

1 SB169  
2 113761-1  
3 By Senators Butler, Orr, Bedford and Barron  
4 RFD: Finance and Taxation General Fund  
5 First Read: 12-JAN-10

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8 SYNOPSIS: Section 40-9-34, Code of Alabama 1975,  
9 provides a tax exemption for the Hudson-Alpha  
10 Institute for Biotechnology.

11 This bill would reenact Section 40-9-34 to  
12 clarify that there was no intent to repeal the  
13 section pursuant to Act 2009-144 of the 2009  
14 Regular Session.

15  
16 A BILL  
17 TO BE ENTITLED  
18 AN ACT

19  
20 Relating to Section 40-9-34, Code of Alabama 1975,  
21 which relates to a tax exemption for the Hudson-Alpha  
22 Institute for Biotechnology; to reenact Section 40-9-34,  
23 retroactively effective to October 1, 2008, to clarify that  
24 the section was not affected by Section 12 of Act 2009-144 of  
25 the 2009 Regular Session.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1           Section 1. Section 40-9-34, Code of Alabama 1975, is  
2 hereby reenacted as follows:

3           Section 40-9-34. Hudson-Alpha Institute for  
4 Biotechnology.

5           (a) The following is hereby found and declared by  
6 the Legislature of Alabama:

7           (1) The lack of content in natural and bio-science  
8 education offered to students in kindergarten through high  
9 school is a nationwide problem.

10           (2) Such lack in curricular offerings to students  
11 will be detrimental in the long-term to the economy of the  
12 state and the welfare of the citizens during the scientific  
13 revolution now engulfing the world.

14           (3) The biotechnology institute can provide to  
15 education leaders of the distance learning program of the  
16 state cutting edge biotechnology curriculum recommendations  
17 and content for Alabama high schools, by providing information  
18 about cutting edge biotechnology curriculum and content to  
19 students in kindergarten through high school pursuant to the  
20 distance learning program of the state, the state course of  
21 study, and state textbooks.

22           (4) By educating Alabama high school students in the  
23 field of biotechnology, such students are more likely to  
24 pursue careers in the biological sciences, thereby providing  
25 the state with a better educated workforce able to support the  
26 growing biotechnology industry, in turn attracting and  
27 encouraging biotechnology companies to locate in the state and

1 create additional challenging and rewarding job opportunities  
2 for the citizens of the state.

3 (5) The reputation, economic status, and educational  
4 system of the state will be further enhanced by the addition  
5 of an internationally renowned biotechnology institute that  
6 will support internationally recognized scientists and  
7 researchers, with a focus on scientific discoveries that are  
8 intended, when possible, to be proven in the state and  
9 provided by companies in the state to patients suffering from  
10 diseases.

11 (6) By establishing a biotechnology campus, the  
12 biotechnology institute will be in a better position to join  
13 with the economic development leaders of the state to attract  
14 biotechnology companies to the campus and to the state,  
15 thereby creating additional job opportunities for the citizens  
16 of the state.

17 (b) The Hudson-Alpha Institute for Biotechnology, a  
18 nonprofit corporation, and any real and personal property  
19 owned by the corporation, shall be exempt from the payment of  
20 any and all state, county, and municipal taxes, licenses,  
21 fees, and charges of any nature whatsoever, including any  
22 privilege or excise tax heretofore or hereafter levied by the  
23 State of Alabama or any county or municipality thereof.

24 (c) (1) In exchange for the tax exemption granted in  
25 subsection (b), beginning October 1, 2008, and for each year  
26 thereafter, the Hudson-Alpha Institute for Biotechnology shall  
27 make a report to the State Board of Education detailing the

1 curricular content in biotechnology which could enhance the  
2 state distance learning program. This subdivision shall not  
3 apply in the event that the distance learning program is  
4 discontinued, or is no longer in existence. Further, the  
5 Hudson-Alpha Institute for Biotechnology shall report annually  
6 to the State Board of Education, the State Course of Study  
7 Committee, and the State Textbook Committee all new  
8 developments in the field of biotechnology which could be  
9 integrated into the curriculum for high school courses in  
10 science and health.

11 (2) Further, in exchange for the tax exemption  
12 granted in subsection (b), the Hudson-Alpha Institute for  
13 Biotechnology shall certify to the Legislative Fiscal Office  
14 and to the House and Senate education appropriations  
15 committees on or before September 30, 2008, that the following  
16 levels of investment, employment, and property improvements  
17 have been made in the State of Alabama:

18 a. The Hudson-Alpha Institute for Biotechnology has  
19 made an investment in the State of Alabama equal to or in  
20 excess of fifty million dollars (\$50,000,000) in property and  
21 equipment.

22 b. The Hudson-Alpha Institute for Biotechnology has  
23 equal to or in excess of 100 employees.

24 c. For-profit companies have made property  
25 improvements on property in the State of Alabama owned by the  
26 Hudson-Alpha Institute for Biotechnology equal to or in excess  
27 of five million dollars (\$5,000,000).

1           (3) In the event that the Hudson-Alpha Institute for  
2 Biotechnology fails to meet the requirements in subdivision  
3 (1), all tax exemptions granted in subsection (b) are null and  
4 void as of October 1, 2008, and the Hudson-Alpha Institute for  
5 Biotechnology shall repay all taxes exempt under subsection  
6 (b) that were not otherwise exempt by law, beginning as of the  
7 effective date of the exemption until September 30, 2008. The  
8 Hudson-Alpha Institute for Biotechnology shall repay the taxes  
9 in equal installments each year beginning October 1, 2008, and  
10 ending October 1, 2018.

11           (d) (1) No for-profit entity leasing or otherwise  
12 owning property located on property owned by the Hudson-Alpha  
13 Institute for Biotechnology shall be exempt from sales, use,  
14 or ad valorem taxes under subsection (b) except as otherwise  
15 allowed under Chapter 9B of this title, or any amendment or  
16 successor statute thereto.

17           (2) No for-profit entity shall be entitled to an  
18 exemption under subsection (b) directly or indirectly,  
19 including any property that is contributed to the Hudson-Alpha  
20 Institute for Biotechnology by a for-profit entity if the  
21 contributing for-profit entity uses all or substantially all  
22 of the contributed property in its for-profit activities.

23           Section 2. The intent of Section 1 of this act is to  
24 clarify that Section 40-9-34 was not and is not affected by  
25 Section 12 of Act 2009-144 of the 2009 Regular Session.

26           Section 3. This act shall be retroactively effective  
27 to October 1, 2008.

