



# MBAAL STATE HOUSE UPDATE

## Week 2 Recap: 2019 Regular Session *(March 22, 2019)*

The Legislature resumed the 2019 Regular Session on Tuesday, March 19, after taking a two-week hiatus for the special session on the gas tax. To be sure, though the session is still in its early stages, some controversial pieces of legislation were discussed in the State House seemingly every day this week. For example, proposals that created an official state lottery; repealed the state standards for public education; legalized medical marijuana; and provided Alabama taxpayers with the opportunity to donate a portion of their tax refund to a non-profit aimed at building a wall on the U.S.-Mexico border were just some of the bills discussed on Tuesday, Wednesday, and Thursday. Many remarked that it seemed like the session was getting off to a contentious start. And all agree that the one-week break could not be better timed.

On the banking front, The Future Advance Mortgage Protection Act was introduced in the House and Senate on Tuesday. This legislation is the financial services industry's response to a harmful Alabama Supreme Court decision from last September that ruled that future advance mortgages were not created until debt was incurred by a financial institution. In other words, the Court's ruling jeopardizes a bank's lien priority until the bank makes an advance of funds, even if the other lienholder began his or her work after the mortgage was signed and recorded. As introduced, the legislation would provide two things: one, for purposes of determining lien priority, future advances would be considered to have been made at the time the mortgage was created; and two, for purposes of determining when a future advance mortgage was created, future advance mortgages would be created at the time of execution without the need for any other consideration. The bills, House Bill 182 by Rep. Chris Blackshear (R-Phenix City) and Senate Bill 127 by Sen. Shay Shelnett (R-Trussville), will be up in committee on April 3, when the House Financial Services and Senate Fiscal Responsibility and Economic Development Committees will hold their first meetings of the session. Discussions with the Homebuilders Association of Alabama about a possible amendment are ongoing and expected to conclude next week.

Next Friday's edition of the MBAAL State House Update will include more information about specific bills that have been introduced so far during the first four days of the 2019 Regular Session.

As of the end of the fourth legislative day, representatives have introduced 461 bills – 288 in the House and 173 in the Senate – as well as 76 resolutions. The 2019 Regular Session can last for no more than thirty legislative days and must end on or before June 17<sup>th</sup>. The session's fifth legislative day begins Tuesday, April 2, at 1:00 p.m.