



Legislative Report 1997 Regular Session

May 12, 1997

Senate Killing Tort Reform AGAIN Major Issues Await the Final Legislative Day

The Alabama Legislature met three days last week, May 6-8, to complete the 27th, 28th, and 29th legislative days. After a ten day break, lawmakers will return to Montgomery on May 19 for the final legislative day of 1997 Regular Session.

Once again, Lt. Governor Don Siegelman, Senator Rodger Bedford, and their other trial lawyer buddies in the Alabama Senate are watching gleefully as another session is ending without tort reform in Alabama. After two months of dodging the issue, the trial lawyer's strategy has been to claim to be close to an agreement while delaying and running outrageous advertisements claiming "support" for tort reform and attacking a "small segment" (read big corporations) of business for killing it. AlaChem this week sent its membership a response to trial lawyer claims in the media and in a letter by William Utsey, President of the Alabama Trial Lawyers Association, which was sent to many Alabama businesses. A copy of the response is attached.

On Tuesday, May 6, Senator Steve Windom who has been leading the charge for business on tort reform, went to the microphone in the Senate asked the body to recess to allow time for the Senate Judiciary Committee to meet and report out the Governor's punitive damages cap bill. Windom, joined by several other pro-business Senators, told the Senate that time was running out and the bill had to be reported out for tort reform to stay alive for the session. All hopes of bring the bill to the floor for debate this session quickly fell when Judiciary Chairman Roger Bedford announce that, no matter what, the committee would not meet that day. Lt. Governor Siegelman, as President of the Senate, sets the agenda in the Senate and could have allowed the bills to be debated in the Senate. *Despite his many promises to the public, Lt. Governor Siegelman did not allow tort reform to be debated on the Senate floor (fulfilling his promises to the trial lawyers of course ...).* Governor Fob James has indicated that he will call several special sessions this year. It has become unclear if he still plans to call a special session on tort reform.

A tremendous word of thanks goes out to Senator Steve Windom of Mobile for his tireless efforts working for many long hours, day and night, on the Governor's tort reform package to help business and industry in of state. AlaChem members are encouraged to call or write Senator Windom thanking him for his efforts.

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The Senate continued to face procedural delays from numerous Senators unhappy over various issues, but still managed to pass a number of noncontroversial general and local bills during the week.

The House worked through several special order calendars during the week, passing many House and Senate bills. Among the major items considered in the House was a resolution to increase salaries for Alabama judges by some 35%. After passing the House and Senate on voice votes, Governor James vetoed the measure on Thursday, May 9, and personally delivered his veto message to the House.

Two bills important to the manufacturing industry moved closer to reality last week. First, Senate Bill 564 by Senator Tommy Ed Roberts which would raise the limits for site-prep funding received final passage. The bill now goes to the Governor for his signature. Also, House Bill 917 by Representative Ralph Burke passed the House, was approved in Senate committee, and is pending on Senate Calendar where it could receive final passage on May 19, the last legislative day. This bill would restore the use tax exemption on ingredients and components of final products and is particularly important to the chemical industry. *AlaChem strongly encourages its members to call their respective Senators at (334) 242-7800 to urge support for final passage of House Bill 917. The bill is revenue neutral and, if not passed, would stop a new tax from being placed on industry. Additionally, failure to pass the bill would hinder competition and economic growth in Alabama.*

Several major issues are left unfinished and await the final legislative day. Both the General Fund budget and the Special Education Trust Fund budget are in House/Senate conference committees. Conference committee members plan to meet throughout this week in an attempt to resolve differences among House and Senate members and the Administration. Other major issues still pending include Welfare Reform and the Governor's Highway Bond Issue.

The Alabama Legislature will reconvene on Monday, May 19, 1997, with House convening at 10:00 a.m. and the Senate at 12:00 noon.

Attached is a complete list of bills that AlaChem is currently tracking which are of interest to the chemical industry in Alabama. If you know of a specific bill which you would like for AlaChem to track that is not on the list, please contact the AlaChem office by telephone, fax, or email (AlaChem@aol.com). Additionally, for a faxed or mailed copy of any bill, on the tracking list or not, please feel free to contact the AlaChem office.



May 8, 1997

Facsimile Memorandum

TO: AlaChem Membership

FROM: Mark Fowler 
Executive Director

RE: Letter to the Business Community from Alabama Trial Lawyers Association

Some of you may have recently received a letter from William Utsey, President of the Alabama Trial Lawyers Association, claiming that their membership is actually for tort reform and that a small segment of the business community (read big business) is holding it up in the legislature. Nothing could be further from the truth. This letter the nothing more than the same old the trial lawyers' deceptive gorilla tactics.

Attached, for your information, is a response from the Alabama Civic Justice Reform Committee on which I serve as a member of the Board of Directors and which was requested from the ACJRC.

DSW 133061

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The Alabama Civil Justice Reform Committee

RESPONSE TO TRIAL LAWYERS' RECENT LETTER

The trial lawyers have pulled another one from their bag of tricks! This time it's a letter to members of the business community from William Utsey, President of the Trial Lawyers Association.

The letter is nothing more than another despicable attempt by the trial lawyers to confuse and mislead Alabama citizens. Trial lawyers, being lawyers, seem determined to continue their attempts to lobby us out of our position on tort reform. Who do they think our members will believe -- trial lawyers or us, their own employees? The trial lawyers are attempting to convince small businesses that they, the trial lawyers, are friends of small business. **Do not be deceived!**

The trial lawyers' suggestion that the business community wants tort reform to fail is unbelievable. The issue of tort reform can be used in the next elections despite the passage of tort reform in this session. Legislators' positions on this issue are evident at this point in time and voters will be reminded of these positions when the election cycle begins.

Let's set the record straight:

- Elected officials are receiving pressure from the masses to resolve the tort reform problem. In addition, the courts of this state are beginning to make more reasonable rulings. The trial lawyers want the debate to end before it further harms their ability to maintain the grand lifestyles to which they have become accustomed by virtue of the current system that allows them to amass fortunes in the name of justice.

- Beware of the trial lawyers' suggestions for solving the punitive damages cap issue. A cap on punitive damages that is tied to 10% of net worth is fraught with problems for small businesses in particular. **For instance, could you write a check for an amount equal to 10% of your net worth today? Do you know what your net worth is? Can you afford to hire someone to help you determine your net worth? Who decides the definition of net worth for purposes of this legislation? Moreover, what bearing does the net worth of a business or an individual have on the seriousness of an act or crime? The bottom line is punitive damages should relate to the damages suffered, not to the defendant's ability to pay.** Furthermore, the trial lawyers' proposal calls for 10% of net worth, but the exceptions and details of their plan have yet to be discussed, and as usual, the devil is in the details.

If the Alabama Trial Lawyers Association really wanted reasonable tort reform, they could make that happen. You see, it's the trial lawyers who control the Senate leadership, and during these last days of the Legislative session, it is DON SIEGELMAN, and only DON SIEGELMAN who can bring the issue to the floor for debate.