

1 SB152
2 126165-1
3 By Senators Bussman, Williams, Holtzclaw, Scofield, McGill,
4 Glover, Ward, Waggoner, Reed, Taylor, Allen, Holley, Dial,
5 Beason, Marsh, Brewbaker, Orr and Brooks
6 RFD: Job Creation and Economic Development
7 First Read: 03-MAR-11

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8 SYNOPSIS: Under existing law, certain incentives may
9 be offered to companies that locate a new business
10 or expand an existing business in this state.

11 This bill would provide an exemption from
12 noneducational property tax with respect to
13 expansion or location projects undertaken by small
14 businesses to be located in the state.

15 This bill would provide that the exemption
16 would be available for five years from the
17 commencement of the expansion or relocation.

18 This bill would provide that the property
19 entitled to the noneducational property tax
20 exemption would be reappraised at its current value
21 if it is sold by the entity that is granted an
22 exemption or at the end of the five-year period.

23 This bill would provide that each entity
24 with respect to a project would be entitled to
25 receive the exemption upon the filing by the
26 investing company of a statement of intent to claim
27 the exemption with the Department of Revenue.

1
2 A BILL
3 TO BE ENTITLED
4 AN ACT
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6 To provide an exemption from noneducational property
7 tax with respect to the expansion or relocation projects
8 undertaken by small businesses; to provide that the exemption
9 would be available for five years from the commencement of the
10 project; to provide that the property subject to the
11 noneducational property tax would be reappraised at its
12 current value if it is sold by the entity that is granted an
13 exemption or at the end of five years; and to provide that
14 each entity with respect to a project would be entitled to
15 receive the exemption upon the filing by the investing company
16 of a statement of intent to claim the exemption with the
17 Department of Revenue.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

19 Section 1. The following terms shall have the
20 following meanings, respectively, when used in this act unless
21 the context clearly requires otherwise:

22 (1) DEPARTMENT. The Department of Revenue.

23 (2) EXEMPTION. Exemption for noneducational property
24 tax.

25 (3) PROJECT. Any land, building, or other
26 improvement, and all real and personal properties deemed
27 necessary or useful in connection with the project, whether or

1 not previously in existence, located or to be located in the
2 state.

3 (4) SMALL BUSINESS COMPANY. A company or business
4 entity that have less than 100 employees.

5 (5) STATE. State of Alabama.

6 Section 2. (a) At any time before the date on which
7 a small business company is expanded or relocated within the
8 state, the small business company may file with the department
9 a written statement of intent to claim an exemption from an
10 increase in the noneducational property tax as provided in
11 this act. The filing by a small business company shall
12 constitute a filing on behalf of the partners, members,
13 owners, or beneficiaries of the small business company
14 entitled to the exemption.

15 (b) The statement shall contain all of the
16 following:

17 (1) A description of the relocation or expansion.

18 (2) The date on which the acquisition, construction,
19 installation, or equipping of the relocation or expansion is
20 expected to commence.

21 (3) The actual or, if not known, the estimated costs
22 of the relocation or expansion.

23 (4) The number of new employees to be employed at
24 the relocation or expansion.

25 (5) Any other information required by the
26 department.

1 Section 3. (a) Each small business company, upon
2 filing of the statement required and upon the making of
3 relocation and expansion and upon compliance with this act
4 shall be entitled to the exemption.

5 (b) The Department of Revenue shall ensure that the
6 tax exemption is granted to the small business company.

7 (c) The department may promulgate rules to carry out
8 this act.

9 (d) The department shall report annually to the
10 Legislature and the public with respect to exemptions claimed
11 by small business companies during the year. The report shall
12 be due on the fifth legislative day of each regular session.

13 (e) The department shall audit each small business
14 company granted an exemption periodically to monitor
15 compliance by the small business company with this act, which
16 are conditions to the continued availability of the exemption.

17 Section 4. Each small business company receiving an
18 exemption shall maintain or cause to be maintained records
19 with respect to the exemption.

20 Section 5. (a) The exemption authorized by this act
21 shall be available for qualifying projects for five years
22 after the approval of the project by the department after
23 which the property shall return to its appropriate appraised
24 value.

25 (b) If the small business company sells the
26 qualifying project during the five-year period, the tax

1 exemption shall terminate and the property shall return to the
2 appraised value of the new owner.

3 Section 6. The administration of this act by the
4 department shall be governed by the provisions of the
5 Taxpayer's Bill of Rights and the Uniform Revenue Procedures
6 Act contained in Chapter 2A of Title 40 of the Code of Alabama
7 1975.

8 Section 7. This act shall become effective on the
9 first day of the third month following its passage and
10 approval by the Governor, or its otherwise becoming law.