

1 SB76
2 125855-2
3 By Senator Marsh
4 RFD: Job Creation and Economic Development
5 First Read: 01-MAR-11

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8 SYNOPSIS: Under existing law, the State Industrial
9 Development Authority may provide grant funds to a
10 grantee, as defined in Section 41-10-20, Code of
11 Alabama 1975, whereby no person, as defined in
12 Section 41-10-20, Code of Alabama 1975, has
13 received or will receive an option to purchase the
14 industrial site or any part thereof from the
15 grantee for less than fair market value of such
16 site.

17 This bill would remove the requirement that
18 a grantee must receive at least fair market value
19 for any site with respect to which a grant is made.
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21 A BILL
22 TO BE ENTITLED
23 AN ACT
24

25 To amend Section 41-10-27, Code of Alabama 1975, to
26 remove the requirement that a grantee receive fair market
27 value for selling land it owns for which a grant is made.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Section 41-10-27, Code of Alabama 1975,
3 is amended to read as follows:

4 "§41-10-27.

5 "(a) The authority is hereby authorized from time to
6 time to sell and issue its bonds, not exceeding \$2,600,000.00
7 in aggregate principal amount, for the purpose of making the
8 grants of money authorized in Section 41-10-26. The grantees
9 may use the ~~said~~ grants authorized in ~~the said~~ that section
10 for any of the following purposes:

11 "(1) The making of surveys to determine the location
12 of suitable industrial sites in the locality of the grantee~~r~~.

13 "(2) The making of surveys to determine the
14 availability of labor in the locality of the grantee and to
15 classify such labor in terms of skills and educational level~~r~~.

16 "(3) The preparation of industrial sites~~r or~~.

17 "(4) Any combination of any of the foregoing which
18 the grantees consider appropriate and necessary for the
19 promotion of industrial development in their respective
20 localities.

21 "(b) Every grant of money made by the authority
22 pursuant to Section 41-10-26 shall be made subject to the
23 following terms and conditions, which are hereby declared to
24 be legally enforceable in any court of competent jurisdiction:

25 "(1) No part of any such grant or grants shall be
26 used with respect to the preparation of industrial sites in
27 excess of one and one-half percent of the amount that it is

1 anticipated will be spent for the construction and equipment
2 of the facilities that will occupy the said industrial sites
3 as such anticipated amount shall be certified to the authority
4 by the architect or engineer for the facilities to be
5 constructed and equipped or by the chief executive officer of
6 the grantee~~;~~.

7 ~~"(2) No part of any such grant or grants shall be
8 used with respect to the preparation of industrial sites in
9 any case where any individual, private association or private
10 corporation has received or is to receive an option to
11 purchase such industrial sites or any part of any thereof from
12 the grantee or any nominal transferee of the grantee for less
13 than the fair market value of such industrial sites;~~

14 ~~"(3)(2) The authority shall have power to audit the
15 disbursements by the grantee from such grant or grants; and.~~

16 ~~"(4)(3) Any other appropriate terms and conditions
17 to facilitate the enforcement of the foregoing provisions of
18 this subsection."~~

19 Section 2. This act shall become effective
20 immediately following its passage and approval by the
21 Governor, or its otherwise becoming law.