Bell said in an interview between meetings with U.S. Rep. Terri Sewell, (D-Birmingham), and U.S. Rep. Spencer Bachus, (R-Vestavia Hills).

A supplemental spending bill for additional tornado relief could be an option, but many have ruled that out at this time due to hostility in Congress when it comes to new spending. Sen. Shelby said to him would not rule out that option completely.

**CALENDAR**

**August GAC Meeting**

The BBA’s Governmental Affairs Committee will meet on Monday, August 15 at 11:30 a.m. in the BBA Large Conference Room. Keynote speaker will be Greg Canfield, Director of the Alabama Development Office.

**Upcoming elections**

- City of Birmingham Mayoral Election: Tuesday, August 23
- State House Districts 45 & 48: Primary is Tuesday, August 30 and Election, if no runoff, is Tuesday, October 11

**THE NEXT ISSUE OF THE BBA PUBLIC POLICY NEWSLETTER WILL BE AVAILABLE IN EARLY SEPTEMBER**

This is the official newsletter of the BBA’s Public Policy division. For more information, contact Alison Howell at 205-241-8108 or CLICK HERE