



The voice of Alabama's municipalities since 1935

Disclaimer



- This presentation is not intended to provide:
 - ❑ A comprehensive description of the legislative process;
 - ❑ Advice on Alabama's Ethics Laws;
 - ❑ Information on lobbying; or,
 - ❑ Legal Advice.

- For more information about the legislation mentioned in this presentation, please speak with your municipal attorney.



2026 Legislative Update

- 2026 Legislative Session
- League Supported Legislation that Passed
- League Opposed Legislation that Failed to Pass
- Sales Tax Exemptions
- Taxation and Business License Legislation
- Bills of Interest
- 2027 Legislative Session
- Upcoming Reporting Requirements
- Advocacy



2026 Legislative Session

- January 13th
- 105 Calendar Days
- Used 30 of 30 Legislative Days
- Adjourned April 9th
- Senate Bills Filed 380
- House Bills Filed 666



League Supported Legislation that Passed



SB-42 by Sen. Wes Kitchens (Act 2026-579)



League Legislation

- Requires that in any municipal election, including an election with only two candidates on the ballot, where no candidate receives a majority of all the votes cast in the election, the municipal governing body shall order a second or runoff election between the two candidates having received the most and second-most votes.
- Rep. Jeana Ross carried the bill in the House.
- Effective June 1, 2026

HB-17 by Rep. Bill Lamb (Act 2026-509)



- Increases the annual expenditure threshold amounts that trigger municipal audits.
 - This bill raises the annual expenditure requirement for a municipality to submit an annual audit from \$300,000 to \$500,000.
 - Additionally, this bill raises the annual expenditure requirement for a municipality to submit a biennial audit to annual expenditures of less than \$500,000 but greater than \$300,000.
 - Finally, this bill raises the threshold for submitting an annual report in lieu of under \$100,000 to under \$300,000.
- Sen. Will Barfoot carried the bill in the Senate.

HB-98 by Rep. Allen Treadaway (Act 2026-381)



- Establishes a state-funded program to pay tuition and associated expenses on behalf of the children and spouses of long-term city, county, and state law enforcement officers.
- Further the bill establishes eligibility requirements including that a law enforcement officer has to have been employed full time for at least 15 years and not separated for more than 10 years. The separation cannot be because of a termination based on a disciplinary action.
- Additionally, recipients are eligible for up to \$2,500 per academic period with those qualifying for discounted tuition and mandatory fees eligible for up to \$1,500 per academic period.
- Sen. Will Barfoot carried the bill in the Senate.

**League Opposed
Legislation that Failed to
Pass**



Law Enforcement



- **HB-36 by Rep. Reed Ingram**
 - Would authorize the Attorney General and Governor to appoint an interim police chief of certain municipal police departments. This bill would also provide procedures and requirements for a municipality with an interim police chief.

- **SB-298 by Sen. Will Barfoot**
 - Would require Class 3 municipalities to have a minimum ratio of full-time law enforcement officers for every 1,000 residents of the municipality. Additionally, this bill would include certain compliance requirements.

Property Taxes



- **HB-167 by Rep. Jamie Kiel**
 - Would change the cap on increases in the assessed value of real property. The cap on increases would be limited to no more than CPI value.

SSUT



- HB-480 by Rep. Chris England
 - Would require each county and municipality to distribute a portion of SSUT proceeds to the local boards of education serving students in the respective jurisdictions.

Limiting Taxing Authority



- HB-561 by Rep. Jim Carns and SB-148 by Sen. Gerald Allen
 - Would provide that a municipality may only levy a new tax or license fee or increase the rate of a tax or license fee, by ordinance. This bill would provide that the ordinance may not be considered for adoption until after a public hearing and would require at least 30 days' notice before a public hearing. This bill would also provide the requirements for a notice.
- SB-36 by Sen. Greg Albritton
 - Would require any sales and use taxes collected by an Alabama municipality from the purchase of tangible personal property by an Alabama resident from a different jurisdiction to be refunded to the taxpayer upon proper proof of payment and residency.

Limiting Taxing Authority



- SB-37 by Sen. Greg Albritton
 - Would exempt sales of tangible personal property to an Alabama resident who does not reside within the municipality from municipal sales and use taxes.

- SB-150 by Sen. Greg Albritton
 - Would require that the portion of the court docket fee retained by the municipal court be deposited into the State General Fund instead.

Reporting Requirements



- SB-105 by Sen. Keith Kelley
 - Would mandate that all county commissions and municipal governing bodies in Alabama must publish their financial statements, audits, monthly expenditures, and budgets online annually.
 - This information must be made available for the 12-month period ending on the last day of the fiscal year as determined by the respective county or municipality.
 - If a county or municipality does not have an official website, the required information must be posted on the website of the Association of County Commissions of Alabama or the Alabama League of Municipalities.



Sales Tax Exemptions

Sales Tax Exemption Summary



- 27 bills were filed that created sales tax exemptions.
- Throughout the session, the League works to ensure that opt-in language is included in these bills so that it is the decision of the local government on whether it wants to apply that exemption to local sales tax.
- We expect this trend to continue in future sessions.

SB-221 by Sen. Arthur Orr (Act 2026-587)



- Excludes the amount of any credit card transaction fee charged for an electronic payment transaction from the amount on which basis sales and use tax is assessed for that electronic payment transaction.
- Effective September 1, 2026.

SB-190 by Sen. Jabo Waggoner (Act 2026-576)



- Exempts Precision Ocular from paying state sales and use taxes.
- The exemption has a sunset from October 1, 2026, through September 30, 2031.
- Includes local opt-in language.

HB-388 by Rep. David Faulkner (Act 2026-510)



- Exempts 10 different community foundations from paying state sales and use taxes.
- The exemption has a sunset from September 1, 2026, through August 31, 2031.
- Includes local opt-in language.

Taxation and Business License Legislation



SB-32 by Sen. Wes Kitchens (Act 2026-506)



- As originally filed, this bill would exempt households whose sole source of income is veterans' benefits from paying solid waste collection fees.
- The League worked with the sponsor so that the final version would apply to those who make less than the federal poverty level.
- However, local governments can opt-in to provide this benefit to anyone whose sole source of income is veterans' benefits and makes over the federal poverty level.

SB-304 by Sen. Greg Albritton (Act 2026-437)



- Restricts municipal business licenses for certain businesses.
- For those businesses, the amount of the business license shall be a flat fee or be calculated on the basis of the gross receipts derived from the work performed within the municipality.
- Effective January 1, 2027
- Those businesses include:
 1. certified heating and air conditioning contractors;
 2. certified refrigeration contractors;
 3. concrete providers;
 4. electrical contractors;
 5. duct air tightness testing contractors;
 6. general contractors;
 7. journeyman electricians;
 8. master gas fitters;
 9. master plumbers;
 10. residential home builders;
 11. onsite wastewater licensees; and,
 12. subcontractors.

SB-304 Continued (Act 2026-437)



- Additionally, a municipality may impose a business license on any business listed that maintains a physical business location in that municipality and performs work within that municipality.
- The amount of the business license shall be one of the following:
 - i. A flat fee not to exceed five hundred dollars (\$500).
 - ii. A flat fee not to exceed five hundred dollars (\$500) plus, a fee calculated on the basis of the gross receipts derived from the work performed by the business within the municipality.
 - iii. A fee calculated on the basis of the gross receipts derived from the work performed by the business within the municipality.
- Also, a municipality may not require any of the businesses listed to obtain a municipal business license for work on a project on behalf of a county government when that project is located on county property or on a county-maintained road, bridge, right-of-way, or easement.

Bills of Interest





SB-313 by Sen. Bobby Singleton HB-452 by Rep. Chris Pringle

League Legislation

- Extends the Historic Tax Credit Program for 5 years (2028-2032).
- Rural projects are evaluated and ranked sperate from urban projects.
- Of the annual \$20 Million, 60% are earmarked for urban projects, with 40% for rural projects.
- Urban projects can receive up to 25% in historic tax credits based on the total cost of the project. Rural projects can receive up to 30%.
- HB-452 did not make it out of a Senate committee.



SB-347 by Sen. Greg Albritton

- Would change the methodology for distribution of the county and municipal share of the Simplified Sellers Use Tax (SSUT) to be based on population projections from the U.S. Census Bureau Population and Housing Estimates Program updated every five years.
- Current law recalculates the population every 10 years and is based on the most recent federal census.
- SB-347 did not make it out of a Senate committee.

HB-545 by Rep. Norman Crow (Act 2026-548)



- Authorizes the rounding of the total amount of any in-person cash transaction to the nearest five cents.
- The rounding provision shall not apply to any transaction where payment is made to a governmental entity.
- Effective immediately.

SB-197 by Sen. Dan Roberts (Act 2026-398)



- Requires food trucks and other mobile food vendors to have one health inspection and fire inspection to apply statewide after January 1st, 2027.
- Additionally, the bill clarifies that this bill does not prohibit the governing body of a county or municipality or political subdivision thereof from requiring a mobile food unit, as a condition of operating in that jurisdiction, to comply with any ordinance or regulation, including requiring a business license.
- Further, the bill clarifies that this bill does not prevent a health officer or fire safety officer from inspecting a mobile food unit and taking other appropriate measures if he or she reasonably believes there is an immediate risk to public health or safety.
- Effective July 1, 2026.



2027 Legislative Session

2027 Legislative Session



- The 2027 Regular Session will begin on Tuesday, February 2.
- With this being an election year, we know there will be new legislators.
- The legislature will be meeting in the newly built state house.
- Major subjects we are expecting:
 - Budgets
 - Property Tax Caps
 - Historic Tax Credits
 - Grocery Tax



Upcoming Reporting Requirements



Upcoming Reporting Requirements

- Sales and Use Tax Exemption Report
 - Due July 1
 - Required for any municipality seeking to enact a sales and use tax exemption or repeal a sales and use tax exemption
 - Agency: Alabama Department of Revenue

Other Reporting Requirements



- **Monthly Municipal Court Fees and Fines Report**
 - Due monthly
 - Required for municipalities with a municipal court
 - Agency: Alabama Finance Department – Comptroller’s Office

- **Rebuild Alabama Act Publishing Report**
 - Due the tenth day of the month preceding the bid opening and immediately after the completion of the project
 - Required for any municipality using Rebuild Alabama Act funds
 - Agency: Alabama League of Municipalities

Other Reporting Requirements



- **Municipal Audit**
 - Due within 60 days of completion
 - Required for all municipalities
 - Agency: Alabama Department of Examiners of Public Account



Advocacy

Make sure that you are signed up for the
State House Advocate



STATE HOUSE ADVOCATE

.....x
This Week in League Advocacy

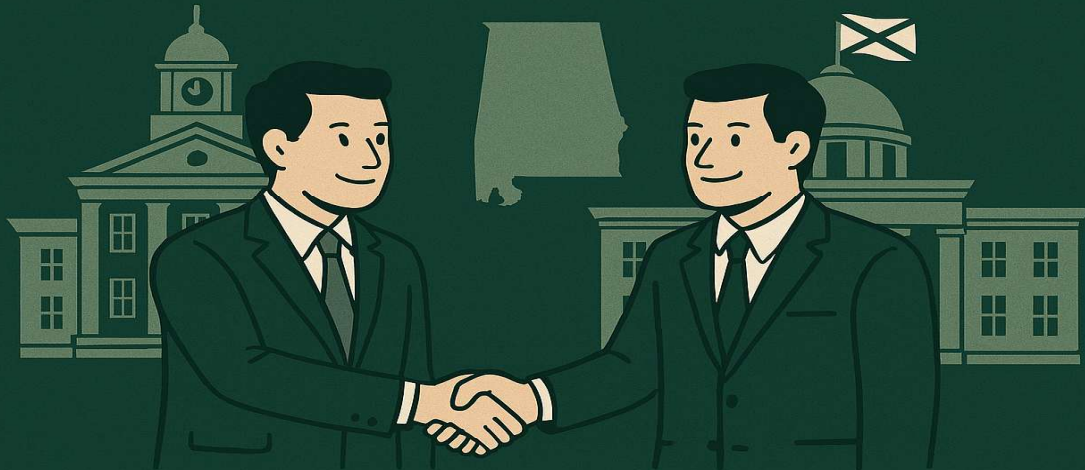


The State House Advocate is a service of the Alabama League of Municipalities.

Email Kirstyn Blanton if you would like to be added
to our email list at kblanton@almonline.org.



PARTNERSHIP NOT PREEMPTION



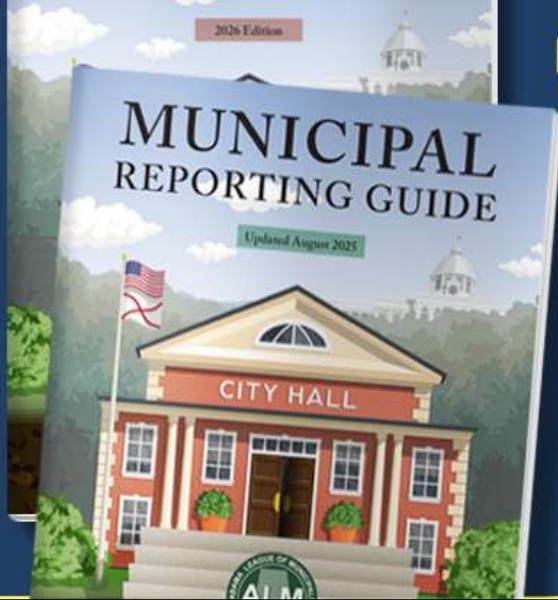
MUNICIPAL AND STATE GOVERNMENTS

MUNICIPAL RESOURCES GUIDE

2026 Edition

MUNICIPAL REPORTING GUIDE

Updated August 2025



The Municipal Resources Guide and Municipal Reporting Guide have been updated for 2026

These living documents have been updated for FY2026, providing crucial contact information and deadlines for available state resources and required state and federal reporting.

WORK LOCALLY

SHOP LOCALLY

PLAY LOCALLY

SERVE LOCALLY

LIVE LOCALLY
ALABAMA

**Encourage civic
engagement, locally!**



Visit almonline.org/LiveLocallyAlabama
or scan the QR code for more information



The League Advocacy Team



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The voice of Alabama's municipalities since 1935

Effective Legislative Advocacy

Actionable Insights & Best Practices

2026 Session at a Glance

1,046

Total Bills Filed

Record high — last 5 sessions

666

House Bills

64% of all bills filed

380

Senate Bills

36% of all bills filed

402

Bills Passed

38% passage rate

246

House Bills Passed

37% of House bills

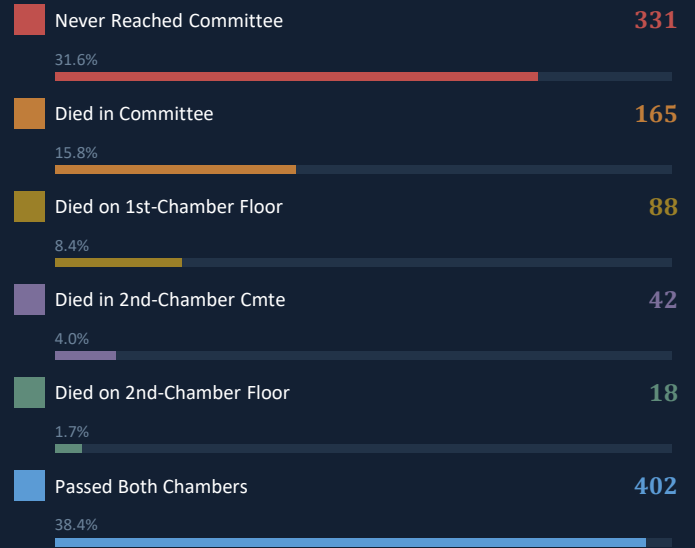
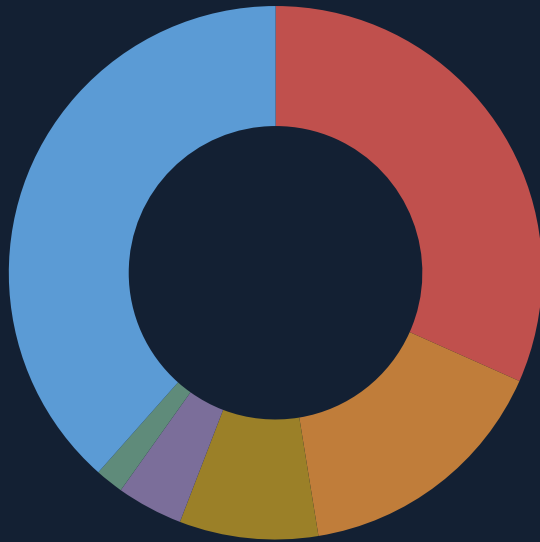
156

Senate Bills Passed

41% of Senate bills

Where Did Every Bill End?

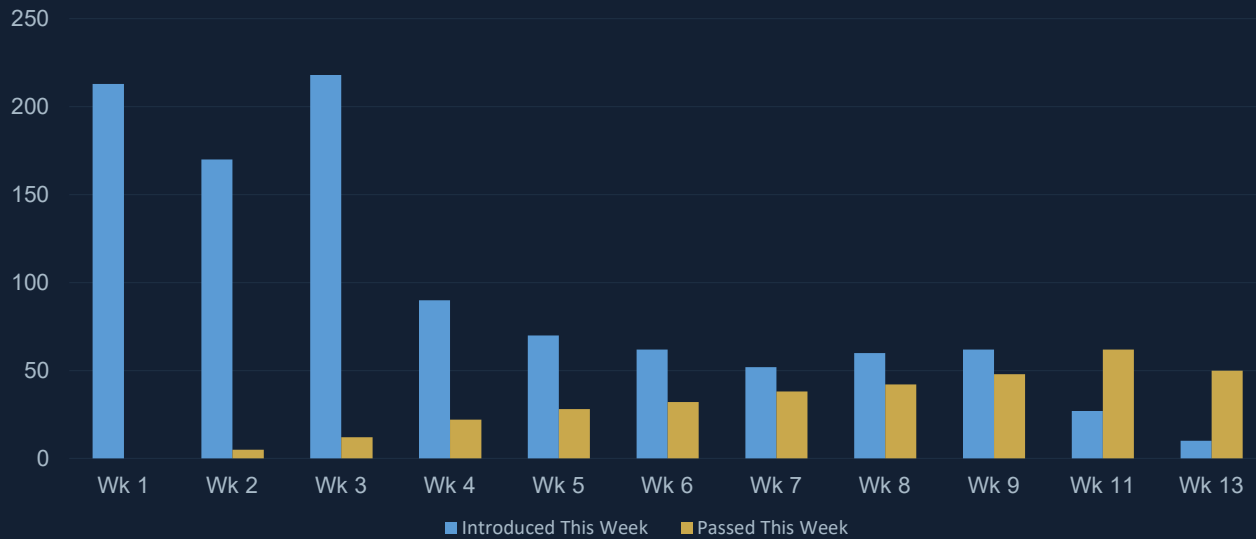
Only 38% of bills filed in 2026 became law — the rest died at various stages



WEEKLY ACTIVITY

New Bills Introduced vs. Bills Passed Each Week

Introduction is front-loaded; passage is concentrated near the end of session



Before the Gavel Falls: Best Practices

Pre-Session Action Items

OCT – DEC

- Host a pre-session event with your delegation to discuss priorities and develop a shared strategy
- Draft bill language and adopt governing body resolutions
- Complete all required legal publication and notice requirements before session begins
- Confirm your legislative sponsor in both chambers and brief them on bill intent, talking points, and any anticipated opposition

The Legislative Funnel

Bills Filed 1046 (100%)

Reached Committee 715 (68%)

Passed 1st-Chamber Committee 550 (53%)

Passed 1st-Chamber Floor 462 (44%)

Passed 2nd-Chamber Committee 420 (40%)

Passed Both Chambers 402 (38%)

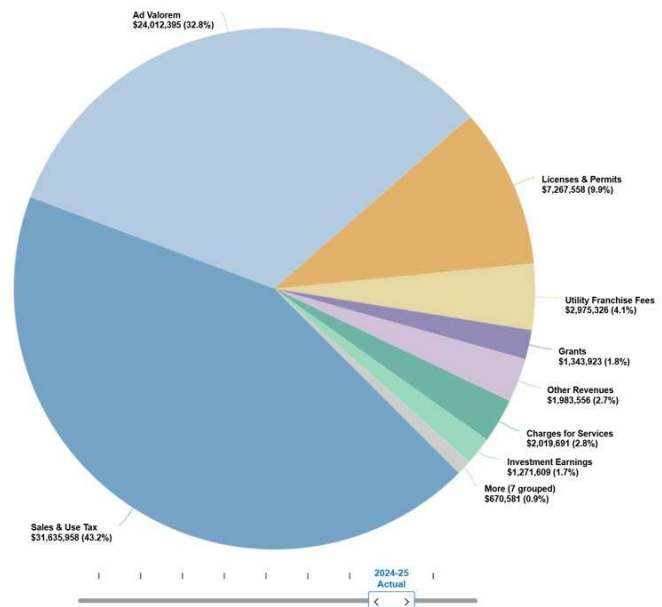


Measuring and Communicating Economic Growth in Your Community

Jeff Downes, City Manager, City of Vestavia Hills
ACCMA Summer Conference
May 29, 2026

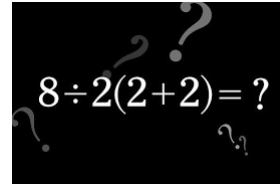
How Do You Define Economic Growth ?

- **Largest Sources of Revenue**
- Variables that Impact the Largest Revenue Sources
- Visits – Visitors - Taxes
- Strategies to Impact the Metrics



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Vestavia Hills
Market Pulse Monthly Report
April 2026



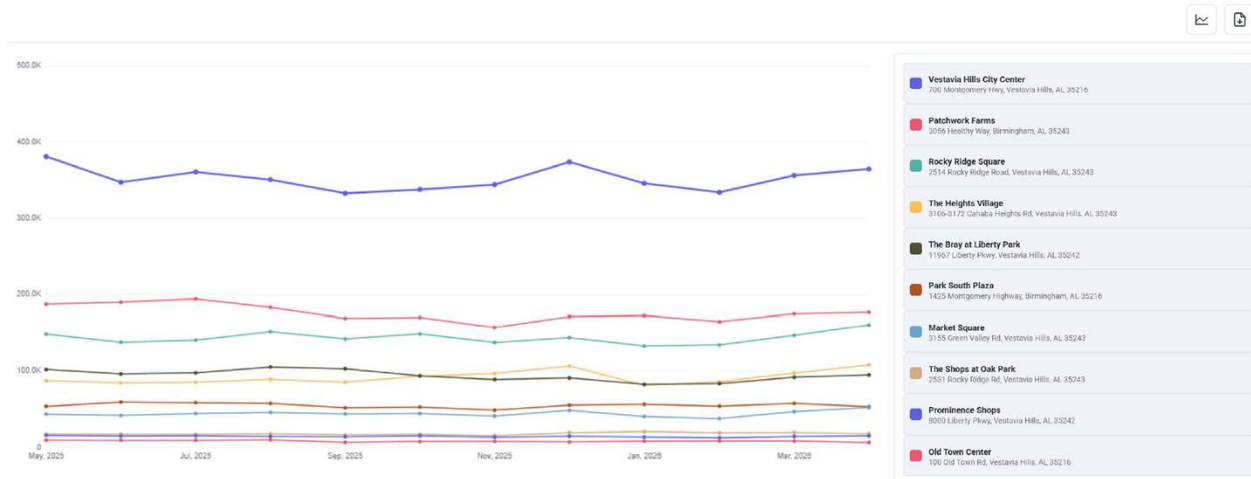
Selected Locations Visits Trend - Last 12 Months

Visitation of selected locations for May 2025 - Apr 2026 and comparison to prior years

Name 1	Address	YoY%	Yo2Y%	Yo3Y%
Altadena Valley Park	2501 Lakeland Trail, Vestavia Hills, AL 35243	34.0%	115.7%	168.1%
Byrd Park	Tyson Drive, Vestavia Hills, AL 35216	12.1%	-1.3%	10.5%
Cahaba Heights Park	4403 Dolly Ridge Rd, Vestavia Hills, AL 35243	7.0%	-5.0%	22.8%
Liberty Park Sports Complex	4700 Sicard Hollow Rd, Vestavia Hills, AL 35242	-9.5%	-9.7%	6.2%
McCallum Park	3332 Rosemary Ln, Vestavia Hills, AL 35216	3.7%	18.3%	19.2%
Meadowlawn Park	Dolly Ridge Road, Vestavia Hills, AL 35243	-4.5%	-7.0%	13.9%
Sicard Hollow Athletic Complex	4851 Sicard Hollow Rd, Vestavia Hills, AL 35242	-5.2%	-12.5%	-12.4%
Wald Park	1973 Merryvale Rd, Vestavia Hills, AL 35216	1.3%	19.6%	35.6%

Benchmark Visits Trends

Visitation trend of selected locations for last 12 months (May 2025 - Apr 2026)

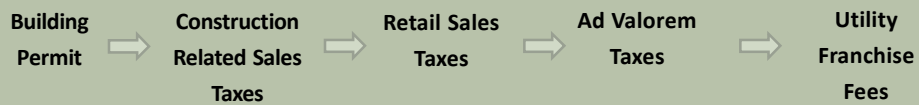


How Do You Define Economic Growth ?

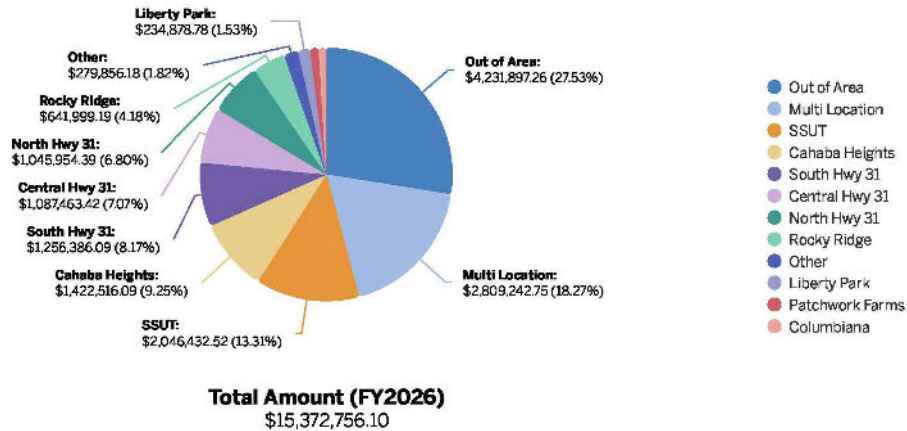
- Largest Sources of Revenue
- Variables that Impact the Largest Revenue Sources
- Visits – Visitors - Taxes
- **Strategies to Impact the Metrics**



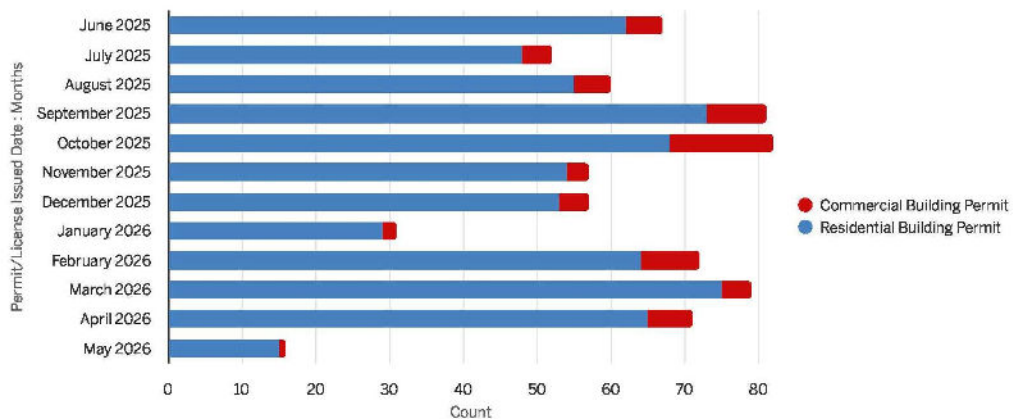
Lifecycle of a Permit Metric



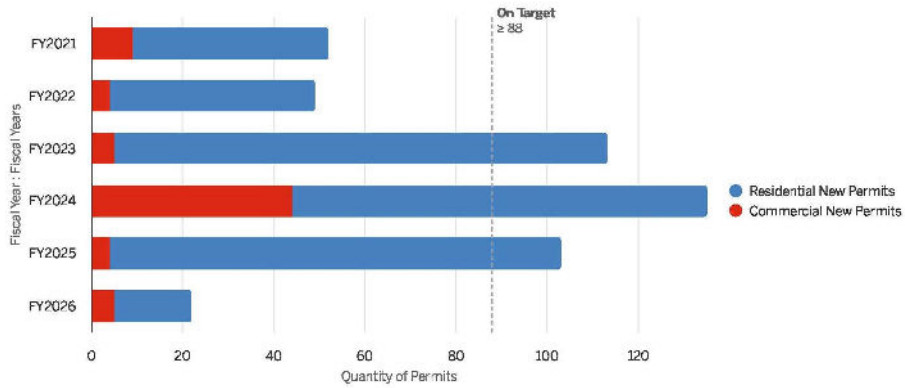
Sales Tax Revenue by Location



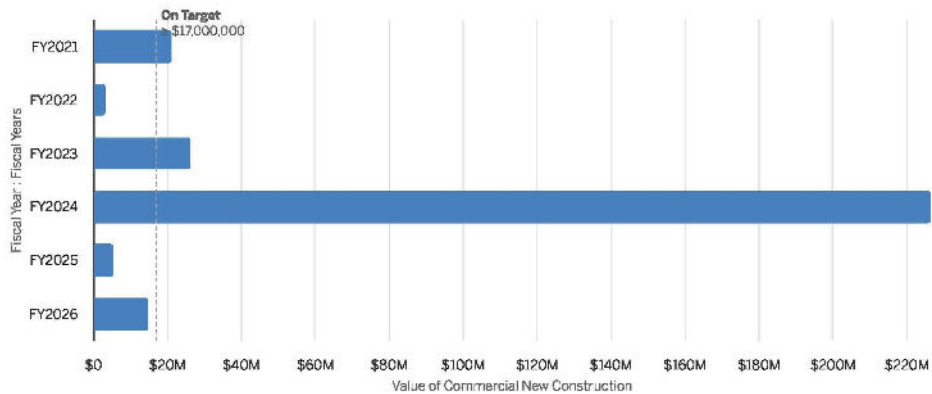
Quantity of Permits by Type - ALL



Quantity of Permits by Type – New Construction

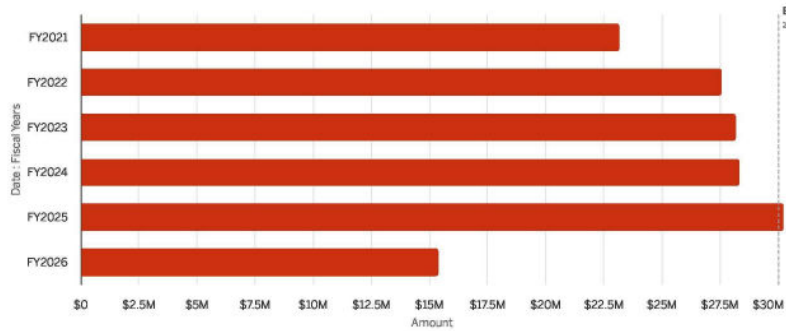


Construction Value of Permits - NEW

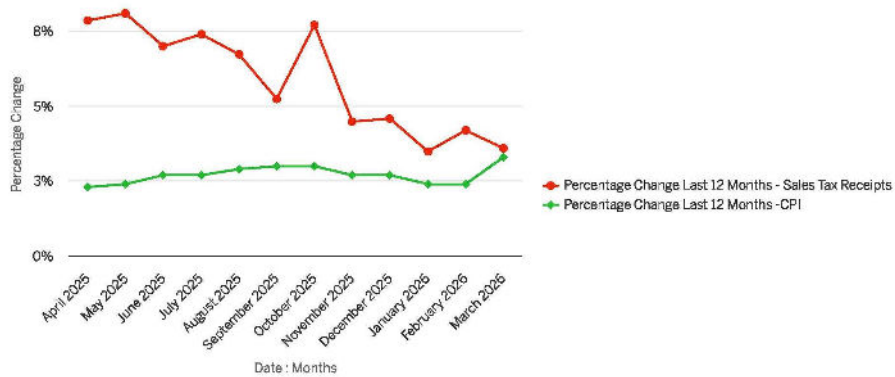


Trending Metrics

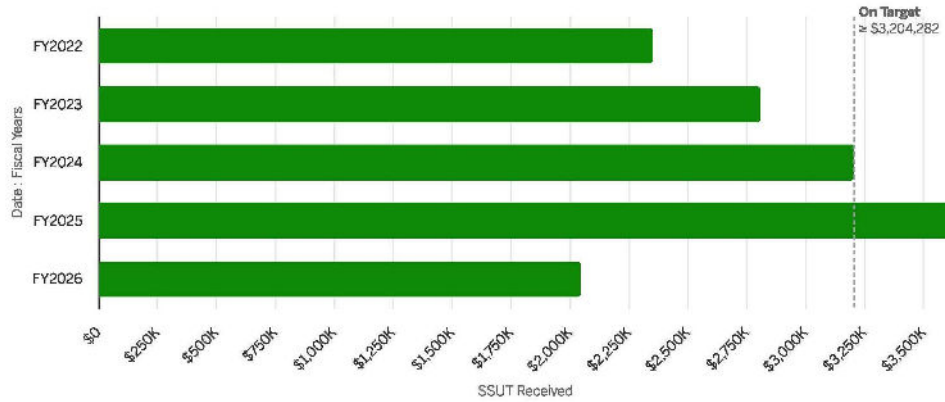
Sales Taxes by Fiscal Year



Inflationary Impacts

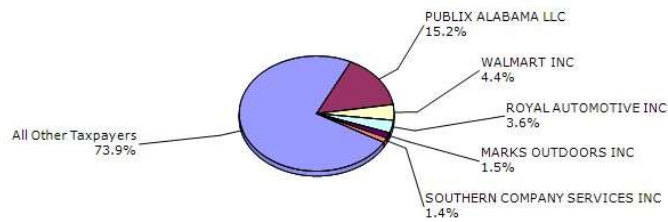


Online Sales Impact



Most Impactful Taxpayers/Categories

Selected Tax Type Sources
1/1/2026 to 5/11/2026
\$8.9 Million in 5 Months



Most Impactful Taxpayers/Categories

Top 5 Business Classifications

Rank	Prev. Rank	NAIC Description	NAIC Code	Taxes	% of Total
1	1	Supermarkets and Other Grocery (except Convenience) Stores	445110	\$1,438,191	42.2%
3	3	Full-Service Restaurants	722511	\$707,660	20.7%
4	5	Limited-Service Restaurants	722513	\$494,560	14.5%
5	4	Warehouse Clubs and Supercenters	452910	\$448,631	13.2%

Top 5 Business Classifications Showing Most Growth In Taxes

Rank	NAIC Description	NAIC Code	Change	% of Total Change
1	Limited-Service Restaurants	722513	\$115,408	32.4%
2	All Other Miscellaneous Store Retailers (except Tobacco Stores)	453998	\$82,185	23.1%
3	Other Crushed and Broken Stone Mining and Quarrying	212319	\$64,820	18.2%
4	Computer Systems Design Services	541512	\$51,396	14.4%
5	Home Centers	444110	\$42,105	11.8%



The Push and Pull of Information

Factors to Consider

- Do You Know Your Math Equation?
- Do You Wait Until a Major Economic Decision to Inform Leadership of the Math Equation?
- Do You Believe that Knowledge Leads to the Most Powerful Decisions?
- Do You Share Information Regularly with Your Elected Leadership?
- Do You Share Information Regularly with Your Residents?



“The goal is to turn data into information and information into insight”

Carly Fiorina, CEO Hewlett-Packard



Questions?

ICMA UPDATE

ACCMA
May 2026

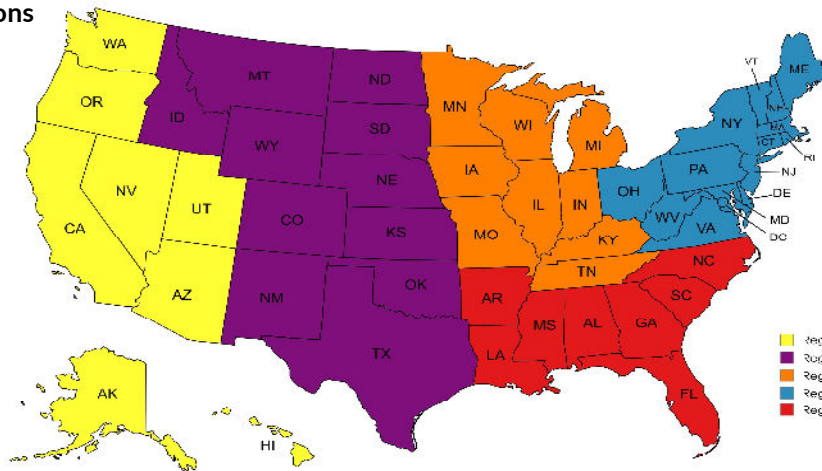
Justin Smith, ICMA Regional Vice President & Pam Brangaccio, SE Region Director
Southeast Region



BF1

ICMA REGIONAL REALIGNMENT

New Regions



New States to
Our Region:

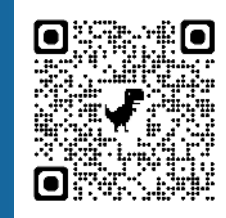
- Virginia
- Ohio
- W. Virginia



NEW MEMBER SUPPORT INITIATIVE

Regional Connection Calls

- Confidential, members-only peer conversations for those serving in local government
- Space to share challenges and practical ideas in manageable group sizes by region
- Facilitated by Regional Directors
- Launched across all regions in March
- Schedule posted on ICMA website through September



ICMA

ICMA CREDENTIALLED
MANAGER SUMMITS

One-day professional
development and networking
opportunities specifically for
ICMA Credentialed Managers



August 6
Durham, North Carolina

August 27
Palo Alto, California

ICMA VOLUNTARY CREDENTIALING PROGRAM * 25 YEARS * ESTABLISHED 2001

Learn more about the ICMA Credentialed Manager Program and Eligibility at [ICMA.org](https://www.icma.org)

VOLUNTARY CREDENTIALING CURRENT PROGRAM

- **Credentialed Manager** – Eligible with 7 years of applicable service and an MPA.
- **Credentialed Manager Candidate** – Eligible with 5 years of applicable service and an MPA.
- **Service Requirements:**
 - **CAO/ACAO** – full credit for service
 - **Department Manager** – half credit for service
 - **Program Participation** – credit for service for several Professional Development Programs



ICMA

VOLUNTARY CREDENTIALING PROPOSED PROGRAM

- **Credentialed Manager Fellow (CMF)**– Eligible on first day of service as a CAO/ACAO.
- **Credentialed Manager (CM)** - Eligible with 3 years of applicable service and an MPA (4 years with other graduate degree).
- **Legacy Credentialed Manager (LCM)** – Eligible for retirees who have 5 years of CM designation, or active members with 15 years of CM designation.

ICMA CREDENTIALING PROGRAM * 25 YEARS * ESTABLISHED 2001

ICMA

VOLUNTARY CREDENTIALING PROPOSAL BENEFITS

- Immediate pathway to becoming credentialed.
- Simplification of the application process and clarity about requirements.
- Earlier career entry into the program with a focus on continual learning.
- Existing Credentialed Manager Candidates will become Credentialed.
- Rolling admission accelerates the application process.
- Access to mentorship from Legacy Credentialed Managers will help support and grow the profession.



ICMA

A Day with ICMA



Join us for a day of learning,
listening, and shared engagement
with ICMA Leadership.

June 17 | Issaquah, Washington

September 16 | University of Kansas

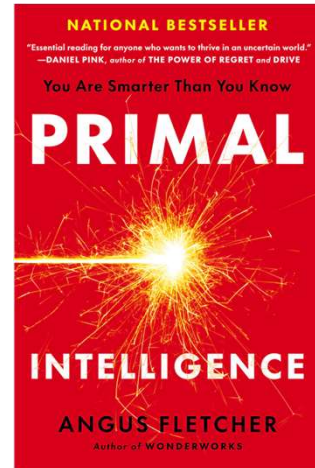


PRIMAL INTELLIGENCE WORKSHOP

Tapping into Your Primal Intelligence: Better Decision-making in Uncertain Environments.

Learn more and register at: lgr.icma.org.

June 4-5, 2026
Columbus, OH



ICMA

UPCOMING ICMA EVENTS ICMA.ORG/EVENTS

May 19 | The New ACAO Bootcamp - The Strategic Number Two | **ACAO MASTERCLASS SERIES WEBINAR**

May 28 | The Icebergs Conspiring to Sink Your RoAI | **WEBINAR**

June 2 | Leading from the ACAO Position | **ACAO MASTERCLASS SERIES WEBINAR**

June 3 - 17 | Modernizing Budgeting: A Transformational Shift to Priority-Based Budgeting | **THREE-CLASS ONLINE TRAINING SERIES**

June 2 - 23 | ICMA Innovation Bootcamp | **FIVE-CLASS ONLINE TRAINING SERIES**

June 16 - 30 | Working with Elected Officials: Stories from the Trenches | **THREE-CLASS ONLINE TRAINING SERIES**

ICMA

SHELEADSGOV 2026 EVENTS

- **June 25** | SheLeadsGov Huddle
- **July 15** | SheLeadsGov Virtual Roundtable
- **September 23** | SheLeadsGov Webinar
- **October 19** | SheLeadsGov Luncheon: Creating Your Own Playbook at ICMA Annual Conference in Long Beach



ICMA'S NEW CIVIC LEARNING LAB

Helps local government leaders build the skills, tools, and practices needed to manage civic tension, lead constructive public engagement, and sustain effective local governance in a rapidly changing community environment. Elements include:

- **Community Dialogue**
- **Collaborative Problem-Solving**
- **Supporting Public Employees**



CIVILITY AND CRISIS COMMUNICATION: ICMA RESOURCES

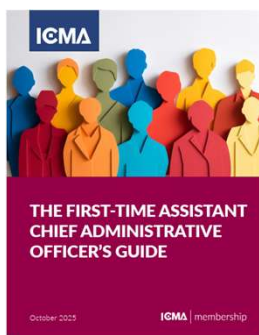
- ❖ **Ethical and Professional Guidance** | ICMA Code of Ethics, Declaration of Ideals, and leadership principles for navigating difficult moments
- ❖ **Connection and Peer Support** | ICMA Connect, Senior Advisor Program, ICMA Convening Programs (Day with ICMA, Reimaging Conferences, Annual Conference)
- ❖ **Communication and Engagement Tools** | Resources to support civil discourse, public engagement, and crisis communication
- ❖ **Operational and Practical Support** | Webinars, training, and emerging practices focused on managing complex local issues
- ❖ **Council/Manager Relationship Management** | Resources, training, and best practices on engaging with elected bodies constructively

ICMA

[ICMA.org](https://www.icma.org)

FREE CAREER GUIDES FROM ICMA

The First-Time Assistant Chief Administrative Officer's Guide



Manager Evaluations Guide



ICMA

ICMA'S FUTURE OF PROFESSIONAL MANAGEMENT FUND

SUPPORT THE PLAN, GROW THE PROFESSION!



The Fund Advances

- Adoption and retention of the Council-Manager form
- Awareness of professional local government
- Research that advances effective, professional management

Anniversary Celebration (icma.org/Fund40)

- 40 Stories for 40 Years – share your story!
- Set up recurring donations: Join the \$40 for 40 years movement
- State Association Challenge

ICMA FUND * 40 YEARS * ESTABLISHED 1986

ICMA

ICMA | fund
FOR PROFESSIONAL MANAGEMENT

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THANK YOU!

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