TABLE OF CONTENTS

I. Letter from the Chair ....................................................................................................................... 3
II. Members of the Alabama Small Business Commission and Advisory Committee .................. 4
III. Background and Purpose ............................................................................................................. 6
IV. Organization and Approach ........................................................................................................ 8
V. Initiatives and Activities ............................................................................................................ 10
VI. Notes on Implementation and Results .................................................................................... 17
VII. Areas of Interest for 2017 ....................................................................................................... 18
VIII. Conclusion .................................................................................................................................. 19
IX. Appendix ..................................................................................................................................... 20
I. LETTER FROM THE CHAIR

The Honorable Robert Bentley  
Governor of the State of Alabama  
State Capitol  
Montgomery, Alabama

Dear Governor Bentley:

On behalf of the Alabama Small Business Commission ("SBC") enclosed please find the 2016 summary report of the activities, recommendations, and accomplishments of the Commission.

In the second year of the Commission, members continued to debate issues and consider new and existing opportunities to promote small business success. The Commission presented legislative recommendations and supported executive branch initiatives designed for the benefit of the small business community. With ongoing support from SBC members, the Legislature passed numerous legislative proposals supporting small business owners and their employees.

The Commission partnered with the Alabama Executive Veterans Network to unveil the “Veteran Owned Business” decals with a press conference with Governor Robert Bentley, Lt. Governor Kay Ivey, and U.S. Representative Martha Roby. The press conference included veteran business owners Gene Faulkner, World War II; Billy Cotter, Vietnam; and Keith Gay, serving in the Gulf War conflicts. More than 3,000 decals have been distributed to Alabama veteran-owned businesses.

Atlas Alabama, the state small business website, partnered closely with state agencies to add their information to the website for the convenience of small business owners. In addition, Atlas Alabama added the counties and municipalities that have existing landing pages to the Atlas Alabama menu. Atlas Alabama continues to develop landing pages for cities and counties that do not have a web presence at no cost to the city or county. Helpful information on utilities, news, and information is updated on a timely basis.

We are honored to serve on the Commission, and we appreciate the confidence and trust you have placed in our efforts. As you know, the SBC members serve on the Commission at no cost to the taxpayer. Thank you for your consideration of the recommendations we have made throughout this year.

Respectfully submitted,

Rosemary Elebash

Rosemary Elebash  
Chair, Alabama Small Business Commission and Advisory Committee
II. MEMBERS OF THE ALABAMA SMALL BUSINESS COMMISSION AND ADVISORY COMMITTEE

Small Business Commission Members

Beau Holmes, Owner, Quantum Logistics, LLC

Bill Youngblood, Owner, Youngblood Real Estate (Pinebrook Shopping Center)

Curtis Richardson, President, C & J Electrical Service, LLC

Donna Kerr, Owner, Robbie’s of Fayette

Dwight Gamble, President and CEO, HND First Bank

Edward Wayne Bassett, Partner, Beck’s Turf

Hunter McShan, President, McShan Lumber Company

Jason Wisener, Owner, Pro-Fab Machine

Jay Love, Owner, Subway franchises

Jeannie Courington, Owner, Sebastian’s Restaurant

Jheovanny Gomez, Co-Owner, Jalapenos Restaurant

John L. Mitchell, Jr., Principal, Mitchell Nissan

Joseph Ogelsby, Owner, Monroe Scrap Material, Inc.

Keith Kelley, Agent, Harris McKay Realty / Century 21

Krista Conlin, Principal, KC Projects LLC

Lance Self, President and CEO, Zero RPM

Lee R. Henderson, Owner, Which Wich sandwich franchises

Les Letlow, Principal, The Letlow Company, LLC

Lisa Patterson, CPA, Principal, Patterson-Prince & Associates

Lynne Frakes, COO, Cable Television of East Alabama; President, RM Greene, Inc.

Mickey Crew, President, Crew Distributing Company; President, Petroleum Convenience Marketers Association
Monique Henley, Owner, H & S Management & Holding Co.

Paul Hutcheson, Owner, Hutcheson Construction

Peter “Greg” Gregerson, Jr., Owner, Gregerson’s Foods

Representative Barry Moore, Legislator; Owner, Barry Moore Industries

Richard S. Cybulsky, M.D., OBGYN, Premier Women’s Care

Rosemary Elebash, Alabama State Director, NFIB

Senator Paul Sanford, Owner, Little Paul’s Barbecue

Stacia Robinson, Principal, Benechoice Companies

Stephen Donaldson, Partner, J & R Feed Service

**Advisory Committee Members**

Fitzgerald Washington, Commissioner, Department of Labor

George Buchanan, Executive Vice President, Regions Financial Corp.

Greg Barker, Senior Vice President, Alabama Power

Greg Canfield, Secretary, Department of Commerce

Jeremy Arthur, President and CEO, Chamber of Commerce Association of Alabama

Jerry Mitchell, President and CEO, North Alabama African American Chamber of Commerce

Jim Byard, Director, Alabama Department of Economic and Community Affairs

Jim Searcy, Executive Director, Economic Development Association of Alabama

Julie Magee, Commissioner, Department of Revenue

Ken Smith, Executive Director, Alabama League of Municipalities

Mark Heinrich, Chancellor, Alabama Community College System

Nichelle Nix, Director, Governor’s Office of Minority Affairs

Paulette Risher, Program Director for Veteran Employment Services, Still Serving Veterans

Sonny Brasfield, Executive Director, Association of County Commissions of Alabama
III. BACKGROUND AND PURPOSE

When Governor Robert Bentley assumed office, Alabama was still in the recovery process from the “Great Recession,” with high unemployment, rising underemployment, frequent business closings around the state, and decreasing tax revenues to fund basic education and government functions.

In speeches around the state, Governor Bentley frequently noted that small businesses are the backbone of the Alabama economy. In support of that belief, Governor Bentley decided to establish the Alabama Small Business Commission (SBC) by Executive Order 47 on September 15, 2014.

The purpose of the Alabama Small Business Commission is to promote small business development in the state through legislative and executive policy recommendations, promote small business access to resources and information, and enhance the state’s communications with the small business community.

The Alabama Small Business Commission serves as an advisory body to the Governor and related entities by:

- Formulating policy recommendations
- Evaluating issues critical to the economic growth and expansion of existing small / independent businesses and their interests
- Exploring best practices and areas of reform
- Assessing current procedures required for establishing a start-up business and discussing ways to help start-up businesses thrive in the Alabama economy
- Communicating key issues and small business concerns
- Encouraging innovation in the state’s many regulatory relationships with small business
- Encourage new and existing business to expand and grow
- Develop recommendations focused on executive branch priorities, legislative priorities, and other rules and regulations affecting small business

Current Small Business Environment

Based upon comparative research among other states, Alabama has a relatively positive environment for starting and operating small businesses. Numerous national ranking and surveys of business “friendliness” consider Alabama’s tax environment, ease of hiring new employees, legal system, and other key factors as conducive for small business success.

The U.S. Small Business Administration’s Office of Advocacy released the following information in Alabama’s 2016 Small Business Profile:

- Alabama is home to 382,524 small businesses.
• Small businesses represent 96.7 percent of all businesses with employees in Alabama and employ about 47.7 percent of the state’s private-sector workforce.
• Small businesses with fewer than 100 employees have the largest share of small business employment.
• The three Alabama industries with the most small business jobs are: Health Care and Social Assistance; Accommodation and Food Services; and Retail Trade.
• The number of minority-owned firms increased by 30.7 percent between 2007 and 2012.
• Small businesses made up 81.2 percent of Alabama exporting companies and generated 15.8 percent of Alabama’s total known export value.

The state’s overall business climate has seen improvement throughout the year. Alabama’s unemployment rate steadily declined throughout most of 2016. In August 2016, the unemployment rate reached 5.4 percent, the lowest rate since May 2008. Manufacturing employment has also increased, reaching near record numbers in August 2016. Over the year, wage and salary total employment increased by 18,000 with gains in the trade, transportation, and utilities sector, the education and health services sector, and the manufacturing sector, among others.

Small Business Interaction with State Government

Small businesses understand that many of the regulations affecting business activity are managed by the executive branch agencies through policies and management. Licensing, permitting, and tax collection are all functions of the executive branch and its agencies, which the Governor manages directly. These entities interact with small businesses on a regular basis, and thus it is important to ensure that processes and procedures that guide those interactions work smoothly and consistently for small business customers.

It is also important for executive agencies to enable small business development by encouraging growth and success rather than undermining it with the proverbial “red tape,” onerous rules and regulations, lack of transparency, accountability, and customer service. It is imperative that small business owners and agency personnel constantly evaluate policies and procedures to ensure that the costs of regulation and compliance do not exceed the benefit of the intended purpose.

Finally, SBC members are often leaders in their local business communities and are able to provide “two-way traffic” for information and communications to the Governor. Members already do an excellent job of communicating with local media, Chambers of Commerce, trade associations, and other business networks to share updates and accomplishments. They also use these networks to gather feedback and provide input on policies and regulations affecting small businesses at SBC meetings. These diverse, statewide informal networks will continue to provide valuable perspectives on what small businesses experience around the state and on an ongoing basis.
IV. ORGANIZATION AND APPROACH

The Alabama Small Business Commission was planned and conceived by Governor Bentley as a body made up of direct owners and managers of small businesses from around the state. Currently the Commission has thirty members, and is the first known entity throughout the United States. Commission appointments are for two years with a two-year reappointment option.

The Governor determined that for the purposes of selecting a membership for this Commission, a small business would be defined as a private company headquartered in Alabama with at least one full time employee and fewer than fifty employees. Other governmental entities, particularly at the federal level, use numbers as high as five hundred employees to define a small business. In Alabama, more than ninety-nine percent of all private companies have fewer than five hundred employees, so that common metric was not considered a useful, distinguishing characteristic.

Governor Bentley also recognized that the Commission, consisting of full-time business owners, would need the support and subject matter expertise of government and other affiliated organizations in order to navigate the government and policy world. For this reason, Governor Bentley also organized the Advisory Committee, which consists of executive agency heads, economic development leaders, and other corporate and association representatives, totaling fourteen members. These individuals provide background information, technical assistance, and serve as a material resource to the SBC. They provide guidance on current practices and proposed recommendations, as well as information and data needed to bolster decision-making by the SBC members. The Advisory Committee members attend all meetings and serve as a tremendous resource to the SBC. The Committee does not vote on SBC recommendations but does provide valuable input on matters relating to state government practices, existing policies and procedures, and local government relationships.

Based on the initial successes of the SBC and the widespread belief that it would present significant value to the small business community and state government going forward, the Governor signed into law Act 2015-450 during the 2015 legislative session which permanently established the Alabama Small Business Commission and Advisory Committee.

In terms of executive branch organization, the Act determined that the SBC would have an organizational link with the Department of Commerce, as a natural function of economic and business development and would report findings and communicate recommendations directly to the Governor. While in practice this organization did not change the goals or function of the SBC, it did secure the Commission’s future as an executive branch entity and a vital contributor to small business development and policy in Alabama.

The Commission and Advisory Committee meet quarterly in person or by teleconference, and will meet in smaller subcommittees on an as-needed basis. All meetings are posted through the Secretary of State’s office on Open Meetings. The majority of meetings have been held in Montgomery for ease of access and as a central location geographically; however, other sites have and will be used for special programs, tours,
and site visits intended to educate members on small business opportunities, challenges, and special topics.

**Atlas Alabama**

Atlas Alabama (www.atlasalabama.gov) is a free online comprehensive resource for entrepreneurs and small business owners throughout the state interested in starting or expanding a small business. The website launched in the fall of 2014 and works in partnership with the SBC to facilitate and promote small business development.

Based on initial feedback from citizens and SBC members following the rollout of the website, Governor Bentley issued Executive Order 3 on February 17, 2015, which directed all relevant cabinet members, state agencies, and constitutional officers to assemble and participate in discussions around how to integrate state-level services and information on Atlas Alabama to better promote small business development. The goal is to simplify and streamline the process for obtaining basic, comprehensive information related to the full life cycle of a business: launching, growing, managing, and even exiting a business.

As conceived, the website will include information, checklists, and helpful links to state agency websites so that entrepreneurs can follow the steps required to launch or manage existing businesses. Also, when needed, aspiring entrepreneurs can get business support and assistance through agency personnel and affiliated partners so they can be confident they are satisfying all state-level requirements. Atlas Alabama will help “customers” answer basic questions as completely and easily as possible, such as:

- “What do I need to do to start a business?”
- “Where do I go to get financing?”
- “What information do you have that can help make my business more successful?”

The goal is to make Atlas Alabama as helpful and informative for small business users as possible and continually update the services to meet the changing needs of small businesses in Alabama. Atlas Alabama continues to evolve as new features are added and greater integration with state and local resources continues to grow.
V. INITIATIVES AND ACTIVITIES

Legislative Action

One of the goals of the SBC is to formulate, advocate, and support policies that will positively impact small businesses in Alabama in terms of encouraging new business creation and promoting the growth and success of existing businesses. The SBC achieves this goal through recommendations for legislative and executive action. In 2016, the SBC actively developed and voted to support numerous legislative items designed to benefit small businesses in the state. Below please find summaries of legislative accomplishments.

- **Health Savings Account Deduction**
  HB 109 by Rep. Becky Nordgren
  SB 131 by Sen. Paul Sanford
  Alabama is currently one of only three states not to allow deductions for contributions to Health Savings Accounts (HSA). The bill creates a state income tax deduction for contributions to HSAs. The legislation would allow for deductions at the same level as for federal tax returns. It also establishes an annual deduction limit (federal limits will be announced annually). The legislation would take effect for the 2018 tax year.
  
  **Final Result:** HB 109 passed and was enacted as Act 2016-345.

- **Apprenticeship Bill**
  HB 217 by Rep. Alan Baker
  SB 90 by Sen. Arthur Orr
  This bill is designed to encourage small businesses to hire apprentices through the use of tax credits for new hires meeting stated requirements. The definition of apprentice is defined by the U.S. Department of Labor 29 C.F.R. Part 29.4. The legislation includes entities under subchapters S, K, LLC, or PC. There is a maximum claim for up to five apprentices employed at one time. The tax credit per apprentice is $1,000, for use for up to four years. The apprentice must work for at least seven months in the first year for which the credit can be claimed. The total allowed credits claimed statewide is capped at $3,000,000 and continues through 2021, unless extended by act of the Legislature.
  
  **Final Result:** SB 90 passed and was enacted as Act 2016-314.

- **Income Tax Filing Date Conformity**
HB 251 by Rep. Anthony Daniels
SB 263 by Sen. Quinton Ross

This bill will require that Alabama income tax return dates conform to their federal counterparts, which have recently changed. Current Alabama law specifies that a calendar year filer must file their Alabama Corporate Income Tax Return on or before March 15, following the close of the calendar year and their Alabama Individual Income Tax Return on or before April 15, following the close of the calendar year. For all fiscal year filers, the return is due on or before the fifteenth date of the third month following the close of the tax period. These dates conform to the Internal Revenue Service’s new filing requirements. The bill also specifies that the payment of the return be made on or before the due date of the original return.

**Final Result:** SB 263 passed and was enacted as Act 2016-412.

- **Small Business Tax Credit** (aka Alabama Small Business Jobs Act)
  HB 36 by Rep. Kyle South
  This small business tax credit is essentially a modified, improved version of an expiring incentive designed to encourage small business hiring. The bill allows small businesses to claim a one-time tax credit of $1,500 for the hiring of qualified new employees, applicable in the tax year for which the employee completes twelve months of employment. It applies to small businesses with fewer than seventy-five employees and requires a $40,000 annual wage for the new hire.

  **Final Result:** HB 36 passed and was enacted as Act 2016-188.

- **Right to Work Constitutional Amendment**
  HB 37 by Rep. Arnold Mooney
  This bill calls for a constitutional amendment to affirm that Alabama is and will remain a “right-to-work” state. Upon passage, the amendment would be presented to Alabama voters in the November 2016 General Election. The bill establishes as a point of public policy that the right of a person to work in the State of Alabama cannot be denied or abridge on membership or non-membership in a labor union. An employer may not require that a person become a union member as a requirement for employment or abstain from membership. A constitutional amendment would make it much harder to change from Alabama’s current status as a right-to-work state. It would also potentially aid economic development efforts by assuring existing businesses and recruited companies of the state’s workforce practices.

  **Final Result:** HB 37 passed and was enacted as Act 2016-86. The Constitutional Amendment passed in the 2016 General Election with 70 percent approval.

- **Uniform Minimum Wage Bill**
HB 174 by Rep. David Faulkner
The bill would prohibit Alabama cities and counties from establishing their own minimum wage rates. The bill imposes limits on the wages and benefits they can negotiate with employers looking to locate in their areas.

Final Result: HB 174 passed and was enacted as Act 2016-18.

• **Rate Notification Bill**
HB 289 by Rep. Anthony Daniels
SB 278 by Sen. Paul Sanford
The legislation would require local taxing jurisdictions to notify the Department of Revenue sixty days in advance of implementing a tax change. Currently, the notification period is only thirty days, and the taxpayer is held liable for filing an incorrect tax rate. According to this legislation, if the taxing jurisdiction provides an incorrect tax rate, the business and/or taxpayer would be held harmless for payments at an incorrect rate. The bill also includes multiple proposed changes to the contracting relationship between the Department of Revenue and local governments for tax collection, services, and remuneration.

Final Result: SB 278 was passed by the House but died in the Senate.

• **Veterans Employment Act** (previously known as Heroes for Hire)
HB 179 by Rep. Jim Patterson
SB 75 by Sen. Gerald Dial
The legislation encourages small businesses to hire unemployed veterans through the establishment of a tax credit for employers. The previous law required that the veteran must have concluded active military service less than two years prior to the hire date. The proposed legislation allows small businesses to claim the tax credit for the hiring of any veteran, regardless of the date of discharge from active military service. The tax credit is only applicable to small businesses with fewer than fifty employees. The Alabama Department of Labor must verify the unemployment status of the veteran, as evidenced by the veterans claiming or being eligible to claim unemployment benefits. The veteran must also meet certain Alabama residency requirements for the business to claim the credit.

Final Result: SB 75 passed the Senate but died in the House.

*Executive Agency Action*
Working with the Governor and his Cabinet, including several members of the Advisory Committee, the SBC successfully designed and proposed initiatives in 2016 that were implemented by the executive branch and did not require legislative action. The SBC considers these to be prime opportunities to impact small business success with direct executive action in a variety of ways including communications and public relations, agency protocols and policies, and specific programmatic opportunities. This year, the SBC pursued the initiatives as outlined below.

- **Veteran-Owned Business Decal**

  In January, the SBC, in conjunction with Governor Bentley and the Alabama Executive Veterans Network, announced the launch of the “Veteran-Owned Business” decal. Alabama is a pro-business and pro-veteran state, and the program is aimed at recognizing the approximately 25,000 Alabama veteran-owned businesses, according to the U.S. Census. The official announcement brought together key leaders in Alabama including Governor Robert Bentley, Lt. Governor Kay Ivey, and U.S. Representative Martha Roby. Several veteran business owners were also in attendance. More than 3,000 decals have been distributed to Alabama veteran-owned businesses.

- **Advisory Committee Appointments**

  This year, the SBC welcomed the addition of two new appointments to the Small Business Advisory Committee. Governor Bentley appointed Nichelle Nix, Director of the Governor’s Office of Minority Affairs, and Paulette Risher, Program Director for Veteran Employment Services with Still Serving Veterans, to the Advisory Committee. These appointments have worked in their respective offices to assist small businesses and small business employees and will bring a wealth of knowledge to the Committee and serve as valuable resources to the Commission.

- **“Small Business Saturday” Proclamation**

  The SBC worked with the Governor and his staff to promote “Small Business Saturday” in Alabama, which was November 26, 2016, the day after Black Friday. The Governor signed a proclamation recognizing this date as Small Business Saturday in Alabama in an effort to encourage Alabamians to support and patronize small and independent businesses.

- **“Apprenticeship Week” Proclamation**
The SBC worked with the Governor and his staff and the Alabama Department of Commerce, Workforce Development Division to promote “Apprenticeship Week” in Alabama, which was November 14 through November 20, 2016. The Governor signed a proclamation recognizing this week as Apprenticeship Week in Alabama in an effort to highlight the creation of Apprenticeship Alabama, an entity which will provide the leadership and infrastructure to ensure the advancement and expansion of Registered Apprenticeships by assisting employers with access to the tools and human capital needed to advance workforce and economic development.

Other Activities

Not all of the Commission’s activity requires legislative or executive action. SBC members met several times this year to discuss and address a variety of issues important to the small business community and to benefit from educational presentations from members of the Advisory Committee and other organizations. Members also continue to be active in their communities, sharing ideas for business development and employment growth as well as advancing small business policy initiatives. The following are initiatives and events of note to the Commission:

- **Atlas Alabama**

Atlas Alabama, the state small business website, continues to evolve to meet the needs of constituents. This year, Atlas Alabama continued its partnership with state agencies, counties, and cities to add their information to the website for the convenience of small business owners. Site visitors can use the interactive County Directory Map and Municipality Directory to access county and city landing pages. The top twenty counties and cities by population have a landing page. All other counties link to a Local Resources PDF with local resource contact information, small business development centers, taxpayer service centers, business license offices, and area chambers of commerce. Atlas Alabama continues to develop landing pages for counties and cities that do not have a web presence at no cost to the county or city. Helpful information on utilities, news, and information is updated on a timely basis. Finally, a home page redesign is in progress to highlight key features and reflect the growth of Atlas Alabama.

This year, the Alabama Department of Revenue (ADOR) also incorporated a ten-minute overview on the benefits and uses of Atlas Alabama in their new Business Essentials for State Taxpayers
(B.E.S.T.) Seminars, which were conducted in ADOR’s nine Taxpayer Service Centers around the state. In the nine months in which B.E.S.T. Seminars were conducted in 2016, over five hundred business taxpayers were introduced to Atlas Alabama. ADOR’s Atlas Alabama presentation is included in the appendix to this report.

- **Federal Overtime Rule**
  
  In May, the U.S. Department of Labor announced the Final Rule on Overtime which updates overtime regulations and defines and delimits the exemptions for executive, administrative, professional, outside sales, and computer employees under the Fair Labor Standards Act. The effective date of the Final Rule was December 1, 2016. The key provisions of the Final Rule are:

  i. Sets the standard salary level at the 40th percentile of earnings of full-time salaried workers in the lowest-wage Census Region, currently the South ($913 per week; $47,476 annually for a full-year worker).

  ii. Sets the total annual compensation requirement for highly compensated employees subject to a minimal duties test to the annual equivalent of the 90th percentile of full-time salaried workers nationally ($134,004).

  iii. Establishes a mechanism for automatically updating the salary and compensation levels every three years to maintain the levels at the above percentiles and to ensure that they continue to provide useful and effective tests for exemption.

  Fitzgerald Washington, Secretary of the Alabama Department of Labor, presented an overview of the Final Rule to SBC members and explained its effect on small businesses. Essentially, employers will have to decide what action(s) may be necessary in order to comply with the rule:

  i. Keep an employee and pay a higher wage and create new job responsibilities.

  ii. Pay the new amount for overtime or reduce overtime hours.

  iii. Move an employee to non-exempt status.

  The Final Rule creates tremendous burdens on all businesses, with 44 percent of small businesses affected, according to the National Federation of Independent Business estimates. Small business owners must decide whether they can afford the new minimum salary threshold for non-exempt employees; and if not, if they can pay overtime for work in excess of forty hours a week. Changing the employment status of an employee may also jeopardize working environments and employee morale, given the perception of a demotion if the employment status is changed from exempt to non-exempt. Employers will also find themselves with an increased responsibility to manage payroll and job descriptions more so than before the rule was announced. Finally, there will be fewer salaried, managerial positions available, meaning less opportunity for growth.

  In September, NFIB and a number of business groups filed suit in the U.S. District Court for the Eastern District of Texas to block implementation of the rule. A coalition of twenty-one state attorneys general, including Alabama, filed a separate action in the same jurisdiction. On
November 22, 2016, the court granted the states’ petition for an injunction, temporarily halting the implementation of the rule nationwide. The court’s next decision will focus on NFIB’s motion for summary judgement, in which the legality of the overtime rule will be decided. The court’s ruling is a victory for small business owners who remain opposed to the rule.

- **Commission Meetings**

The SBC met via teleconference for three of its meetings this year and held one meeting on-site at Hyundai Motor Manufacturing Alabama in Montgomery, Alabama. Each meeting focused on current issues facing small businesses and provided the opportunity for members of the Advisory Committee and outside organizations to present relevant information to members.

As previously mentioned, Secretary Washington presented on the new Federal Overtime rules during the June meeting. Special presenters at the September meeting were: Sidney Hoover, Executive Director of Alabama Communities of Excellence (ACE); Jim Byard, Director of the Alabama Department of Economic and Community Affairs; and Richetta Echols, Specialist at Hyundai Motor Manufacturing Alabama.
VI. NOTES ON IMPLEMENTATION AND RESULTS

Legislative successes are often defined by whether a piece of legislation passed or failed. The impact on small business often lies with the state’s execution of a specific policy or procedure, or how tax incentives or regulatory burdens change over time. These policy changes ultimately affect small business profitability, hiring decisions, capital investments, and expansion plans. One factor that is often overlooked or underestimated is the impact on future generations of potential entrepreneurs. For example, does a policy or regulation encourage or discourage new business creation? Does it raise existing hurdles to new business formation or lower them?

Given the nature of legislation today, many detailed policy prescriptions may impact only subsets of the small business segment in the Alabama economy. A potential new law may be vitally important to a specific industry and then have no impact whatsoever on another industry. Furthermore, changes to the small business environment on a macro level may be felt years down the line, given the natural growth and impact of incentives and policy changes on businesses over time.

For these reasons, it is often difficult to link statewide metrics – across the entire small business community – with individual pieces of legislation. Nevertheless, the SBC endeavors to identify policy and program initiatives that will have far-reaching effects on small business statewide. This does not, however, mean that in total, many specific pieces of legislation will not have the cumulative effect of dramatically improving the business environment in which small businesses operate.

Aside from the success of specific program and policy implementations, and their related measure, the SBC anticipates that the Governor and State of Alabama will ultimately see important improvement across several key statewide metrics, including:

- Increasing contribution from small business to the State GDP
- Increases in the number of small businesses formed each year
- Increasing number of small business hires
- Decrease in small business “deaths” (closures, bankruptcies)

Advisory Committee participation has helped the SBC to access such information at the state level and will continue to do so. The Labor Market Information division at the Department of Labor tracks many of these metrics and in even more detail by industry and geography.

A significant advantage of the SBC’s status as a permanent, codified entity is that members will have the opportunity to see the results of implemented policies over time and still be in a position to draw conclusions and act up on the results. This should also place a renewed emphasis on the importance of establishing and monitoring metrics for success.
VII. AREAS OF INTEREST FOR 2017

Several topics have generated considerable discussion with SBC members this year and will likely emerge as key areas of interest for the coming year. While no specific action items or recommendations have been formed at this time, the SBC is likely to continue exploring legislative and executive actions to address these areas of opportunity. The topics include but are not limited to:

- Amend the Alabama Administrative Procedure Act to require state agencies to give notice whether the proposed rule, amendment, or repeal of the rule relates to or affects in any manner any litigation which the agency is a party to or relates to or affects any judicial decision concerning the subject matter of the proposed rule.
- Amend Code of Alabama, Section 11-51-90B.7(a) to include language that provides in no case shall a business license be required for the simple traveling through a municipality.
- Allow Alabama employers with fewer than fifty employees to qualify for an income tax or financial institution excise tax credit for hiring unemployed veterans regardless of when the veterans were discharged from active service.
- Update the sales and use tax laws to require local governments to notify the Alabama Department of Revenue at least sixty days prior to the effective date of a new levy or rate change and to allow for adequate time in order to provide sellers and vendors with the correct local information.
VIII. CONCLUSION

As the SBC concludes its second full year of operation, members rightfully take pride in the legislative and executive branch accomplishments achieved this year. The SBC developed a series of recommendations and successfully contributed to the passing and signing into law of six out of eight legislative priorities. During the upcoming 2017 Legislative Session, we expect to see additional discussion and possible legislative action on the two bills which did not pass this year. The preliminary topics of interest in Section VII also provide a glimpse of the types of issues members are actively discussing.

The SBC looks forward to 2017 and the opportunity to address new small business priorities in Alabama. The end of this year marks the conclusion of SBC members’ initial appointments for a two-year term. Members have a two-year reappointment option, which the majority of our members have elected to do by requesting reappointment from the appropriate appointing authority. In 2017, the SBC will welcome the appointment of five new SBC members, bringing new perspectives and insights to benefit the Commission and small business in Alabama.

The SBC will continue to meet regularly in person or by teleconference and may, if needed, organize subcommittees in order to focus on key opportunities and issues for the year. The SBC also plans to further develop the Atlas Alabama website with more advanced functionality, information, and services, making it a comprehensive and authoritative site for Alabama small business resources and information.

The SBC is confident and committed to the fact that small businesses will lead the way with economic growth and employment opportunities for the citizens of Alabama. The Alabama Small Business Commission and Advisory Committee members appreciate the opportunity to serve the Governor and the citizens of Alabama in this worthy effort.
IX. APPENDIX

During the course of the year, the SBC developed legislative recommendations and supported numerous executive branch initiatives. In some cases, these actions resulted in, or contributed to, formal actions by state government; others resulted in work product of note. For that reason, the SBC has assembled many such examples for your review and records.

In the attached Appendix, please find the documents listed below:

A. Executive Order 47 – Establishing the SBC
B. Act 2015-450 – Codifying the SBC
C. SBC Recommended Bills – 2016 Legislative Session
   i. Health Savings Account Deduction – Act 2016-345
   ii. Apprenticeship Bill – Act 2016-314
   iii. Income Tax Filing Date Conformity – Act 2016-412
   iv. Small Business Tax Credit – Act 2016-188
   v. Right to Work Constitutional Amendment – Act 2016-86
   vi. Uniform Minimum Wage Bill – Act 2016-18
D. Executive Proclamations
   i. Small Business Saturday Proclamation
   ii. Apprenticeship Week Proclamation
E. Veteran-Owned Business Decal
F. Atlas Alabama Presentation – Alabama Department of Revenue
APPENDIX

A. Executive Order 47 – Establishing the SBC................................................................. iii
B. Act 2015-450 – Codifying the SBC................................................................................ iv
C. SBC Recommended Bills – 2016 Legislative Session........................................................ v
   1. Health Savings Account Deduction – Act 2016-345
   2. Apprenticeship Bill – Act 2016-314
   3. Income Tax Filing Date Conformity – Act 2016-412
   4. Small Business Tax Credit – Act 2016-188
   5. Right to Work Constitutional Amendment – Act 2016-86
   6. Uniform Minimum Wage Bill – Act 2016-18
D. Executive Proclamations..................................................................................................... vi
   1. Small Business Saturday Proclamation
   2. Apprenticeship Week Proclamation
E. Veteran-Owned Business Decal...................................................................................... vii
F. Atlas Alabama Presentation – Alabama Department of Revenue........................................ viii
A. EXECUTIVE ORDER 47 – ESTABLISHING THE SBC
EXECUTIVE ORDER NUMBER 47

WHEREAS, the people of the State of Alabama have a vital interest in long-term public policies for the economic, physical and human resource development of small business resources in the State of Alabama as a whole and of each of its regions;

WHEREAS, small business is the engine of job growth, creating three out of four jobs, and small businesses are an integral part of the framework in the American economic system, ensuring the preservation and expansion of free enterprise, vigorous competition and consumer-driven markets, essential elements for the economic wellbeing of a free people;

WHEREAS, formulating policies, encouraging innovation, and discussing issues critical to the economic growth of small, independent businesses and their interests will encourage the formation of and foster the growth of small businesses in the State of Alabama;

WHEREAS, it is in the best interest of the people of the State of Alabama that small businesses assist in the development of public policies that minimize cumbersome and unnecessary regulations and complexity for small business owners; and,

WHEREAS, the State Government should be an advocate for small business and entrepreneurs who work to create additional opportunities for new and growing small businesses and sustain those which are already in existence by providing a venue through which the voice of small business owners may be heard.

NOW, THEREFORE, based upon these considerations and for other good and valid reasons thereto, I, Robert Bentley, Governor of the State of Alabama, by virtue of the authority vested in me by the Constitution and laws of the State of Alabama, do hereby create the Alabama Small Business Commission, hereinafter referred to as “the Commission,” which shall serve as an advisory body to the State in formulating and promoting policies relating to small business, and the Alabama Small Business Advisory Committee, hereinafter referred to as “the Advisory Committee,” which shall serve as a technical and informational resource to the Commission.

The Commission shall be composed by the following appointees, who shall serve a two year term with the option of a two year reappointment:

- Fifteen appointments by the Governor of the State of Alabama
  - Seven appointments, one for each Congressional district
  - One appointment from three recommendations by the Alabama Homebuilders Association
  - One appointment from three recommendations by the Alabama Retail Association
  - One appointment from three recommendations by the Alabama Bankers Association
  - One appointment from three recommendations by the Medical Association of Alabama
  - One appointment from three recommendations by the Alabama Farmers Federation
  - One appointment from three recommendations by the Alabama Trucking Association
Executive Order No. 47
Page Two

- One appointment from three recommendations by the Alabama Association of General Contractors
- One appointment from three recommendations by the Alabama Automobile Dealers Association
- The Governor may make additional appointments as necessary
- Two appointments by the Lieutenant Governor of the State of Alabama
  - One appointment from three recommendations by the Alabama Forestry Association
  - One at-large appointment
- Two appointments by the Speaker of the House of Representatives
  - One appointment from the Service/Hospitality/Tourism Industry sector
  - One appointment of a current House member
- Two appointments by the President Pro Tempore of the Senate
  - One appointment from the Manufacturing Industry sector
  - One appointment of a current Senate member

The Advisory Committee will include the following members:

- The Commissioner of the Department of Revenue, or his or her designee
- The Commissioner of the Department of Labor, or his or her designee
- The Secretary of the Department of Commerce, or his or her designee
- A representative of the Alabama Association of Chambers of Commerce, appointed by the Governor
- A representative of the Economic Development Association of Alabama, appointed by the Governor
- A representative of the Association of County Commissions of Alabama, appointed by the Governor
- A representative of the Alabama League of Municipalities, appointed by the Governor
- A representative of the Utility Industry, appointed by the Governor
- A representative of the Two-Year College System, appointed by the Governor
- Additional appointments at the Governor's pleasure

All members appointed by the Governor shall serve at the pleasure of the Governor.

**BE IT ORDERED**, that the Commission will serve as an advisory body in formulating policies, encouraging innovation, and discussing issues critical to the economic growth of small and independent businesses and their interest in the State of Alabama. Furthermore, the Commission will promote policies to assist new business start-ups and expansion of existing businesses. The Commission will meet at least quarterly and additionally, at the call of the Chair. The Commission shall present an annual report to the Governor at the end of each calendar year beginning in December 2015.

**BE IT FURTHER ORDERED**, that the Chair of both the Commission and Advisory Committee will be the State Director of the National Federation of Independent Businesses, who shall be a voting member of the Commission. An Executive Director may be appointed by the Governor, serving at the Governor's pleasure, to manage the responsibilities of the Commission.
BE IT FURTHER ORDERED, that Commission membership shall be business owners or their designee representing businesses with fifty or fewer employees.

BE IT FURTHER ORDERED, that the Advisory Committee provide technical assistance and serve as an information resource to the Commission as the Commission members explore best practices and areas of reform including current rules, regulations, and existing state statutes. The Advisory Committee members shall attend all meetings of the Commission as non-voting attendees. The Advisory Committee will provide guidance on the proposed recommendations as set forth by the Commission.

BE IT FURTHER ORDERED, that this Executive Order shall become effective immediately upon signing and shall remain in force until such time as it is modified or rescinded by the Governor.

DONE AND ORDERED this 15th day of September, 2014.

[Signature]
Robert Bentley
Governor

Attested:

[Signature]
Jim Bennett
Secretary of State
B.  ACT 2015-450 – CODIFYING THE SBC
HB554

168555-5

By Representatives Baker, Harper, Collins, Shiver, Hill (M), McCutcheon, Weaver, Gaston, Sessions, Moore (B), Johnson (K), Nordgren, McMillan, Ingram and Davis

RFD: State Government

First Read: 23-APR-15
ENROLLED, An Act,

Relating to the Department of Commerce; to transfer various departments, programs, duties, functions, boards, and committees of the Department of Economic and Community Affairs and the Department of Postsecondary Education to the Department of Commerce; to transfer certain property, employees, and appropriations to the Department of Commerce; to reorganize the newly constituted Department of Commerce and provide for its duties and functions; to amend and renumber Sections 41-9-201, 41-9-202, 41-9-202.1, and 41-9-203 as Article 1, Chapter 29, of Title 41 of; to add Section 41-29-5 to; to amend and renumber Sections 41-9-760 to 41-9-767, inclusive, as Division 1, Part 1, Article 2, Chapter 29 of Title 41 of; to add Part 2 to Division 3, Article 2, Chapter 29 of Title 41 of; to add Division 4 to Article 2, Chapter 29 of Title 41 of; to add Division 1 to Article 3, Chapter 29 of Title 41 of; to add Division 2 to Article 3, Chapter 29 of Title 41 of; to amend and renumber Sections 41-9-1080 to 41-9-1086, inclusive, as Division 3, Article 3, Chapter 29 of Title 41 of; to amend and renumber Sections 16-66-1 to 16-66-8, inclusive, as amended by Act 2014-16, 2014 Regular Session, as Division 4, Article 3, Chapter 29 of Title 41 of; to add Division 5 to Article 3, Chapter 29 of Title 41 of; to
amend and renumber Section 41-23-7; and to repeal Section 41-9-4, of the Code of Alabama 1975.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. A heading for Chapter 29 (commencing with Section 41-29-1) is added to Title 41 of the Code of Alabama 1975, to read as follows:

Chapter 29. Department of Commerce

Section 2. A heading for Article 1 (commencing with Section 41-29-1) is added to Chapter 29 of Title 41 of the Code of Alabama 1975, to read as follows:


Section 3. Sections, 41-9-201, 41-9-202, 41-9-202.1, and 41-9-203 of the Code of Alabama 1975, are amended and renumbered to read as follows:

"§41-9-201. §41-29-1.

"(a)(1) There is hereby created the Department of Commerce within the office of the Governor and directly under his or her supervision and control. The Department of Commerce shall be headed by the Secretary of Commerce, who shall be a person possessed with extensive responsible experience in development of economic, human, and physical resources and promotion of industrial and commercial development. The secretary shall be appointed by the Governor and serve at his or her pleasure at a salary of any reasonable amount not to exceed by forty thousand dollars ($40,000) the highest

Page 2
authorized salary for employees of the Department of Commerce who are subject to the Merit System law. In fixing such salary, the Governor shall give due consideration of the salaries of comparable positions in other states and in private industry. All other employees necessary to carry out the duties and functions of the Department of Commerce shall be employed subject to the Merit System law. In addition to any other employees, there may be employed a total of eight assistant secretaries for the office, who shall not be subject to the Merit System law and whose compensation shall be determined by the secretary.

"(2) The eight additional assistant secretaries shall be persons experienced in industrial and commercial development for at least the two years prior to their employment. Compensation for the eight additional assistant secretaries shall not exceed the amount of compensation paid for the highest classification of Merit System employees employed by the Department of Commerce.

"(3) The makeup of the assistant secretaries shall be inclusive and should reflect the racial, gender, geographic, urban/rural, and economic diversity of the state.

"(b) On the effective date of the act adding this amendatory language, the Department of Commerce shall be comprised of the following divisions: The Business Development Division and the Workforce Development Division. Each division
shall be headed by a deputy secretary who shall be appointed
by the Secretary of Commerce outside of the classified service
and who shall serve at the pleasure of the secretary at a
salary of any reasonable amount not to exceed by ten thousand
dollars ($10,000) the highest authorized salary for employees
of the Department of Commerce who are subject to the Merit
System law. The deputy secretary of each division shall report
to the Secretary of Commerce.

"(b)(c) The Governor, through the Department of
Commerce, shall encourage comprehensive and coordinated
planning and programming of the affairs of state government.

"All economic development functions as defined in
subdivision (12) of Section 36-25-1 or otherwise engaged in by
any employee, department, agency, or body corporate in the
executive branch of the state shall be pre-approved by the
Secretary of Commerce or the Governor."

"(e)(d) The Governor may direct any state department
or other agency of state government directly under his or her
control and supervision to furnish the Department of Commerce
with such personnel, equipment, and services as are necessary
to enable it to carry out its responsibilities and duties and
prescribe the terms thereof, including reimbursement of costs
thereof.

"(e)(1) The Legislature finds and declares that the
Alabama Community College System consists of comprehensive
community and technical colleges and the Alabama Technology Network, an effective workforce development initiative. The Alabama Community College System provides a unified system of institutions delivering excellence in academic education, adult education, and workforce development initiatives that are responsive to industry needs from highly specialized training programs that help prepare entry level employees to meet growing demands.

"(2) Notwithstanding any other provision of the act adding this subsection, the Alabama Community College System shall continue to provide a wide range of career-technical courses and short-term training for job-specific certifications.


"(a) The Department of Commerce shall be the principal staff agency of the executive branch to plan with the other departments of state government and with other governmental units for the comprehensive development of the state's human, economic and physical resources and their relevance for programs administered by the state and the governmental structure required to put such programs into effect. It shall provide information, assistance and staff support by all appropriate means. The Department of Commerce shall perform all the duties and exercise all the powers and authority relative to state regional and local planning and
industrial development heretofore vested in the Alabama Development Office. All books, records, supplies, funds, equipment and personnel of the Alabama Development Office are also hereby transferred to the Department of Commerce.

"(b) All of the powers and authority heretofore vested in the Alabama Development Office and the Director of Development shall be vested in the Department of Commerce created by this article chapter and the Secretary of Commerce, respectively. A reference in any provision of law to the Alabama Development Office or the Director of Development shall be deemed a reference to the Department of Commerce and Secretary of Commerce, respectively.

"(c) Without in any way limiting the foregoing general powers and duties, the Department of Commerce shall have the following additional powers and duties:

"(1) To formulate a long-range state comprehensive plan, to be submitted by the Governor to the Legislature for its consideration.

"(2) To formulate, for approval by the Governor and the Legislature, long-range plans and policies for the orderly and coordinated growth of the state, including, but not limited to, functional plans.

"(3) To prepare special reports and make available the results of the agency's research, studies and other
activities through publications, memoranda, briefings, and
expert testimony.

"(4) To analyze the quality and quantity of services
required for the continued orderly and long-range growth of
the state, taking into consideration the relationship of
activities, capabilities, and future plans of local units of
government, area commissions, development districts, private
enterprise, and the state and federal governments.

"(5) To encourage the coordination of the planning
and programming activities of all state departments, agencies,
and institutions, local levels of government, and other public
and private bodies within the state.

"(6) To advise and consult with regional, county,
and local planning and development agencies.

"(7) To work with the state budget agency and other
state departments, agencies, and institutions to study and
review plans, programs and federal aid applications filed with
the federal government.

"(8) To survey, review, and appraise the
accomplishments of state government in achieving its goals and
objectives at the direction of the Governor and in cooperation
with the state budget agency.

"(9) To apply for and accept advances, loans,
grants, contributions, and any other form of assistance from
the federal government, the state or other public body, or
from any sources, public or private, for the purposes of this
article and to enter into and carry out contracts or
agreements in connection therewith and to include in any
contract for financial assistance with the federal government
such conditions imposed pursuant to federal laws as it may
deach reasonable and appropriate and which are not inconsistent
with the purposes of this article chapter.

"(10) To review and comment on all local and
areawide applications for federal planning assistance or to
delegate such authority to a regional planning and development
commission.

"(11) To exercise all other powers necessary and
proper for the discharge of its duties, including the
promulgation of reasonable rules and regulations.

"(d) The Department of Commerce is hereby authorized
to make grants from appropriations to regional planning and
development commissions which are certified to receive such
grants by the Governor under the provisions of Sections
11-85-50 through 11-85-55.

"§41-9-202.1 §41-29-3.

"(a)(1) The Secretary of Commerce shall be notified,
either orally or in writing, about the general parameters of a
project if an entity is considering locating or expanding a
facility at a site within this state and intends to claim any
of the incentives provided by the State of Alabama that are
described in subdivision (2). The required notification should be made as soon as the project's parameters are generally known or when a site or sites have been identified by an investing entity or entities or a visit is made to the State of Alabama by the entity or its representative. The initial required notification may be made on an anonymous basis (i.e., "Project Alpha") in order to protect the confidentiality of a proposed project. Upon timely notifying the secretary within the time frame specified in this subdivision, the secretary shall transmit a letter to the company or its representative acknowledging receipt of the required notification (the "notification acknowledgment letter").

"(2) The required notification set forth in subdivision (1) applies to (i) capital investment credits pursuant to Act 95-187, as amended; (ii) site preparation grants pursuant to Act 91-635, as amended; (iii) funding for access roads and bridges through the Alabama Industrial Access Road and Bridge Corporation pursuant to Act 85-549, as amended; (iv) training or other assistance from the Alabama Industrial Development Training Program where the annual expenditures of cash is estimated to be in excess of one million dollars ($1,000,000); and (v) any direct or indirect cash payment for a project from the State of Alabama, whether in the form of an in-kind contribution of a site, building, or equipment, or otherwise.
(b) All information concerning a proposed project which is provided to the secretary and the Department of Commerce shall be confidential. The secretary is authorized to enter into a confidentiality agreement with a prospective entity which prohibits the disclosure of the identity of the prospective entity and any information obtained, whether orally or in writing, about the entity's proposed project.

"(c) All written statements of intent to claim the capital credit which may be filed with the Department of Revenue at anytime prior to the date on which a qualifying project is placed in service pursuant to Section 40-18-191, shall include the notification acknowledgment letter from the secretary.

"(d) All applications to the State Industrial Development Authority for site preparation grants pursuant to Act 91-635, 1991 Regular Session, as last amended by Act 97-645, 1997 Regular Session, shall include the notification acknowledgment letter from the secretary.

"(e) All applications to the Industrial Access Road and Bridge Corporation for funding for access roads and bridges shall include the notification acknowledgment letter from the secretary.

"(f) All companies seeking training or other assistance from the Alabama Industrial Development Training Program shall file an application with the Secretary of
Commerce if the annual expenditure of cash is estimated to be in excess of one million dollars ($1,000,000). The application shall include the notification acknowledgment letter from the secretary. The secretary shall be responsible for reviewing, coordinating, and processing each application. The secretary shall have 30 days to process each application.

"(g) An application must be filed with the secretary before any direct or indirect cash payments are expended for a project from the State of Alabama, whether the payment is in the form of an in-kind contribution of a site, building, equipment, or otherwise. The application shall include the notification acknowledgment letter from the secretary. The secretary shall be responsible for reviewing, coordinating, processing, and approving each application for direct or indirect cash payments and shall have 30 days to approve or deny each application.

"§41-29-203. §41-29-4.

"The Governor, in carrying out his or her responsibilities under this article chapter, may establish advisory committees or councils and appoint the members thereof, who shall serve at his or her pleasure. Members shall serve without compensation. The Governor shall designate the chairmen and such other officers as he or she may deem necessary for each advisory committee or council. Advisory committees or councils established pursuant to this section
shall meet at the call of their chairmen or of the Secretary of Commerce."

Section 4. Section 41-29-5 is added to Article 1, Chapter 29, of Title 41 of the Code of Alabama 1975, to read as follows:

§41-29-5.

On the effective date of the act adding this section, the Department of Commerce shall be reorganized into two divisions that shall have the functions prescribed as follows:

(1) The Business Development Division shall be responsible for all of the functions of the Department of Commerce as it existed before the effective date of the act adding this section, including, but not limited to, small business advocacy; the functions performed by the Alabama Small Business Commission, created and functioning pursuant to Section 41-29-240 and international trade.

(2) The Workforce Development Division shall be comprised of the following entities which shall report to the chief Deputy Secretary of the division: The Workforce Development Division and Workforce Investment Division of the Department of Economic and Community Affairs, formerly Chapter 23 of Title 41, the Alabama Industrial Development and Training Institute, formerly functioning pursuant to Sections 41-9-1080 to 41-9-1086, inclusive, and the Alabama Workforce
Council and the regional workforce councils of the Department
of Postsecondary Education, formerly functioning pursuant to
Sections 16-66-1 to 16-66-8, inclusive, and the Legislative
Oversight Commission of the Alabama Department of Economic and
Community Affairs, formerly functioning pursuant to Section
41-23-7.

Any transfer of personnel, appropriations, funds, or
property, real or personal from the Alabama Community College
System to the Department of Commerce pursuant to this
subdivision, shall be made with the cooperation and approval
of the Chancellor and the Board of Trustees of the Alabama
Community College System.

Section 5. Sections 41-9-760 to 41-9-767, inclusive,
are amended and renumbered as Part 1 of Division 1 of Article
2 of Chapter 29 of Title 41 of the Code of Alabama 1975, to
read as follows:


"Division 1. Office of Small Business Advocacy.


"§41-9-760. §41-29-220.

"There is hereby created, within the Business
Development Division of the Alabama Development Office
Department of Commerce, the Alabama Small Business Office of
Advocacy for the purpose of aiding, counselling, assisting,
and protecting, insofar as possible, the interests of small
business concerns in order to preserve free competitive
enterprise and maintain a healthy state economy; and to
provide information and assistance to citizens interested in
entering into commercial activity.

"§41-9-761. §41-9-221.

"For purposes of this article, division, unless the
context otherwise requires, the following words and phrases
shall have the following meanings:

"(4) A.D.O. The Alabama Development Office (1)
DIVISION. The Business Development Division of the Department
of Commerce.

"(2) DIRECTOR. The Director of the Alabama Small
Business Office of Advocacy.

"(3) OFFICE. The Alabama Small Business Office of
Advocacy.

"(4) SMALL BUSINESS. A small business, as defined
in Section 25-10-3.

"§41-9-762. 41-29-222.

"(a) The management of the office created by this
article division shall be vested in a director, who shall be
designated by the director deputy secretary of the A.D.O
division.

"(b) The A.D.O. director Secretary of Commerce may
assign other A.D.O. Department of Commerce employees or other
employees in the state Merit System and exempt positions in
the various executive branch departments to assist the
director for such periods of time as are necessary to enable
the director to carry out his or her responsibilities.

§41-9-763. §41-29-223.

"The duties and functions of the office shall
include all of the following:

"(1) Serve as the principal advocate in the state on
behalf of small businesses, including, but not limited to,
advisory participation in the consideration of all legislation
and administrative regulations which affect small businesses.

"(2) Establish a central reference program and
general counseling service to assist small businesses.

"(3) Represent the views and interests of small
businesses before other state agencies whose policies and
activities may affect small businesses.

"(4) Enlist the cooperation and assistance of public
and private agencies, businesses, and other organizations in
disseminating information about the programs and services
provided by state government which are of benefit to small
businesses, and information on how small businesses can
participate in, or make use of, those programs and services.

"(5) Evaluate the efforts of state agencies,
businesses, and industry to assist minority small business
enterprises, and make such recommendations as may be
appropriate to assist the development and strengthening of minority and other small business enterprises.

"(6) Consult with experts and authorities in the fields of small business investment, venture capital investment, and commercial banking and other comparable financial institutions involved in the financing of business, and with individuals with regulatory, legal, economic, or financial expertise, including members of the academic community, and individuals who generally represent the public interest.

"(7) Determine the desirability of developing a set of rational, objective criteria to be used to define small business, and to develop such criteria, if appropriate.

"(8) To provide a center of information where a person interested in establishing a commercial facility or engaging in a commercial activity may be informed of any registration, license, or other approval of a state regulatory agency that is required for that facility or activity or of the existence of standards, criteria, or requirements which the laws of this state require that facility or activity to meet.

"§41-9-764. §41-29-224.

"Each state agency which requires a permit, license, or other regulatory approval or maintains standards or
criteria with which an activity or facility must comply shall inform the office of the following:

"(1) The activity or facility that is subject to regulation.

"(2) The existence of any threshold levels which would exempt the activity or facility from regulation.

"(3) The nature of the regulatory program.

"(4) The amount of any fees.

"(5) How to apply for any permits or regulatory approvals.

"(6) A brief statement of the purpose of requiring the permit or regulatory approval or requiring compliance with the standards or criteria.

§41-9-765. §41-29-225.

"Each state agency shall promptly inform the office of any changes in the information provided under this article division or the establishment of a new regulatory program. The information provided to or disseminated by the office shall not be binding upon the regulatory program of a state agency.

§41-9-766. §41-29-226.

"For the purpose of implementing the provisions of this article division, the office shall establish a toll-free telephone number.

§41-9-767. §41-29-227.
"Each agency of the state shall furnish to the
director such reports, documents, and information as the
director deems necessary to carry out his or her functions
under this article division. The office shall prepare and
submit a written annual report to the Governor and to the
Legislature, that describes the activities and recommendations
of the office.

Section 6. Part 2 (commencing with Section
41-29-240) is added to Division 1 of Article 2 of Chapter 29
of Title 41 of the Code of Alabama 1975, to read as follows:

Part 2. Alabama Small Business Commission and Small
Business Advisory Committee.

§41-29-240.

(a) The Alabama Small Business Commission is created
as part of the Office of Small Business Advocacy.

(b) The commission shall have the following duties:

(1) Formulate policies encouraging innovation of
small business in the state.

(2) Discuss issues critical to the economic growth
of small, independent businesses and their interests that will
encourage the formation of and foster the growth of small
businesses in the state.

(3) Advise the Department of Commerce in formulating
and promoting policies relating to small businesses.
(4) Act as an advocate for small businesses and the entrepreneurs who work to create opportunities for new small businesses and sustain those that are already in existence.

(5) Promote policies to assist new business start-ups and expansion of existing businesses.

(c) The commission shall be chaired by an appointee of the Governor, who shall be a voting member. The Director of the Business Development Division shall be responsible for the administrative functions of the commission including, but not limited to, the organization of meetings, preparing the annual reports, and other items as needed by the commission. The commission shall be composed of the following members who shall serve a term of two years with the option of being reappointed to one additional term by their appointing authority:

(1) One member from each of the congressional districts of the state appointed by the Governor.

(2) One member appointed by the Governor from a list of three names submitted by the Alabama Homebuilders Association.

(3) One member appointed by the Governor from a list of three names submitted by the Alabama Retail Association.

(4) One member appointed by the Governor from a list of three names submitted by the Alabama Bankers Association.
(5) One member appointed by the Governor from a list of three names submitted by the Medical Association of Alabama.

(6) One member appointed by the Governor from a list of three names submitted by the Alabama Farmers Federation.

(7) One member appointed by the Governor from a list of three names submitted by the Alabama Trucking Association.

(8) One member appointed by the Governor from a list of three names submitted by the Alabama Association of General Contractors.

(9) One member appointed by the Governor from a list of three names submitted by the Alabama Automobile Dealers Association.

(10) One member appointed by the Governor from the manufacturing sector.

(11) One member appointed by the Lieutenant Governor from a list of three names submitted by the Alabama Forestry Association.

(12) One at-large member appointed by the Lieutenant Governor.

(13) One member appointed by the Speaker of the House of Representatives from the service, hospitality, and tourism sector.

(14) One member of the House of Representatives appointed by the Speaker of the House of Representatives.
(15) One member of the manufacturing sector appointed by the President Pro Tempore of the Senate.

(16) One member of the Senate appointed by the President Pro Tempore of the Senate.

(d) To the extent possible, the commission members shall be small business owners representing businesses with 50 or fewer employees.

(e) The commission shall prepare and submit an annual report to the Governor no later than December 31 of each year.

§41-29-241.

(a) The Alabama Small Business Advisory Committee is created and shall serve as a technical and informational source to the Alabama Small Business Commission. The chair of the commission shall also serve as chair of the committee.

(b) The advisory committee shall be comprised of the following members:

(1) The Commissioner of the Department of Revenue, or his or her designee.

(2) The Commissioner of the Department of Labor, or his or her designee.

(3) The Secretary of Commerce, or his or her designee.

(4) A member representing the Alabama Association of Chambers of Commerce, appointed by the Governor.
(5) A member representing the Economic Development Association of Alabama, appointed by the Governor.

(6) A member representing the Association of County Commissions of Alabama, appointed by the Governor.

(7) A member representing the Alabama League of Municipalities, appointed by the Governor.

(8) A member representing the utility industry, appointed by the Governor.

(9) The Chancellor of the Alabama Community College System, or his or her designee.

(10) Additional members as the Governor deems necessary.

(c) The advisory committee shall meet at the call of the chair.

Section 7. Division 3 (commencing with Section 41-29-250) is added to Article 2 of Chapter 29 of Title 41 of the Code of Alabama 1975, to read as follows:

Division 3. International Trade.

§41-29-250.

On the effective date of the act adding this section, all functions performed by the Department of Economic and Community Affairs administering international trade policies and programs are transferred to the Department of Commerce and shall be administered by the division.
Section 8. Article 3 (commencing with Section 41-29-260) is added to Chapter 29 of Title 41 of the Code of Alabama 1975, to read as follows:

Article 3. Workforce Development Division.
Division 1. Workforce Programs.
§41-29-260.

All of the workforce programs administered by the Department of Economic and Community Affairs before the effective date of the act adding this section shall be transferred to the Department of Commerce and administered by the Workforce Development Division of the Department of Commerce including, but not limited to, programs administered through the federal Workforce Investment Act, Alabama Career Centers, Incumbent Worker Training Program, On-the-Job Training Program, Individual Training Account, Rapid Response Team, youth programs, eligible training provider list, Mentor Alabama, the Alabama Community Partnership for Recovery and Reentry, National Emergency Grant-Occupational Skills Training for Dislocated Workers, and the Alabama Disability Employment Initiative.

Division 2. Workforce Investment.
§41-29-270.

The administration of Workforce Investment Board and Local Workforce Investment Boards administered by the Department of Economic and Community Affairs before the
effective date of the act adding this section is transferred to the Workforce Development Division of the Department of Commerce and, on the effective date of the act adding this section, the boards shall be administered through the Workforce Development Division of the department.

Section 9. Sections 41-9-1080 to 41-9-1086, inclusive, Code of Alabama 1975, are amended and renumbered as Division 3 of Article 3 of Chapter 29 of Title 41 of the Code of Alabama 1975, to read as follows:

"Division 3. Alabama Industrial Development Training Institute.

"§41-9-1080. §41-29-280.

"The Legislature makes the following findings:

"(1) The Alabama Industrial Development and Training Institute, hereinafter AIDT, was established in fiscal year 1970-1971 as a contract program reporting to the State Board of Education through the Division of Vocational-Technical Education. In 1976, the State Board of Education adopted a resolution approving the establishment of AIDT as a mobile training institute, appointed a director, established staff positions and salary schedules, and mandated personnel procedures for the staff identical to those with technical colleges. AIDT continued operating under the Department of Postsecondary Education when the Legislature established the department and position of Chancellor. AIDT has been
continuously funded through an annual line item in the
Education Trust Fund budget.

"(2) AIDT provides quality workforce development for
the new and expanding businesses in the state and expands the
opportunities of its citizens through the jobs these
businesses create.

"(3) AIDT serves a unique role in the state by
providing its citizens the specific skills, knowledge, and
training needed to address the dynamic labor needs of new or
expanding businesses in a flexible manner that allows for
careful coordination with the time and location or the new or
expanding businesses and their labor needs.

"(4) AIDT's role in educating and training the
state's workforce is critical to the state's economic
development, job creation and retention, and AIDT's mission is
consistent with, and crucial to the success of, the projects,
and services of the Department of Commerce.

"§41-9-1001. §41-29-281.

"As used in this article division, the following
words shall have the following meanings:

"(1) AIDT. The Alabama Industrial Development and
Training Institute.

"(2) DIRECTOR. The Director of the Alabama
Industrial Development and Training Institute.

"§41-9-1002. §41-29-282."
"AIDT shall operate under the supervision and oversight of the Secretary as a part of the Workforce Development Division of the Department of Commerce. All of the powers, authority, duties, functions, policies, and funds of, and appropriations to, AIDT previously conferred upon or granted to AIDT reporting to the State Board of Education through the Division of Vocational-Technical Education or by Alabama Executive Order No. 2012-31 are confirmed, ratified, continued, transferred to, and vested in AIDT. All contracts, leases, grants, and agreements previously entered by AIDT shall continue in full force and effect without modification or interruption by this restructuring. All property currently owned by AIDT shall continue to be the property of AIDT. AIDT shall continue to be headed by the director, who shall be appointed by the Secretary of Commerce and shall serve at his or her pleasure. The powers, duties, and qualifications required of the director shall be as set forth in the AIDT Policy Manual, as amended from time to time and approved by the Secretary of Commerce.

"§41-9-1003. §41-29-283.

"(a) AIDT shall continue to be funded from the Education Trust Fund and may receive any other funds appropriated by the United States or the state. AIDT shall maintain accounts in its own name and shall make all of its disbursements and payments directly from accounts maintained
outside the State Treasury rather than through state warrants. Funds that have been allocated by AIDT under a project agreement for workforce development shall not be transferred to any other expenditure or for any other purpose without the express written approval of the Secretary of Commerce. All disbursements and payments by AIDT shall be subject to the approval of the director as prescribed in the AIDT Policy Manual as it may be amended from time to time with the approval of the Secretary of Commerce.

"(b) Before the third legislative day of each regular session of the Legislature AIDT shall provide to the Chair of the House Ways and Means Education Fund Committee and the Chair of the Senate Finance and Taxation Education Committee a reconciled financial statement of the project commitments and the actual expenditures on project commitments for the preceding fiscal year.

"§41-9-1084. §41-29-284. "All individuals serving as employees of AIDT immediately prior to April 24, 2013 the effective date of the act adding this language, shall remain employees of AIDT. The salary and benefits of such AIDT employees shall not be changed solely as a result of this article division. All AIDT employees shall receive compensation determined by the director and approved by the Secretary of Commerce and shall continue to be exempt from the provisions of the state Merit
System Law and tenure laws with respect to the method of
selection, classification, compensation, and termination of
state employees. All AIDT employees shall remain subject to
the AIDT policies and procedures existing immediately prior to
April 24, 2013 the effective date of the act adding this
language, unless and until such policies are modified or
amended by written amendment approved by the Secretary of
Commerce.


"All information concerning a proposed project which
is provided to the director and AIDT shall be confidential.
AIDT, through the director, is authorized to enter into a
confidentiality agreement or other contract provision with a
prospective entity considering locating or expanding within
the state which prohibits the disclosure by AIDT or any of its
employees or contractors of the identity of the prospective
entity and any information obtained, whether orally or in
writing, by such persons about the entity's proposed project.
Further, AIDT, through the director as approved by the
Secretary of Commerce, is authorized to enter into a
confidentiality agreement or other contract provision with a
prospective entity who is considering locating or expanding or
has relocated or expanded within the state to reasonably
protect trade secrets or other confidential business
information of such entity. Such confidentiality agreement or
other contract provision shall not otherwise limit the
disclosure under applicable open records laws of public
documents which describe the nature, quantity, cost, or other
pertinent information related to the activities of, or
services performed by, AIDT.

§41-9-1086. §41-29-286.
"Any operations, processes, and matters of AIDT that
are not covered by this article division shall be governed by
the AIDT Policy Manual, as amended from time to time with the
written approval of the Secretary of Commerce."

Section 10. Sections 16-66-1 to 16-66-8, inclusive,
as amended by Act 2014-16, 2014 Regular Session, of the Code
of Alabama 1975, are amended and renumbered as Division 4 of
Article 3 of Chapter 29 of Title 41, of the Code of Alabama
1975, to read as follows:

"Division 4. Alabama Workforce Council.
§16-66-1. §41-29-290.
"The Alabama Workforce Council is hereby-created-as
an appointed group of state business and industry senior
managers continued in existence as a part of the Workforce
Development Division of the Department of Commerce. The
council is responsible for advising and supporting the
Chancellor of the Alabama Community College System, and the
Superintendent of the Alabama Department of Education, and the
Council of College and University Presidents. The Alabama
Workforce Council will serve as an advisory body in formulating policies, developing innovative educational workforce programming, and discussing issues critical to the workforce development needs in the State of Alabama. Furthermore, the council will promote, coordinate, and collaborate across prekindergarten-12, two-year colleges, four-year universities, and business and industry.

§16-66-2, §41-29-291.

The Alabama Workforce Council shall consist of the following members and shall reflect the racial, gender, geographic, urban and rural, and economic diversity of the state:

'(1) Two members appointed by the Governor.
'(2) One member appointed by the Lieutenant Governor.
'(3) One member appointed by the Speaker of the House of Representatives.
'(4) One member appointed by the President Pro Tempore of the Senate.
'(5) One member from each of the following 10 regions that comprise the regional workforce development councils of Alabama appointed by the Governor:

'a. Region 1: Colbert, Franklin, Lauderdale, Lawrence, Marion, and Winston Counties.
"b. Region 2: Cullman, DeKalb, Jackson, Limestone, Madison, Marshall, and Morgan Counties.


d. Region 4: Blount, Chilton, Jefferson, Shelby, St. Clair, and Walker Counties.

e. Region 5: Calhoun, Etowah, Cherokee, Clay, Cleburne, Coosa, Randolph, Talladega, and Tallapoosa Counties.

f. Region 6: Dallas, Marengo, Perry, Sumter, and Wilcox Counties.

g. Region 7: Autauga, Butler, Crenshaw, Elmore, Lowndes, and Montgomery Counties.

h. Region 8: Bullock, Chambers, Lee, Macon, and Russell Counties.

i. Region 9: Baldwin, Choctaw, Clarke, Conecuh, Escambia, Mobile, Monroe, and Washington Counties.


(6) The Director Deputy Secretary of the Governor's Office of Workforce Development Division shall be an ex officio member of the council but shall have no voting rights.

(7) The Chancellor of the Alabama Community College System shall be an ex officio member of the council, but shall have no voting rights.
"(8) The State Superintendent of Education shall be an ex officio member of the council, but shall have no voting rights.

"(9) The Governor shall have the authority to appoint additional members to the council when necessary.

"§16-66-3. §41-29-292.

"The Deputy Secretary of the Workforce Development Division Secretary of Commerce shall be responsible for the administrative functions of the council, including, but not limited to, the organization of meetings, preparing the annual report, and other items as needed by the council.

"§16-66-4. §41-29-293.

"The council shall meet within 30 days after the appointment of the council membership and establish procedures and other policies necessary to carry on the business of the council, including the establishment of a quorum. The council shall meet at least twice a year, but may meet more frequently upon the call of the chair. Members of the council may participate in a meeting of the council by means of conference telephone, video conference, or similar communications equipment by means of which all persons participating in the meeting may hear each other at the same time. Participation by such means shall constitute presence in person at a meeting for all purposes, including the establishment of a quorum.

"§16-66-5. §41-29-294.
"Members of the council shall serve at the pleasure
of the official responsible for designating the members, but
in no case shall the term of any member exceed four years. The
initial council members shall be appointed for terms from one
to four years and shall serve such staggered terms so that one
member may be appointed subsequently each year. Vacancies
shall be filled in the manner provided for the original
appointments. Persons appointed to fill vacancies shall serve
the unexpired portions of the terms.

"§16-66-6. §41-29-295.

"The council shall report to the Governor, the
Legislature, the State Board of Education, and the Alabama
Council of College and University Presidents on its advisory
recommendations, if any, by January 31 of each year. The
council will also meet with the above mentioned groups, if
necessary, to discuss the recommendations in the report.

"§16-66-7. §41-29-296.

"The members of the council shall not receive a
salary or per diem allowance for serving as members of the
council, but shall be entitled to reimbursement, from the
Department of Commerce for expenses incurred in the
performance of the duties of the office at the same rate
allowed state employees pursuant to general law.

"§16-66-8. §41-29-297."
"The advisory duties and responsibilities of the council shall include, but are not restricted to, the following:

"(1) Review ways to streamline and align the existing workforce development functions of the state.

"(2) Evaluate the best way to increase awareness and educate students on available opportunities in industry sectors.

"(3) Evaluate ways to create a feedback loop for industry and education.

"(4) Evaluate private/public partnerships to create industry-funded scholarship programs for community colleges, vocational programs, and dual enrollment programs.

"(5) Evaluate the value of increasing the marketing associated with career readiness and skilled craft trades.

"(6) Evaluate the standards for membership and operations to the existing 10 regional workforce development councils.

"(7) Evaluate and make recommendations to realign the counties that comprise a regional council, as required to meet the needs of employers."

Section 11. Division 5 (commencing with Section 41-29-300) is added to Article 3 of Chapter 29 of Title 41 of the Code of Alabama 1975, to read as follows:

Division 5. Regional Workforce Development Councils.
§41-29-300.

(a) The Regional Workforce Development Councils are hereby established as an appointed group of state business and industry senior managers. The Regional Workforce Development Councils shall be appointed from no less than six and no more than 10 regions. The Deputy Secretary of the Workforce Development Division of the Department of Commerce and the Chancellor of the Alabama Community College System shall jointly promulgate rules related to the establishment and governance of these councils. The Deputy Secretary of the Workforce Development Division of the Department of Commerce shall follow the operating guidelines previously adopted by the Workforce Development Division of the Alabama Community College System (WDD/ACCS). The Regional Workforce Development Councils shall provide a direct link to the workforce needs of business and industry at the local level. The councils shall be business-driven and business-led and work with their member counties and shall develop a regional strategic plan and comprehensive workforce development system that supports local economic and job development activities.

(b) The Regional Workforce Development Councils shall make funding recommendations for grant applications submitted, based on the documented needs of the region as identified in their strategic plans.
(c) Each council shall meet at least quarterly, but may meet more frequently upon the call of the chair. Members of each council may participate in a meeting of the council by means of conference telephone, video conference, or similar communications equipment by means of which all persons participating in the meeting may hear each other at the same time. Participation by such means shall constitute presence in person at a meeting for all purposes, including the establishment of a quorum.

(d) The objectives of the Regional Workforce Development Councils are to:

(1) Promote a workforce development system in the region through the development of communication strategies among agencies and by advancing initiatives that support the efficient and effective use of resources.

(2) Assess current and future workforce needs of employers in the region. Establish a strategic plan to meet capacity and skill development and training needs in the region and ensure that the investment of public workforce development funds are addressing priority needs in the region.

(3) Partner with workforce development service providers, including the two-year colleges, or other workforce development regions in planning and developing actions to address specific workforce development priorities.
(4) Serve as a co-applicant for workforce development funds requested through the WDD/ACCS.

(5) Monitor effectiveness of state-funded and federally funded training projects in the region and the impact on overall workforce and economic development.

(6) Assist in examining the service delivery structure and coordination among entities providing workforce development services in the region.

(7) Expand the resource base available for workforce development in the region.

(8) Coordinate planning with economic developers and elected officials to ensure that workforce development strategies support economic development goals in the region.

(9) Serve as an advocate for high quality workforce development activities in the region.

(10) Assist the WDD/ACCS in establishing practices that ensure high quality training and services are provided in the region. The Regional Workforce Development Councils will utilize the WDD/ACCS as the provider of high quality training and services, unless otherwise restricted by law, rule, or regulation.

Section 12. Section 41-23-7, Code of Alabama 1975, is amended and renumbered to read as follows:

"§41-23-7. 41-29-400."
"(a) There is hereby created the Department of Economic and Community Affairs Legislative Oversight Commission of the Workforce Development Division to consist of the Chairman and Deputy Chairman of the Senate Committee on Finance and Taxation, three members of the Senate to be appointed by the Lieutenant Governor, the Chairman and Vice-chairman of the House Ways and Means Committee, and three members of the House of Representatives to be appointed by the Speaker of the House.

"(b) The commission shall hold an organizational meeting within 30 days after this bill is enacted the effective date of the act adding this amendatory language, and shall elect a chairman and vice-chairman from among its members. Thereafter, the commission shall meet at least two times annually, and additional meetings shall be held at the call of the chairman or upon the request of six or more members. Such meetings shall be held with the Director of the Department of Economic and Community Affairs Workforce Development Division in attendance.

"(c) The commission shall adopt its own rules of procedure for the transaction of business, and a majority of the members present shall constitute a quorum for the purpose of transacting business or performing authorized duties.

"(d) Each member of the commission shall be entitled to his or her regular legislative compensation and per diem
and travel expenses for each day he or she attends a meeting or conducts business of the commission, and such compensation and expenses shall be paid from the funds appropriated for the use of the Legislature. 

"(e) The commission shall monitor and evaluate the management and operations of the Department of Economic and Community Affairs Workforce Development Division, shall recommend to the Legislature the enactment of such laws respecting the Department of Economic and Community Affairs Workforce Development Division as the commission shall deem desirable, and shall submit a written report on the operations, finances and grants made by the Department of Economic and Community Affairs Workforce Development Division during each regular session of the Alabama Legislature."

Section 13. Any law in direct conflict with this act is repealed and Section 41-9-204 of the Code of Alabama 1975, is expressly repealed.

Section 14. The Code Commissioner shall conform references in the Code of Alabama 1975, to the offices, departments, divisions, and other entities included in Chapter 29 of Title 41 of the Code of Alabama 1975, to reflect the changes made by that chapter. Code changes, including amending and renumbering existing code sections to be part of Chapter 29 to make conforming changes required to conform to the
HB554

substantive changes made in this act, shall be made at a time
determined to be appropriate by the Code Commissioner.

Section 15. This act shall become effective
immediately following its passage and approval by the
Governor, or its otherwise becoming law and shall become
operative in whole or in part on a date or dates determined by
the Secretary of Commerce but in any event no later than
October 1, 2016.
I. Speaker of the House of Representatives

Kay Ivey

President and Presiding Officer of the Senate

House of Representatives
I hereby certify that the within Act originated in
and was passed by the House 07-MAY-15.

Jeff Woodard
Clerk

Senate 04-JUN-15
House 04-JUN-15

Amended and Passed
Concurred in Senate Amendment

APPROVED 6-11-2015
TIME 9:00 AM

Robert Bentley
GOVERNOR

Alabama Secretary Of State
Act Num...: 2015-450
Bill Num...: H-554
Recvd 06/11/15 01:20pmSLF
C. SBC RECOMMENDED BILLS – 2016 LEGISLATIVE SESSION

1. Health Savings Account Deduction – Act 2016-345
2. Apprenticeship Bill – Act 2016-314
3. Income Tax Filing Date Conformity – Act 2016-412
4. Small Business Tax Credit – Act 2016-188
5. Right to Work Constitutional Amendment – Act 2016-86
6. Uniform Minimum Wage Bill – Act 2016-18
C.1. HEALTH SAVINGS ACCOUNT DEDUCTION – ACT 2016-345
HB109
173429-2
By Representative Nordgren
RFD: Ways and Means Education
First Read: 03-FEB-16
ENROLLED, An Act,

To add Section 40-18-15.6, Code of Alabama 1975; relating to the Health Savings Account Contributions.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-18-15.6, Code of Alabama 1975, is added to read as follows:

Section 40-18-15.6

(a) For the purposes of this section, health savings account contributions are defined as contributions made by a taxpayer to his or her health savings account up to the maximum amount allowed pursuant to 26 USC §223.

(b) Alabama residents will be allowed to deduct contributions made on or after January 1, 2018, by or on behalf of such individual to a health savings account of such individual to coincide with annual amount allotted by federal law or regulation. Employer contributions are not includible in an employee's income and are therefore not deductible.

Section 2. All laws or parts of laws which conflict with this act are hereby repealed.

Section 3. This act shall become effective for the taxable years beginning after December 31, 2017, and following its passage and approval by the Governor, or upon its otherwise becoming law.
HB109

Speaker of the House of Representatives

Kay Ivey

President and Presiding Officer of the Senate

House of Representatives
I hereby certify that the within Act originated in and was passed by the House 25-FEB-16.

Jeff Woodard
Clerk

Senate 03-MAY-16
Passed

APPROVED 5-11-2016

TIME 3:30 PM

GOVERNOR

Alabama Secretary Of State
Act Num....: 2016-345
Bill Num....: H-109
Recvd 05/12/16 09:09amSLF

Page 2
C.2. APPRENTICESHIP BILL – ACT 2016-314
SB90
172531-5
By Senator Orr
RFD: Finance and Taxation Education
First Read: 02-FEB-16
ENROLLED, An Act,

Relating to taxation; to provide definitions; to provide a tax credit for employers that employ an apprentice; to provide a cumulative cap on tax credits allowed; to provide rulemaking authority; and to require the Workforce Development Division of the Department of Commerce to provide an annual report to certain legislative committees.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as the Apprenticeship Tax Credit Act of 2016.

Section 2. For the purposes of this act, the following terms shall have the following meanings:

(1) APPRENTICE. A worker at least 16 years of age, except where a higher minimum age standard is otherwise fixed by law, who is employed to learn an apprenticeable occupation as provided in 29 C.F.R. Part 29.4. The term includes a person who is compensated by a third party but whose apprenticeable work occurs under the supervision of an eligible employer.

(2) APPRENTICESHIP AGREEMENT. A written agreement, complying with 29 C.F.R. Part 29.2 between an apprentice and either the apprentice's program sponsor, or an apprenticeship committee acting as agent for the program sponsors, which
contains the terms and conditions of the employment and
training of the apprentice.

(3) DIVISION. The Workforce Development Division of
the Department of Commerce.

(4) ELIGIBLE EMPLOYER. A taxpayer who employs an
apprentice pursuant to an apprentice agreement registered with
the Office of Apprenticeship of the Employment and Training
Administration of the United States Department of Labor.

Section 3. (a) An Alabama income tax credit is
hereby established for eligible employers that employ an
apprentice for at least seven full months of the prior taxable
year. The credit shall equal up to one thousand dollars
($1,000) for each apprentice employed, not to exceed five
apprentices employed. The Department of Revenue, in
consultation with the Workforce Development Division of the
Department of Commerce, shall establish a scale reflecting
ranges of amounts of money an employer has invested in an
eligible apprentice and a corresponding tax credit amount and
shall award the tax credit in accordance with this scale
following confirmation from the Workforce Development Division
that the apprentice for whom the credit is claimed is in
compliance with all federal and state requirements for the
apprenticeship program. The credit shall not be available for
an individual apprentice for more than four taxable years.
(b) The credit shall be allowed against the tax imposed by Chapter 16 or Chapter 18 of Title 40. This tax credit shall not be allowed to decrease a taxpayer's tax liability to less than zero. The credit is not refundable or transferable. The credit shall be available, on a pro rata basis, to the owners of qualified employers that are entities taxed under subchapters S or K of the Internal Revenue Code or limited liability companies or professional corporations authorized to do business in this state. An employer applying for a tax credit must apply each year to receive the credit for the preceding calendar year.

(c) The cumulative amount of tax credits issued pursuant to this act shall not exceed three million dollars ($3,000,000) annually. The Department of Revenue shall ensure that this cap is not exceeded, shall prescribe the various methods by which these credits are to be issued, and shall develop procedures to notify taxpayers at such points in time when the tax credit caps in this subsection have been reached for the applicable tax credit year.

(d) If an employer employs an apprentice for less than the full preceding calendar year, the employer may apply for the credit on a pro rata monthly basis beginning on the first day of the first full month of apprenticeship.

(e) The Department of Revenue shall prescribe a form to claim this credit that provides information to the
department sufficient for the proper administration of the
credit.

(f) The participation of an employee with an
apprenticeship program under this act and registration with
the Office of Apprenticeship of the Employment and Training
Administration of the United States Department of Labor shall
not constitute union affiliation, unless the employee
expressly elects to affiliate with a union.

Section 4. (a) The Workforce Development Division of
the Department of Commerce, in coordination with the Board of
Trustees of the Alabama Community College System or its
designee, may adopt any rules necessary to establish standards
for participation and eligibility and to implement and
administer this act. The division shall consult with the
Department of Revenue to coordinate implementation and
administration of this act.

(b) The division shall provide an annual report to
the Chair of the House Ways and Means Education Committee and
the Chair of the Senate Finance and Taxation Education
Committee to account for the effectiveness of the
apprenticeship program under this act.

Section 5. The tax credit allowed under this act
shall be effective January 1, 2017, for the 2017 taxable year
and shall continue through the 2021 tax year, unless extended
by act of the Legislature.
Section 6. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.
President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB90
Senate 18-FEB-16
I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris
Secretary

House of Representatives
Passed: 28-APR-16

By: Senator Orr

APPROVED 5-10-2016
TIME 3:30 PM

Alabama Secretary Of State
Act Num...: 2016-314
Bill Num...: S-90
Recv'd 05/10/16 04:53pmSLF

Page 6
C.3. INCOME TAX FILING DATE CONFORMITY – ACT 2016-412
SB263
173987-3
By Senator Ross
RFD: Finance and Taxation Education
First Read: 17-FEB-16
ENROLLED, An Act,

To amend Sections 40-18-27, 40-18-39, and 40-18-42 of the Code of Alabama 1975; to further provide for the due
dates of certain state income tax returns to correspond to the
due dates of federal income tax returns and to further provide
for a payment to be made on the due date of a return.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 40-18-27, 40-18-39, and 40-18-42 of the Code of Alabama 1975, are amended to read as follows:

"§40-18-27.

"(a) Effective for tax years beginning after December 31, 1997, every taxpayer having an adjusted gross income for the taxable year of more than one thousand eight hundred seventy-five dollars ($1,875) if single or if married and not living with spouse, and of more than three thousand seven hundred fifty dollars ($3,750) if married and living with spouse, shall each year file with the Department of Revenue a return stating specifically the items of gross income, the deductions and credits allowed by this chapter, the place of residence, and post office address. If a husband and wife living together have an adjusted gross income of more than three thousand seven hundred fifty dollars ($3,750), each
shall file a return unless the income of each is included in a
single joint return. If the taxpayer is unable to file a
return, the return shall be filed by a duly authorized agent,
a guardian, or other person charged with the care of the
person or property of the taxpayer.

"(b) A taxpayer other than a resident shall not be
entitled to the deductions authorized by Sections 40-18-15 and
40-18-15.2 unless the taxpayer files a complete return showing
the gross income of the taxpayer both from within and outside
the state. Included on every income tax return shall be the
name, address, and Social Security number or preparer taxpayer
identification number of the person who prepared the return.
The taxpayer shall be held liable for any statement made by an
agent of the taxpayer with reference to any information
required by law to be furnished in connection with that tax
return.

"(c) Returns filed on the basis of the calendar year
shall be filed on or before April 15 following the close of
the calendar year. Returns filed on the basis of a fiscal year
shall be filed on or before the fifteenth day of the fourth
month following the close of the fiscal year Returns shall be
filed by the same date as the corresponding federal income tax
returns are required to be filed as provided under federal
law. The department may grant a reasonable extension of time
for filing returns, under rules and regulations as it shall
prescribe. Except in the case of taxpayers who are abroad, no extension shall be for more than six months. If the taxpayer has requested an extension of time for the filing of a return, the period during which the return will be considered timely filed shall not expire until 10 days after the Department of Revenue mails to the taxpayer a rejection of the request for an extension of time for filing the return. The return must be signed or otherwise validated by both the taxpayer(s) and, if applicable, the tax return preparer under rules or regulations of the Department of Revenue and must contain a printed declaration that the return is filed under the penalties of perjury.

"(d) Every individual who willfully files and signs or otherwise validates under rules or regulations of the Department of Revenue a return which the individual does not believe to be true and correct as to every material particular shall be guilty of perjury and, upon conviction thereof, shall be imprisoned in the penitentiary for not less than one, nor more than five years.

"(e) In the event a husband and wife file a joint return, the husband and wife shall be jointly and severally liable for the income tax shown on the return or as may be determined by the Department of Revenue to be due by them to the State of Alabama. Notwithstanding the foregoing, a husband or wife shall be relieved of certain liabilities to the same
extent and in the same manner as allowed by the Internal Revenue Code for federal income tax purposes, including Title 26 U.S.C. §§ 6015(b), 6015(c), and 6015(f), as amended from time to time.


(a) Except as provided in subsection (c), every corporation, joint stock company, or association subject to income tax under this chapter shall file a return with the Department of Revenue for each taxable year, stating specifically the items of its gross income and the deductions and credits allowed by this chapter. In cases where receivers, trustees in bankruptcy, or assignees are operating the property or business of corporations, such receivers, trustees, or assignees shall file returns for such corporations in the same manner and form as corporations are required to file returns. Any tax due on the basis of such returns filed by receivers, trustees, or assignees shall be collected in the same manner as if collected from the corporations of whose business or property they have custody and control. Returns filed on the basis of the calendar year shall be filed on or before March 15 following the close of the calendar year. Returns filed on the basis of a fiscal year shall be filed on or before the fifteenth day of the third month following the close of the fiscal year. Returns shall be filed by the same date as the corresponding federal income tax
returns are required to be filed as provided under federal law. The Department of Revenue may grant a reasonable extension of time for filing returns under such rules and regulations as it shall prescribe. Except in the case of taxpayers who are abroad, no such extension shall be for more than six months.

"(b) As used in this chapter, unless the context requires otherwise:

"(1) "Alabama affiliated group" means a group of corporations, each member of which is subject to tax under Section 40-18-31 and Public Law 86-272 (15 U.S.C. §§ 381-384), which are members of an affiliated group as defined in 26 U.S.C. § 1504 and which affiliated group files a federal consolidated corporate income tax return, each member of which:

"a. Has the same taxable year;

"b. Is a member of the group for the entire taxable year or was a member of the group for a portion of the taxable year if the member was subject to Section 40-18-31 during the entire portion of the taxable year during which it was not a member of the federal consolidated group;

"c. Apportions Alabama taxable income or loss separately for each corporation;
"d. Allocates taxable income or loss separately for each corporation in accordance with Section 40-27-1, Article IV;

"e. Computes apportionable income or loss utilizing separate apportionment factors for each corporation in accordance with Section 40-27-1, Article IV; and

"f. Combines and reports taxable income or loss computed in accordance with paragraphs c through e of this subsection on a single return for the Alabama affiliated group;

"and which includes all members of the affiliated group included on the federal consolidated income tax return that are eligible under this section to be included in the Alabama affiliated group; but shall not include corporations subject to the insurance premium license tax imposed by Section 27-4A-1 et seq. or the financial institution excise tax imposed by Section 40-16-1 et seq.

"(2) "Alabama consolidated return" means an Alabama corporation income tax return filed by or on behalf of the members of an Alabama affiliated group in accordance with this section, pursuant to an election made under subsection (c) below.

"(3) "Separate return" means an Alabama corporation income tax return filed by a single corporation in accordance with this chapter.
"(4) "Common parent" shall have the meaning given to that term by 26 U.S.C. § 1504(a).

"(5) "Treasury regulations" means final and temporary regulations now or hereafter promulgated by the U.S. Treasury Department pursuant to 26 U.S.C. § 1501 et seq. References to applicable Internal Revenue Code sections in this section shall include the related Treasury regulations.

"(c)(1) An Alabama affiliated group filing or required to file a federal consolidated income tax return may elect to file an Alabama consolidated return for the same taxable year. However, under no circumstances may the Department of Revenue compel a taxpayer to file an Alabama consolidated return if the taxpayer has not so elected.

"(2) Notwithstanding any provision in this section to the contrary, foreign corporations that are members of an Alabama affiliated group electing to file an Alabama consolidated return and not otherwise subject to the business privilege tax levied by Section 40-14A-22 shall not become subject to the business privilege tax by virtue of being a member of an Alabama affiliated group filing an Alabama consolidated return.

"(3) All transactions between and among members of the Alabama affiliated group shall be reported on an arm's length basis consistent with subsection (j) in determining the property, payroll, and sales factors of each member of the
Alabama affiliated group, in determining the separate allocation and apportionment of income and loss by each member of the Alabama affiliated group, and in computing taxable income in accordance with Section 40-18-33. 

"(4) The election made in accordance with this subsection shall be filed by the common parent of the Alabama affiliated group as agent for all members of the Alabama affiliated group, on a form prescribed by the Department of Revenue. If the common parent is not a member of the Alabama affiliated group, the members shall designate to the Department of Revenue which member of the Alabama affiliated group shall serve in that role for purposes of this section. The election and designation of common parent, if required, shall be filed with the department on or before the due date of the Alabama consolidated return, including extensions, for the first taxable year for which the election is made and is to be effective.

"(5) Each member of the Alabama affiliated group shall determine and allocate and apportion its separate income and loss under Chapter 27 before consolidation. For purposes of allocation and apportionment, each member of the Alabama affiliated group shall be considered a separate taxpayer. Any taxable loss of a member of the Alabama affiliated group shall be deductible against the taxable income of any other member
of the Alabama affiliated group only if and to the extent such
loss is apportioned and allocated to Alabama.

"(6) The tax liability of the Alabama affiliated
group shall be determined by applying the rate specified in
Section 40-18-31 to the taxable income of the Alabama
affiliated group. The separate taxable income or loss of each
corporation that is included in the Alabama affiliated group
shall be included in the consolidated taxable income or loss
to the extent that its taxable income or loss is separately
apportioned or allocated to the State of Alabama. The separate
taxable income or loss of each member of the Alabama
affiliated group, and the separate business and nonbusiness
income of each member, shall be computed and determined in
accordance with this chapter and with the rules of allocation
and apportionment under Section 40-27-1, Article IV, and the
regulations promulgated thereunder by the Department of
Revenue.

"(7) Any election to file an Alabama consolidated
return pursuant to this subsection shall be binding on both
the Department of Revenue and the Alabama affiliated group for
a period beginning with the first month of the first taxable
year for which the election is made and ending with the
conclusion of the taxable year in which the one hundred
twentieth consecutive calendar month expires, except that the
election shall terminate automatically upon the revocation or
termination of its federal consolidated return election. If an
election made pursuant to this subsection is terminated by an
Alabama affiliated group by virtue of the revocation or
termination of its federal or Alabama consolidated return
election, no member of the Alabama affiliated group may be
included in an Alabama consolidated return filed by the
Alabama affiliated group, or by another Alabama affiliated
group with the same common parent or a successor to the same
common parent, before the sixty-first month beginning after
the first taxable year for which the election was revoked;
provided, however, that the Department of Revenue may waive
application of this provision to any corporation or Alabama
affiliated group for any period, consistent with the

"(8) An Alabama affiliated group that has made an
Alabama consolidated return election under this subsection
shall be assessed an annual fee for the privilege of filing an
Alabama consolidated return, which shall be assessed, col-
lected, and distributed as an income tax but shall be due and
payable at the time the return is due, including any exten-
sions thereof. The annual fee shall be a graduated fee based
upon the aggregate amount of total assets, determined in ac-
cordance with Treasury Department Form 1120 or any successor
form, of the Alabama affiliated group for the taxable year to
which the fee relates, as set out below:
<table>
<thead>
<tr>
<th>Total Assets</th>
<th>Annual Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;$0 to $2,500,000&quot;</td>
<td>$5,000</td>
</tr>
<tr>
<td>&quot;$2,500,001 to $5,000,000&quot;</td>
<td>$10,000</td>
</tr>
<tr>
<td>&quot;$5,000,001 to $7,500,000&quot;</td>
<td>$15,000</td>
</tr>
<tr>
<td>&quot;$7,500,001 to $10,000,000&quot;</td>
<td>$20,000</td>
</tr>
<tr>
<td>&quot;$10,000,001 and over&quot;</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

"(d) Each corporation included as part of an Alabama affiliated group filing an Alabama consolidated return shall be jointly and severally liable for the Alabama income tax liability of the Alabama affiliated group with respect to the taxable year, and the fee prescribed above; except that any corporation which was not a member of the Alabama affiliated group for the entire taxable year shall be jointly and severally liable only for the portion of the Alabama consolidated income tax liability attributable to that portion of the year during which the corporation was a member of the Alabama affiliated group, prorated on a daily basis.

"(e) Every corporation return or report required by this chapter shall be executed by one of the following officers of the corporation: The president, vice-president, secretary, treasurer, assistant secretary, assistant treasurer, or chief accounting or financial officer, except that in the case of an Alabama affiliated group filing an
Alabama consolidated return, one of the above-described officers of the common parent of the Alabama affiliated group may execute the return on behalf of the Alabama affiliated group. The Department of Revenue may require a further or supplemental report of information and data necessary for computation of the tax.

"(f) If the taxpayer has requested an extension of time for the filing of a separate or Alabama consolidated return, the period during which such return will be considered timely filed shall not expire until 10 days after the Department of Revenue mails to the taxpayer a rejection of its request for an extension of time for filing such return.

"(g) If, in a taxable year preceding the filing of the first Alabama consolidated return for the Alabama affiliated group of which the corporation is a member, (1) the corporation realized a gain or loss on a transaction; (2) the corporation was subject to tax under Section 40-18-31 in the year; (3) the transaction was treated as a deferred intercompany transaction for federal income tax purposes; and (4) the transaction was not deferred for Alabama income tax purposes, the taxable income and basis in the hands of the Alabama affiliated group shall be adjusted to reflect the different treatment of the transaction and any property acquired or disposed of in the transaction.
"(h) If, in a taxable year before the corporation became a member of an Alabama affiliated group that has elected to file an Alabama consolidated return, the corporation incurred a net operating loss, the deductibility of the loss on the Alabama consolidated return shall be limited to only the amount necessary to reduce to zero the Alabama taxable income, calculated on a separate return basis, of the corporation that incurred the net operating loss. Except as provided in the preceding sentence, the separate return limitation year ("SRLY") rules contained in 26 U.S.C. § 1502 shall apply.

"(i) Nothing in this section shall be construed as allowing or requiring the filing of a combined income tax return under the unitary business concept.

"(j) The Department of Revenue shall promulgate regulations interpreting the provisions of this section that are consistent, to the maximum extent possible, with applicable Treasury regulations. The regulations shall further provide that, if the commissioner, for the tax year in question, establishes that one or more members of an Alabama affiliated group have engaged in any nonarm's-length transaction that causes a material distortion of income allocated or apportioned to this state, the commissioner may deny retroactively, for the taxable year or years in which the material distortion occurs or occurred, the consolidation
election of any member of an Alabama affiliated group, in order to fairly represent the tax base attributable to this state.

"(k) Notwithstanding subdivision (c) (7), due to the material change in the criteria for qualification as a member of an Alabama affiliated group, an Alabama affiliated group filing an Alabama consolidated return under this section, prior to its amendment by Act 2001-1089, shall have the option either to terminate its election with respect to tax years after the period covered by the last Alabama consolidated return due under this section prior to its amendment, or to re-elect under the revised criteria imposed by Act 2001-1089 and to begin another 120 calendar month election period. The decision of an Alabama affiliated group currently filing an Alabama consolidated income tax return to opt out of the Alabama consolidated return election shall be evidenced by written notice thereof to the department. Such notice shall be filed by March 15, 2002, or the due date, with extensions, of the last consolidated income tax return due to be filed under the law prior to its amendment by Act 2001-1089, whichever date occurs last. The failure to timely file such notice shall be deemed an election by those members of the Alabama affiliated group that are subject to tax under Section 40-18-31 and otherwise qualify under this section as members of an Alabama affiliated group to file an Alabama consolidated
return under this section, as amended, including a new
120-calendar month election period under subdivision (c)(7).

"§40-18-42.

"(a) Time of payment for individuals. In the case of
individuals, the total balance of the tax owed after credits
for taxes paid through withholding as provided in Section
40-18-78, or through estimated payments as provided in
Sections 40-18-82 and 40-18-83, shall be due and payable on
April 15 following the close of the calendar year or, if the
return should be made on the basis of a fiscal year, then on
the fifteenth day of the fourth month following the close of
the fiscal year at the same time as the due date of an
original return.

"(b) Time of payment for fiduciaries. In the case of
fiduciaries, the total amount of the tax imposed by this
chapter shall be paid on April 15 following the close of the
calendar year or, if the return should be made on the basis of
a fiscal year, then on the fifteenth day of the fourth month
following the close of the fiscal year.

"(c) Time of payment for corporations. In the case
of corporations, the balance of the tax owed after credits for
taxes paid through estimated payments as provided in Section
40-18-80.1 shall be due and paid on March 15 following the
close of the calendar year or, if the return should be made on
the basis of the fiscal year, then on the fifteenth day of the
third month following the close of the fiscal year at the same
time as the due date of an original return.

"(d) Voluntary advance payment. The tax imposed by
this chapter or any estimated tax payment thereof may be paid,
at the election of the taxpayer, prior to the date prescribed
for its payment."

Section 2. All laws or parts of laws which conflict
with this act are repealed.

Section 3. This act shall become effective for the
taxable years beginning on or after January 1, 2016, and
following its passage and approval by the Governor, or its
otherwise becoming law.
SB263

President and Presiding Officer of the Senate

Speaker of the House of Representatives

Patrick Harris
Secretary

House of Representatives
Passed: 04-MAY-16

By: Senator Ross

APPROVED 5-13-2016

TIME 8:30 AM

GOVERNOR

Alabama Secretary Of State
Act Num....: 2016-412
Bill Num....: S-263
Recvd 05/13/16 10:18aSLF
C.4. SMALL BUSINESS TAX CREDIT – ACT 2016-188
HB36

173040-4

By Representatives South, Garrett, Fincher, Shedd, Pettus, Hill (M), Millican, Weaver, Rowe, Davis, Ledbetter, Williams (JD), Holmes (M), Wilcox, McCutcheon, Baker, Greer, McMillan, Beckman, Carns, Poole, Chesteen, Mooney, Treadaway, Hubbard, Faulkner and Johnson (K)

RFD: Commerce and Small Business

First Read: 02-FEB-16

PFD: 01/29/2016
ENROLLED, An Act,

To establish the Alabama Small Business and Agribusiness Jobs Act; to define certain terms; to provide for a tax credit to Alabama small business employers that create new jobs and hire new employees under certain conditions; to amend Section 40-18-321, Code of Alabama 1975, to make conforming changes; to provide rulemaking authority; and to require the Department of Revenue to implement a program promoting various tax credits for small businesses and independently owned business entities.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as the Alabama Small Business and Agribusiness Jobs Act.

Section 2. For the purpose of this act, the following words and phrases shall have the following meanings:

(1) ALABAMA SMALL BUSINESS EMPLOYER. A business organization duly formed, organized, or qualified to do business in the state, with its headquarters or principal place of business in the state, and having 75 or fewer employees during the tax year in which the tax credit is claimed pursuant to this act, other than new employees for which a credit is allowed by this act.

(2) DEPARTMENT. The Alabama Department of Revenue.
(3) NET EMPLOYEE GROWTH. An Alabama small business employer's net increase in the total number of full-time employees residing in Alabama based on the following:

a. The total number of full-time Alabama employees on the last date of each tax year in which the employer is claiming a credit pursuant to this act; minus,

b. The total number of full-time Alabama employees as of the last day of the tax year in which a credit under this act was first claimed and granted. on the day before the effective date of this act.

(4) QUALIFIED NEW EMPLOYEE. A new employee of an Alabama small business employer that, for a qualifying time period of 12 consecutive months, satisfies all of the following criteria:

a. Was employed on a full-time basis.

b. Was an Alabama resident.

c. Received wages from the Alabama small business employer that met or exceeded a total of forty thousand dollars ($40,000).

d. Was not a full-time employee of the Alabama small business employer during any time 12 months prior to the start of such qualifying time period.

(5) WAGES. Total wages paid to an employee, including gross wages, salaries, overtime, and bonuses.
Section 3. (a) An Alabama small business tax credit is hereby allowed for any Alabama small business employer that creates a new job and hires a new full-time employee to fill that job. The credit shall be a one-time credit equal to one thousand five hundred dollars ($1,500) for each qualified new employee, and shall only be applicable to a tax year in which the new employee has completed 12 months of consecutive full-time employment with the employer.

(b) To qualify for the credit, the employer must have a net employee growth as of the last date of each tax year during which the employer claims a credit pursuant to this act. The net employee growth must equal or exceed the number of qualified new employees for which a credit is sought in the current or applicable tax year, plus the total number of qualified new employees for whom credits were claimed pursuant to this act in a prior tax year.

(c)(1) The credit shall be allowed against the tax imposed by Chapter 16 or Chapter 16 or Chapter 18, of Title 40, Code of Alabama 1975. A financial institution shall be allowed to claim the credit against the liability determined in Chapter 16, Title 40, Code of Alabama 1975. A financial institution shall be allowed to claim the credit against the liability determined in Chapter 16, Title 40, Code of Alabama 1975. The credit shall be available, on a pro rata basis, to the owners or members of qualified Alabama small business
employers that are entities taxed under subchapters S or K of
the Internal Revenue Code.

(2) An Alabama small business employer may receive a
credit under this section or under the Full Employment Act of
2011, Article 11, Chapter 18, Title 40, Code of Alabama 1975,
but in no case shall the employer receive both a credit under
this act and a credit provided under the Full Employment Act
of 2011. Once a credit is claimed for an employee under this
section or the Full Employment Act of 2011, the employer may
not thereafter make a claim for a credit of that employee
under the other act.

(d) This tax credit may not be allowed to decrease a
taxpayer's tax liability to less than zero in any tax year,
but any unused portion may be carried forward for a period of
up to three years. The credit is not refundable or
transferable.

(e) To the extent the credit is used to offset a
financial institution excise tax liability, the Department of
Finance shall promulgate regulations to ensure that the credit
in no case would reduce the distribution for municipalities
and counties.

(e) To the extent the credit is used to offset a
financial institution excise tax liability, the Department of
Finance shall promulgate regulations to ensure that the credit
in no case would reduce the distribution for municipalities and counties.

(f) The income tax credit provided in this section may be claimed only for employees who are hired following the effective date of this act and shall only apply to tax years beginning on or after January 1, 2016.

(g) The tax credit provided in this section shall expire on January 1, 2019, unless otherwise extended by the Legislature.

Section 4. The department may adopt rules consistent with this act as necessary to implement and administer this act. Rules may be adopted to include, but not limited to, a requirement that, upon request, taxpayers shall receive credits for up to, but no more than, the number of qualified new employees hired after the effective date of this act. In no case shall an employer claim a credit under this act for the same qualified employee more than once. Nor shall the number of qualified new employees, for which a credit is claimed, exceed the number of employees at the end of the tax year less the number of employees at the beginning of the tax year.

Section 5. Section 40-18-321, Code of Alabama 1975, is amended to read as follows:

"§40-18-321.
"In addition to the existing tax credit allowed for in the Full Employment Act of 2011, codified as Section 40-18-290 through 40-18-293, or the Alabama Small Business Jobs Act, an additional $1,000 one thousand dollar ($1,000) tax credit for job creation is available if the existing requirements of Section 40-18-290 through 40-18-293 or Sections 2 and 3 of the act adding this amendatory language are met along with the following definition:

"RECENTLY DEPLOYED UNEMPLOYED VETERAN. An individual who is all of the following:

"(1) Was a resident of Alabama at the time of entry into military service or was mobilized to active, federal military service while a member of the Alabama National Guard or other reserve unit located in Alabama, regardless of the resident's home of record.

"(2) Received an honorable or general discharge from active, federal military service within the two-year period preceding the date of hire.

"(3) Has certification by the Department of Labor at the time of hire of either of the following:

"a. Collecting or being eligible to collect unemployment benefits.

"b. Having exhausted his or her unemployment benefits."
Section 6. By December 31, 2016, the Department of Revenue shall create and implement a program to actively promote to small business owners, tax professionals, and other appropriate parties the tax credits allowed under the Alabama Small Business Jobs Act created by this act, the Full Employment Act of 2011, Article 11 of Chapter 18 of Title 40, Code of Alabama 1975, the Heroes for Hire Tax Credit Act of 2012, Article 13 of Chapter 18 of Title 40, Code of Alabama 1975, and other tax credits available to small businesses and independently owned business entities.

Section 7. The provisions of this act are severable. If any part of this act is declared invalid or unconstitutional, that declaration shall not affect the part which remains.

Section 8. All laws or parts of laws which conflict with this act are repealed.

Section 9. This act shall become effective 90 days following its passage and approval by the Governor, or its otherwise becoming law.
Speaker of the House of Representatives

Kay Ivey

President and Presiding Officer of the Senate

House of Representatives
I hereby certify that the within Act originated in and was passed by the House 09-FEB-16, as amended.

Jeff Woodard
Clerk

Senate 19-APR-16
Amended and Passed
Concurred in Senate Amendment

House 19-APR-16

APPROVED 4-26-16

TIME 4:00 PM

Governor

Alabama Secretary Of State
Act Num.:.: 2015-188
Bill Num.:.: H-36

Page 8
C.5.  RIGHT TO WORK CONSTITUTIONAL AMENDMENT – ACT 2016-86
HB37

173353-4

By Representatives Mooney, Wingo, Tuggle, Johnson (R), Hill (J), Fridy, Lee, Ledbetter, Wilcox, Sanderford, Clouse, Holmes (M), Boothe, Baker, Greer, McCutcheon, Millican, Martin, Beckman, Garrett, Pettus, Chesteen, Carns, Poole, Shedd, Hubbard and Faulkner (Constitutional Amendment)

RFD: Constitution, Campaigns and Elections

First Read: 02-FEB-16

PFD: 01/21/2016
ENROLLED, An Act,

Proposing an amendment to the Constitution of Alabama of 1901, as amended; to declare that it is the public policy of Alabama that the right of persons to work may not be denied or abridged on account of membership or nonmembership in a labor union or labor organization; to prohibit an agreement to deny the right to work, or condition of prospective employment, on account of membership or nonmembership in a labor union or labor organization; to prohibit an employer from requiring its employee to abstain from union membership as a condition of employment; and to provide that an employer may not require a person, as a condition of employment or continuation of employment, to pay dues, fees, or other charges of any kind to any labor union or labor organization.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The following amendment to the Constitution of Alabama of 1901, as amended, is proposed and shall become valid as a part thereof when approved by a majority of the qualified electors voting thereon and in accordance with Sections 284, 285, and 287 of the Constitution of Alabama of 1901, as amended:

PROPOSED AMENDMENT
(a) It is hereby declared to be the public policy of Alabama that the right of persons to work may not be denied or abridged on account of membership or nonmembership in a labor union or labor organization.

(b) An agreement or combination between an employer and labor union or labor organization which provides that a person who is not a member of the union or organization shall be denied the right to work for the employer, or where membership in the union or organization is made a condition of employment or continuation of employment by the employer, or where the union or organization acquires an employment monopoly in any enterprise, is hereby declared to be against public policy and an illegal combination or conspiracy.

(c) No person shall be required by an employer to become or remain a member of any labor union or labor organization as a condition of employment or continuation of employment.

(d) A person may not be required by an employer to abstain or refrain from membership in any labor union or labor organization as a condition of employment or continuation of his or her employment.

(e) An employer may not require a person, as a condition of employment or continuation of employment, to pay dues, fees, or other charges of any kind to any labor union or labor organization.
(f) This amendment shall not apply to any lawful contract in force on or prior to the date of the ratification of this amendment but it shall apply in all respects to contracts entered into after the date of the ratification of this amendment, and to any renewal or extension of an existing contract.

Section 2. An election upon the proposed amendment shall be held in accordance with Sections 284 and 285 of the Constitution of Alabama of 1901, now appearing as Sections 284 and 285 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, and the election laws of this state.

Section 3. The appropriate election official shall assign a ballot number for the proposed constitutional amendment on the election ballot and shall set forth the following description of the substance or subject matter of the proposed constitutional amendment:

"Proposing an amendment to the Constitution of Alabama of 1901, to declare that it is the public policy of Alabama that the right of persons to work may not be denied or abridged on account of membership or nonmembership in a labor union or labor organization; to prohibit an agreement to deny the right to work, or place conditions on prospective employment, on account of membership or nonmembership in a labor union or labor organization; to prohibit an employer
from requiring its employees to abstain from union membership as a condition of employment; and to provide that an employer may not require a person, as a condition of employment or continuation of employment, to pay dues, fees, or other charges of any kind to any labor union or labor organization.

"Proposed by Act ________." This description shall be followed by the following language:

"Yes ( ) No ( )."
Speaker of the House of Representatives

Kay Ivey

President and Presiding Officer of the Senate

House of Representatives
I hereby certify that the within Act originated in and was passed by the House 17-FEB-16, as amended.

Jeff Woodard
Clerk

Senate 17-MAR-16
Passed
C.6. UNIFORM MINIMUM WAGE BILL – ACT 2016-18
By Representatives Faulkner, Mooney, Hubbard, Faust, Gaston, Greer, Boothe, Polizos, Chesteen, Garrett, Carns, Drake, Wingo, Brown, Williams (P), Holmes (M), Fincher, Hammon, Baker, Shiver, Beckman, Moore (B), Clouse, Lee, Ainsworth, Whorton (I), Williams (JW), Rich, Pettus, Ledbetter, Whorton (R), Sanderford, Farley, Butler, Hill (M), Fridy, Weaver, Johnson (K), Nordgren, South, McMillan, Standridge, Beech, Hill (J), Wadsworth, Johnson (R), Hurst, Hanes, Collins, Rowe, Henry, Ball and Ingram

RFD: State Government

First Read: 09-FEB-16
ENROLLED, An Act,

Relating to prohibited practices relating to employer and employee relationships; to prohibit local governmental entities from requiring minimum leave, wages, or other benefits for employees, classes of employees, or independent contractors of employers; and to provide for the Alabama Uniform Minimum Wage and Right-to-Work Act to retain the exclusive authority of the state through the Legislature to regulate collective bargaining under federal labor laws, and wages, leave, and benefits provided by an employer to employees, classes of employees, and independent contractors.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) This act shall be known and cited as the Alabama Uniform Minimum Wage and Right-to-Work Act.

Section 2. (a) For purposes of this act, the following words have the following meanings:

(1) DISCRIMINATION. An action by an employer or a distinction by an employer that adversely affects an employee or job applicant based on a group, class, or category to which that person belongs.

(2) EMPLOYEE. An individual employed in this state by an employer or a natural person who performs services for an employer for valuable consideration and does not include a self-employed independent contractor.
(3) EMPLOYER. A person engaging in any activity, enterprise, or business in this state employing one or more employees, or a person, association, or legal or commercial entity receiving services from an employee or independent contractor and, in return, giving compensation of any kind to such employee or independent contractor.


(5) INDEPENDENT CONTRACTOR. A self-employed individual who does not meet the definition of employee, as provided in this act, but otherwise does meet the definition of independent contractor as defined by the Internal Revenue Service.

(6) LABOR PEACE AGREEMENT. An arrangement between a union and employer under which one or both entities agree to waive certain rights under federal law with regard to union organizing and related activity.

(7) MULTI-EMPLOYER ASSOCIATION. A bargaining unit composed of independent employers who associate together to negotiate jointly with one or more labor organizations.
representing the employees of the independent employers within
the bargaining unit.

(8) PROJECT LABOR AGREEMENT. A collective bargaining
agreement with one or more labor unions that establishes the
terms and conditions of employment for a specific construction
project before employees are hired to work on such project.

(9) STATE. The State of Alabama and its agencies,
departments, commissions, bureaus, and offices including, but
not limited to, the Legislature.

(b) A county, municipality, or any other political
subdivision of this state shall not enact or administer any
ordinance, policy, rule, or other mandate requiring an
employer to provide any employee, class of employees, or
independent contractor with any employment benefit, including,
but not limited to, paid or unpaid leave, vacation, wage, or
work schedule, that is not required by state or federal law,
and shall not require an employer to compensate an employee,
class of employees, or independent contractor for any vacation
or other form of leave for which state or federal law does not
require the employee, class of employees, or independent
contractor to be compensated.

(c) Any ordinance, policy, rule, or other mandate of
a county, municipality, or any other political subdivision of
this state that is inconsistent with this section is void.
Section 3. (a) A county, municipality, or any other political subdivision of this state shall not enact or administer any ordinance, rule, policy, or other mandate that creates requirements, regulations, or processes relating to labor peace agreements or similar agreements. Any ordinance, policy, rule, or other mandate of a county, municipality, or any other political subdivision of this state that is inconsistent with this section is void.

(b)(1) No law, rule, or ordinance shall impose any contractual, zoning, permitting, licensing, or other condition that requires any employer or employee to waive his or her rights under the National Labor Relations Act, compiled in 29 U.S.C.S. § 151 et seq.

(2) No law, rule, regulation, or ordinance shall require, in whole or in part, any employer or multi-employer association to accept or otherwise agree to any provisions that are mandatory or non-mandatory subjects of collective bargaining under federal labor laws, including, but not limited to, any limitations on an employer or multi-employer association's rights to engage in collective bargaining with a labor organization, to lock out employees, or to operate during a work stoppage; provided, this subsection shall not invalidate or otherwise restrict the state from requiring the use of project labor agreements to the extent permissible under federal labor laws.
(3) This subsection shall be interpreted and enforced in a manner that is consistent with the National Labor Relations Act, compiled in 29 U.S.C.S. § 151 et seq.

(4) Any agreement, contract, understanding, or practice, written or oral, implied or expressed, between any employer and any labor organization containing requirements in violation of this subsection is declared to be unlawful, null and void, and of no legal effect.

(5) An employer or employee may seek injunctive relief in the Circuit Court of Montgomery County for violations of the provisions of this section.

(c)(1) The state shall retain the exclusive authority to require an employer or multi-employer association to enter into a project labor agreement.

(2) This subsection does not prohibit an employer or any other person covered by the National Labor Relations Act, compiled in 29 U.S.C.S., Section 151, from entering into project labor agreements or engaging in any other activity protected by law. This subsection may not be interpreted to interfere with the labor relations of persons covered by the National Labor Relations Act.

(3) Relief that would interfere with the labor relations of persons covered by the National Labor Relations Act may not be granted under the provisions of this subsection.
Section 4. Notwithstanding any provision of this act to the contrary, nothing in this act shall apply to those state employers or employees in state service as defined in Section 36-26-2, Code of Alabama 1975, or to public employers and employees of state or local educational institutions or systems, or to any ordinance, rule, policy, or other mandate enacted by a county, municipality, or political subdivision of this state relating specifically to public employees or a class or employees employed by or independent contractors hired by the county, municipality, or any other political subdivision.

Section 5. If a court determines that any portion of this act cannot be applied to a particular county, municipality, or other political subdivision of this state, this act shall remain in full force and effect for every other county, municipality, and other political subdivision of this state.

Section 6. (a) The purpose of this section is to establish within the Legislature complete control over regulation and policy pertaining to collective bargaining under federal labor laws or the wages, leave, or other employment benefits provided by an employer to an employee, class of employees, or independent contractor in order to ensure that such regulation and policy is applied uniformly throughout the state.
(b) Except as otherwise provided in this act or as expressly authorized by a statute of this state, the Legislature hereby occupies and preempts the entire field of regulation in this state touching in any way upon collective bargaining under federal labor laws or the wages, leave, or other employment benefits provided by an employer to an employee, class of employees, or independent contractor to the complete exclusion of any policy, ordinance, rule, or other mandate promulgated or enforced by any county, municipality, or other political subdivision of this state.

(c) The authority of a county, municipality, or other political subdivision of this state to regulate collective bargaining under federal labor laws or the wages, leave, or other benefits provided by an employer to an employee, class of employees, or independent contractor shall not be inferred from its proprietary authority, home rule status, or any other inherent or general power.

(d) Any existing policies, ordinances, rules, or other mandates promulgated or enforced contrary to the terms of this section are null and void, and any future policy, ordinance, rule, or other mandate shall comply with this section.

Section 7. The provisions of this act are severable.

If any part of this act is declared invalid or
unconstitutional, that declaration shall not affect the part which remains.

Section 8. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.
HB174

Speaker of the House of Representatives

President and Presiding Officer of the Senate

Jeff Woodard
Clerk

House of Representatives
I hereby certify that the within Act originated in
and was passed by the House 16-FEB-16.

Jeff Woodard
Clerk

Senate 25-FEB-16 Passed

GOVERNOR

Robert Bentley

APPROVED

TIME 3:48 pm 7eb25/12016

Robert Bentley

Alabama Secretary Of State
Act Num....: 2015-18
Bill Num....: H-174
Recvd 02/25/16 03:54pmSLF
D. EXECUTIVE PROCLAMATIONS

1. Small Business Saturday Proclamation
2. Apprenticeship Week Proclamation
D.1. SMALL BUSINESS SATURDAY PROCLAMATION
Proclamation
By the Governor of Alabama

WHEREAS, the State of Alabama believes that small businesses are the backbone of our economy and the glue that holds communities together; and

WHEREAS, according to the United States Small Business Administration, as of last year there are currently 28 million small businesses in the United States and 65 percent of net new jobs over the past two decades were created by small businesses; and

WHEREAS, 99 percent of U.S. consumers agree that it is important to support the small businesses they value in their communities, and 90 percent are willing to pledge their support for a "Buy Local" small business initiative like Small Business Saturday according to the United States Small Business Administration; and

WHEREAS, Alabama supports our local small businesses that create jobs, boost our local economy and preserve our neighborhoods; and

WHEREAS, advocacy groups, public organizations and private organizations across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday; and

WHEREAS, residents of our community, and communities across the country, are asked to support small businesses and merchants on Small Business Saturday and throughout the year.

NOW, THEREFORE, I, Robert Bentley, Governor of Alabama, do hereby proclaim November 26, 2016, as

Small Business Saturday

in the State of Alabama.

Given Under My Hand and the Great Seal of the Office of the Governor at the State Capitol in the City of Montgomery on the 21st day of November 2016.

Robert Bentley, Governor
D.2.  APPRENTICESHIP WEEK PROCLAMATION
Proclamation
By the Governor of Alabama

WHEREAS, Apprenticeship Alabama is established under the Alabama Department of Commerce, Workforce Development Division; and

WHEREAS, the mission of Apprenticeship Alabama is to provide the leadership and infrastructure to ensure the advancement and expansion of Registered Apprenticeships by assisting employers with access to the tools and human capital needed to advance workforce and economic development; and

WHEREAS, it is the goal of Apprenticeship Alabama, working in coordination with the USDOL Office of Apprenticeship, to increase career opportunities for Alabama citizens by supporting apprentices training in high-growth jobs which require hands-on experience and classroom instruction in the field; and

WHEREAS, Apprenticeship Alabama will focus efforts to serve the business sectors of Advanced Manufacturing, Construction, Healthcare, Information Technology and Logistics and Transportation; and

WHEREAS, Reinforcing apprenticeship programs will help Alabama increase its talent pool of 3,993 apprentices to more than 6,000 apprentices, as a result increasing registered programs currently at 400 companies to more than 600 companies by 2021:

NOW, THEREFORE, I, Robert Bentley, Governor of Alabama, do hereby proclaim November 14 through November 20, 2016, as

Apprenticeship Week

in the State of Alabama.

Given Under My Hand and the Great Seal of the Office of the Governor at the State Capitol in the City of Montgomery on the 7th day of December 2016.

Robert Bentley, Governor
E. VETERAN-OWNED BUSINESS DECAL
F. ATLAS ALABAMA PRESENTATION – ALABAMA DEPARTMENT OF REVENUE
Today is Monday, August 29, 2016

Important Notices!

***** File your Individual Income Tax Return for FREE! See how at the Free Filing Startup page! *****

Where's My Refund?
My Alabama Taxes
Visit MAT to check your refund status or businesses can register for new tax accounts, file & pay business-related taxes. You can also check your refund status by calling 1.888.894.7291.

Announcements

Pharmaceutical Providers Tax Rate Decreased!: Effective June 17, 2016, the Pharmaceutical Providers Tax which is currently imposed at the rate of 25 cents for each prescription filled or refilled for a citizen of Alabama has been decreased to the rate of 10 cents per each prescription filled or refilled for a citizen of Alabama. Click here to read the entire notice.

ADOR Launches New Website for Tax Amnesty Program: The Alabama Tax Delinquency Amnesty Act of 2016 was created by Act 2015-555. Visit the 2016 Tax Amnesty Program website. The amnesty program will run from June 30 through August 30. Please read the notice here.
Atlas Alabama is a website for entrepreneurs and small business owners, which provides a consolidated access point for basic information on doing business in Alabama, including details on licenses, taxes, loans, funding sources and insurance.

In addition, Atlas Alabama features a comprehensive list of national, state and local resources that can also assist small business owners.

ATLAS ALABAMA HOME PAGE

Learn:
- Basics
- Events
- Insurance
- Licenses & Taxes
- Terms & Tips

Find Resources:
- Resources by County
- Healthcare
- Financing
- National Agencies
- Safety & Health
- Utilities

Search Directories
- County
- Municipality
- State Agency

Provides Quick Access to Key Resources
You've made the huge decision to start a business. As you probably know, most efforts to start a business end in failure. Fortunately, there are things you can do to guard against wasting time and money and improve your odds. Here are a few things to consider while starting your business.

- **Starting your business**
  - **Developing your business plan**
    
    Developing a business plan doesn’t have to be hard. In its simplest form, a business plan is a guide for your business that outlines goals and details how you plan to achieve those goals. We have provided steps to writing a business plan and a detailed business plan outline. For more information visit our business plan info page.

- **Choosing your business structure**

- **Choosing and registering a business name**

- **Startup costs**
TERMS & TIPS

To start or expand your small business, it is important to understand different types of business entities and to have an effective business plan. Check out some helpful terms and tips for determining business entities and writing business plans here.

Business Check List
Steps to Writing a Business Plan
Detailed Business Plan Outline
Business Entities

Business Entities

Different business structures boast various advantages and disadvantages. Refer to the components listed below.

- **C Corporation**
  An **C** corporation is an independent legal entity owned by shareholders. This means that the corporation itself, not the shareholders that own it, is held legally liable for the actions and debts the business incurs. Corporations are more complex than other business structures because they tend to have costly administrative fees and complex tax and legal requirements. Because of these issues, corporations are generally suggested for established, larger companies with multiple employees. When you form a corporation, you create a separate tax-paying entity. Regular corporations are called "C corporations" because Subchapter C of Chapter 1 of the Internal Revenue Code is where you find general tax rules affecting corporations and their shareholders. Unlike sole proprietors and partnerships, corporations pay income tax on their profits. In some cases, corporations are taxed twice—first when the company makes a profit, and again when dividends are paid to shareholders on their personal tax returns. **Advantages:** Limited Liability, Ability to generate capital, Corporate Tax Treatment, Attractive to potential employees. **Disadvantages:** Time and Money, Double Taxing, Additional Paperwork.

- **S Corporation**

https://www.atlasalabama.gov/info/terms-and-templates/
Unemployment Compensation Fund

The Alabama Unemployment Compensation law provides that, except for certain non-profit organizations and government entities, an employer becomes subject for taxes when any one of the following conditions are met:

1. Non-Farm Business Employers – When the employer has had in employment one or more workers on some day in 20 or more different weeks, whether or not consecutive, during the current or preceding calendar year. Has paid wages of $1,500 or more in any calendar quarter during the current or preceding calendar year.

2. Household Domestic Employers – Domestic employers become subject when the employer pays domestic workers in a private household, college club, fraternity or sorority house a total of $1,000 or more in cash wages in any calendar quarter during the current or preceding calendar year.

3. Agricultural Employers – When the employer has had in employment 10 or more agricultural workers on the same day in 20 or more different weeks during the current or preceding calendar year or has paid a total of $20,000 in cash wages to agricultural workers during any calendar quarter of the current or preceding calendar year.

For more information please visit the Alabama Department of Labor’s website.

Workers compensation insurance
## County Directory
- For All Businesses
- For Specific Industries
- Other State Agency Resources

## Municipal Directory
- ADECA
- Department of Commerce
- Department of Labor
- Department of Revenue
- Secretary of State

## State Agency Directory
- ABC Board
- ADEM
- ACHP
- AG
- ALDOT
- Electrical Contractors Board
- Forestry Commission
- HVAC Board

Below are a selection of forms for state taxing purposes that are applicable to small business owners in the state of Alabama. Please also refer to the forms tab on the Alabama Revenue Department website and the forms section of the IRS website for additional forms that may be needed:

- A-1: Employer's Quarterly Return of Income Tax Withheld
- A-3: Reconciliation of State Income Tax Withheld
- A-4: Employee's Withholding Exemption Certificate
- Combined Registration Application
- Consumer Use Tax Return for State of Alabama
- Declaration of a Lawful Presence
- SS-4: Employee Identification Number
- Rental Tax Return for State of Alabama
- Seller Use Tax Return for State of Alabama

+ ABC Board
+ Alabama Department of Environmental Management
+ Alabama Department of Public Health
+ Alabama Department of Agriculture & Industries
ATLAS ALABAMA HOME PAGE – STATE AGENCIES

WORKING FOR YOU

Help us build the Atlas Business Wizard!

Tell Us Here

Complying with Act 2015-361
Obtain important information regarding posting municipality ordinances in accordance with Act 2015-361. Read more

State Agencies & Departments
Access information about business compliance, online services, and small business resources available through state departments, commissions, and boards. Read more

Terms & Tips
Learn about business terminology and access helpful business tips, including determining the structure of your small business and writing a business plan. Read more
STATE AGENCIES & DEPARTMENTS

The following state agencies provide entrepreneurs and small business owners with the resources required to start a business and to maintain compliance with licensing, taxes and other regulations. Working with many of these agencies is mandatory regardless of the type of business, but others are specific to various industries. See below to determine the needs for your individual business.

FOR ALL BUSINESSES

ADECA
Economic & Community Affairs
Administers state and federal programs benefiting local

Dept. of Commerce
Office of Small Business Advocacy
The OSBA mission is to aid, counsel, assist, and protect the interest of

Dept. of Labor
eGov Business Portal
Administers state unemployment and workers' compensation, job match

Dept. of Revenue
ONE SPOT Tax Portal
The mission of DOR is to efficiently and effectively administer the
RESOURCES – LOCAL RESOURCES

RESOURCES BY COUNTY

Locate your county below to access a PDF with local resource contact information for the County website, Small Business Development Center, Taxpayer Service Center, Business License office(s), and Chamber(s) of Commerce in your area.

- Counties A-B
- Counties C
- Counties D-G
- Counties H-L
  - Hale
  - Henry
  - Houston
  - Jackson
  - Jefferson
  - Lamar
  - Lauderdale
  - Lawrence
  - Lee
  - Limestone
  - Lowndes
- Counties M-P
- Counties R-W
RESOURCES – LOCAL RESOURCES

MUNICIPALITY DIRECTORY

Below is a list of all the localities (cities, towns, and unincorporated areas) in Alabama. You can search for a specific locality directly, or use the A-Z index. Localities can be filtered by county, population, or median household income. The results can be sorted alphabetically, by county, by population, or by median household income. The top 20 most populous localities and counties directly link to their informational pages. All other counties listed link to a downloadable resource PDF. There are some localities and counties that are still being added, so check back periodically for updated information.

<table>
<thead>
<tr>
<th>Name</th>
<th>County</th>
<th>Population</th>
<th>Median Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbeville</td>
<td>Henry</td>
<td>2,624</td>
<td>$26,252</td>
</tr>
<tr>
<td>Adamsville</td>
<td>Jefferson</td>
<td>4,435</td>
<td>$45,071</td>
</tr>
<tr>
<td>Addison</td>
<td>Winston</td>
<td>749</td>
<td>$37,563</td>
</tr>
</tbody>
</table>
Welcome to Lee County

Lee County is home to Auburn University and more than 154,000 residents. Lee County boasts a high quality of life and excellent amenities including an outstanding educational system with highly regarded public and private schools and a nationally recognized university. Leisure activities include golf with a stay on the Robert Trent Jones Golf Trail and local communities with historic downtown areas.

Census Data
- Population in 2014: 154,255
- Housing units in 2014: 65,566
- Median household income 2010-14: $43,641
- Land area in square miles in 2010: 628
- Total number of firms in 2007: 10,379

Core Services

Business Licenses
Access a comprehensive guide to obtaining and maintaining your Lee County business license, find answers to questions regarding sales tax collection, and gather information on city and state business licensing.

Economic Development
Access information on Lee County and all it has to offer — a new or expanding business.

Revenue Commissioner
Obtain information on paying property taxes and other revenue business.

Contact Us
Find location, map, address, phone number and a comprehensive departmental directory here.
Federal grants could help Alabama recover from coal losses

By Kelly Poe, al com Alabama coal miners have recently faced mine closures, job losses and benefit reductions, and two recently awarded federal grants aim to ease some of the problems the industry decline has caused. The federal government's Appalachian Regional Commission has awarded two groups in Alabama grants to help the industry figure out what's next. Southern Research in Birmingham received a $60,202 grant to

Small Business Forum Web Conference

Does your organization or association work closely with small business owners? If so, please join us September 14 at 10 a.m. as we exchange ideas, gather information, and create new partnerships within the small business community. Our Virtual Small Business Forum is free and open to those with an interest in small business or self-employment. This forum will provide your organization with helpful resources to.

Email news articles to: info@atlasalabama.gov
What other capabilities will Atlas Alabama have in the future?

- Additional State Agency portals and landing pages
- Fillable forms for all Alabama business categories/types
- Step-by-step guide for mandatory state and local business requirements
- Searchable industry directory with regulatory board information
- Enhanced small business news blog