



**House Ways and Means General Fund Reported
Substitute for HB285**

A BILL

TO BE ENTITLED

AN ACT

Relating to economic and workforce development; to establish the Coal-Impacted Communities Economic and Workforce Development Grant Program to assist local development organizations with economic and workforce development initiatives in coal-impacted communities; to provide for the purposes for which the grant funds may be used; to establish the Coal-Impacted Communities Economic and Workforce Development Grant Program Advisory Committee to review applications and make recommendations; to establish the Renewing Coal-Impacted Communities Act Fund in the State Treasury; to provide for the distribution of revenues received from rent and royalties derived from federal coal lease sales in the state beginning after January 1, 2027; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as the Renewing Coal-Impacted Communities Act.

Section 2. The Legislature finds and declares all the following:

(1) The Federal Lands Program regulates coal mining and



**House Ways and Means General Fund Reported
Substitute for HB285**

reclamation operations on federal lands pursuant to the Surface Mining Control and Reclamation Act (SMCRA) and the Mineral Leasing Act of 1920 (MLA).

(2) The United States Department of the Interior Office of Natural Resources Revenue (ONRR) collects royalties and other revenues from coal production on federal lands and pays a portion of this revenue to the state where the mineral was extracted.

(3) The primary intent of the royalties is to compensate states that host federal mineral extraction activities, including the communities most impacted by mineral extraction. Costs to these communities, include, but are not limited to, infrastructure, increased demand on public services, and workforce-related costs.

(4) The McDuffie Coal Terminal at the Port of Mobile serves as the primary export terminal for coal extracted from federal lands in Alabama, handling the majority of coal shipped from mining operations in coal-impacted communities. The movement of coal through the McDuffie Coal Terminal at the Port of Mobile generates significant economic activity, creates jobs in transportation and logistics sectors, and contributes substantial tax revenue to state and local governments. Infrastructure improvements and maintenance at the Port of Mobile are essential to maintaining the competitiveness of Alabama's coal industry, ensuring efficient market access for coal production, and supporting the broader economic ecosystem dependent on coal mining activities.

(5) It is the intent of the Legislature, by the passage



**House Ways and Means General Fund Reported
Substitute for HB285**

of this act, to require that all federal funds made available to the state through 30 U.S.C. § 191(a), be expended within coal-impacted communities, the Port of Mobile, and the State General Fund.

Section 3. The following words and phrases, whenever used in this act, have the following meanings:

(1) COAL-IMPACTED COMMUNITIES. Areas or jurisdictions of the state that meet one or more of the following criteria:

a. Areas where coal is currently being mined on federal lands.

b. Areas where a significant population of the workforce is engaged in the mining of coal on federal lands.

c. Areas that have experienced substantial economic impact due to the decline or cessation of coal mining operations on federal lands.

d. Jurisdictions where coal mining on federal lands has historically been a major source of employment or tax revenue.

e. For purposes of this definition, Fayette County, Jefferson County, Tuscaloosa County, and Walker County are designated as coal-impacted communities.

(2) DEPARTMENT. The Alabama Department of Workforce.

(3) FUND. The fund created in Section 6 of this act.

(4) LOCAL DEVELOPMENT ORGANIZATION. Any organization that is determined by the board to meet both of the following criteria:

a. The organization is an Alabama entity not operating for profit, including, but not limited to, a municipality, county, industrial development board, industrial development



**House Ways and Means General Fund Reported
Substitute for HB285**

authority, chamber of commerce, institution of higher education, or some other foundation or nonprofit organization charged with improving a community or region of the state.

b. The organization has a record of supporting or otherwise participating in economic or workforce development in some parts of the state.

(5) PERSON. One or more individuals, corporations, partnerships, associations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, bankruptcy, receivers, and fiduciaries.

(6) SECRETARY. The Secretary of the Department of Workforce.

Section 4. (a) The Coal-Impacted Communities Economic and Workforce Development Grant Program is established for the purpose of awarding grants to eligible local development organizations for regional economic and workforce development initiatives in coal-impacted communities in the state.

(b) The Secretary of the Department of Workforce shall implement and administer the grant program.

(c) Grant funds awarded under this program may be used to support coal-impacted communities through:

- (1) Workforce development and training programs;
- (2) Quality of place initiatives that enhance community livability and economic competitiveness;
- (3) Public works, infrastructure, and public services;
- (4) Capital improvement that support community resilience and economic development; and



**House Ways and Means General Fund Reported
Substitute for HB285**

(5) Operations of the Alabama Surface Mining
Commission.

Section 5. (a) To ensure that coal-impacted communities have meaningful input into the expenditure of grant funds, a Coal-Impacted Communities Economic and Workforce Development Grant Program Advisory Committee is established to review applications and make recommendations to the secretary. Each advisory committee member shall be appointed to a four-year term and shall serve at the pleasure of their respective appointing authority. The advisory committee shall meet at least annually. Additional meetings may be called at the discretion of the secretary.

(b) The committee shall consist of the following members:

(1) One member appointed by the Governor from a coal-impacted community.

(2) One member appointed by the Lieutenant Governor from a coal-impacted community.

(3) One member appointed by the President Pro Tempore of the Senate from a coal-impacted community.

(4) One member appointed by the Speaker of the House of Representatives from a coal-impacted community.

(5) One member appointed by the Fayette County Legislative Delegation.

(6) One member appointed by the Jefferson County Legislative Delegation.

(7) One member appointed by the Tuscaloosa County Legislative Delegation.



**House Ways and Means General Fund Reported
Substitute for HB285**

(8) One member appointed by the Walker County
Legislative Delegation.

(9) The President of the Alabama Mining Association.

(c) The appointing authorities shall coordinate their
appointments to assure the advisory board membership is
inclusive and reflects the racial, gender, geographic, urban,
rural, and economic diversity of the state.

Section 6. (a) The Renewing Coal-Impacted Communities
Act Fund is created within the State Treasury to provide grant
funds to local development organizations for the purpose of
improving economic and workforce development in coal-impacted
communities. The fund shall be administered by the department
and shall be comprised of revenues received from rent and
royalties derived from federal coal lease sales in the state
beginning after January 1, 2027, or allocated by the
Legislature from other funds for the purposes of this act.
Amounts deposited into the fund shall be budgeted and allotted
in accordance with Sections 41-4-80 through 41-4-96 and
Sections 41-19-1 through 41-19-12, Code of Alabama 1975. All
funds received into the fund shall remain in the fund and not
revert or be expended for any other purposes other than those
set out in this act.

(b) The department may retain up to 10 percent of the
total funds allocated for the Coal-Impacted Communities
Economic and Workforce Development Grant Program for actual
expenses relating to administering the program and conducting
financial audits. Members of the board shall serve without
compensation but may be reimbursed for expenses incurred for



**House Ways and Means General Fund Reported
Substitute for HB285**

the performance of official board duties, including expenses incurred in attending meetings or otherwise conducting board business. Reimbursement shall be made in accordance with the per diem and travel expense rates authorized for state officers and employees under applicable state law and any rules or policies adopted pursuant thereto.

Section 7. The Secretary of the Department of Workforce shall adopt rules as necessary to implement and administer the provisions of this act.

Section 8. Notwithstanding any other law to the contrary, beginning January 1, 2027 and ending December 31, 2030, the revenues derived from the payment of rent and royalties of federal coal lease sales occurring in the state after January 1, 2027 shall be distributed annually as follows:

(1) The first one million dollars (\$1,000,000) shall be deposited in the State General Fund.

(2) The next five-hundred thousand dollars (\$500,000) shall be distributed to the Alabama State Port Authority for the McDuffie Coal Terminal at the Port of Mobile.

(3) The next two-hundred fifty thousand dollars (\$250,000) shall be distributed to the Alabama Surface Mining Commission.

(4) The remaining revenues shall be deposited in the Renewing Coal-Impacted Communities Act Fund and shall be used by the department to award grants to eligible local development organizations pursuant to the provisions of this act.



**House Ways and Means General Fund Reported
Substitute for HB285**

197 Section 9. This act shall become effective on October
198 1, 2026.