

1 HB532
2 157523-1
3 By Representatives DeMarco, Rogers, Scott, Moore (M),
4 Williams (J), McClurkin, McAdory, Farley, Treadaway, Carns,
5 Robinson (O), Coleman-Evans, Drake and Standridge
6 RFD: Ways and Means Education
7 First Read: 25-FEB-14

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8 SYNOPSIS: Under existing law, various sales, use, ad
9 valorem, and other tax exemptions are granted to
10 certain entities.

11 This bill would provide for legislative
12 findings regarding the life science, engineering,
13 energy, and environmental science industries and
14 their value to the state and its workforce, would
15 provide a tax exemption for the Southern Research
16 Institute and its property.

17 This bill would require a certification of a
18 particular level of investment, employment, and
19 community outreach in exchange for the tax
20 exemptions.

21 This bill would provide for repayment of
22 incentives if certain levels of investment are not
23 achieved by September 30, 2018.

24
25 A BILL
26 TO BE ENTITLED
27 AN ACT

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To provide for legislative findings regarding the life science, engineering, energy, and environmental science industries and their value to the state and its workforce; to provide a tax exemption for the Southern Research Institute and its property; to require a certification of a particular level of investment, employment, and community outreach in exchange for the tax exemptions; and to provide for repayment of incentives if certain levels of investment are not achieved by September 30, 2018.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The following is found and declared by the Legislature of Alabama:

(1) The lack of content in life science, engineering, energy, and environmental science education offered to students in kindergarten through high school is a nationwide problem.

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

(3) The research institute can provide to education leaders of the distance learning program of the state cutting edge life science, engineering, energy, and environmental science curriculum recommendations and content for Alabama high schools, by providing information about cutting edge life science, engineering, energy, and environmental science

1 curriculum and content to students in kindergarten through
2 high school pursuant to the distance learning program of the
3 state, the state course of study, and state textbooks.

4 (4) By educating Alabama high school students in the
5 fields of life science, engineering, energy, and environmental
6 science, such students are more likely to pursue careers in
7 these fields, thereby providing the state with a better
8 educated workforce able to support the growing life science,
9 engineering, energy, and environmental science industries, in
10 turn attracting and encouraging companies to locate in the
11 state and create additional challenging and rewarding job
12 opportunities for the citizens of the state.

13 Section 2. The Southern Research Institute, a
14 nonprofit corporation, and any real and personal property
15 owned by the corporation in the State of Alabama, shall be
16 exempt from the payment of any and all state, county, and
17 municipal taxes, licenses, fees, and charges of any nature
18 whatsoever, including any privilege or excise tax heretofore
19 or hereafter levied by the State of Alabama or any county or
20 municipality thereof.

21 Section 3. (a) In exchange for the tax exemption
22 granted in Section 2, beginning October 1, 2018, and for each
23 year thereafter, the Southern Research Institute shall make a
24 report to the State Board of Education detailing the
25 curricular content in its fields of expertise which could
26 enhance the state distance learning program. This subsection
27 shall not apply in the event that the distance learning

1 program is discontinued or is no longer in existence. Further,
2 the Southern Research Institute shall hire a Science,
3 Technology, Engineering (STEM) outreach coordinator and report
4 annually to the State Board of Education, the State Course of
5 Study Committee, and the State Textbook Committee all new
6 developments in the fields of life science, engineering,
7 energy, and environmental science which could be integrated
8 into the curriculum for high school courses in science,
9 mathematics, and health.

10 (b) In exchange for the tax exemption granted in
11 Section 2, the Southern Research Institute shall certify to
12 the Legislative Fiscal Office and to the House and Senate
13 education appropriations committees on or before September 30,
14 2018, that the following levels of investment and employment
15 have been made in the State of Alabama:

16 (1) The Southern Research Institute has made an
17 investment in the State of Alabama equal to or in excess of
18 twenty million dollars (\$20,000,000) in property and
19 equipment.

20 (2) The Southern Research Institute has equal to or
21 in excess of 400 employees in the State of Alabama.

22 (3) The Southern Research Institute has hired a STEM
23 outreach coordinator to facilitate engagement with the
24 education community.

25 (c) In the event that the Southern Research
26 Institute fails to meet the requirements in subsections (a)
27 and (b), all tax exemptions granted in Section 2 are null and

1 void as of October 1, 2018, and the Southern Research
2 Institute shall repay all taxes exempt under Section 2 that
3 were not otherwise exempt by law, beginning as of the
4 effective date of the exemption until September 30, 2018. The
5 Southern Research Institute shall repay the taxes in equal
6 installments each year beginning October 1, 2018, and ending
7 October 1, 2028.

8 Section 4. (a) No for-profit entity leasing or
9 otherwise owning property located on property owned by the
10 Southern Research Institute shall be exempt from sales, use,
11 or ad valorem taxes under Section 2 except as otherwise
12 allowed under Chapter 9B of Title 40, Code of Alabama 1975, or
13 any amendment or successor statute thereto.

14 (b) No for-profit entity shall be entitled to an
15 exemption under Section 2 directly or indirectly, including
16 any property that is contributed to the Southern Research
17 Institute by a for-profit entity if the contributing
18 for-profit entity uses all or substantially all of the
19 contributed property in its for-profit activities.

20 Section 5. All laws or parts of laws which conflict
21 with this act are repealed.

22 Section 6. This act shall become effective
23 immediately following its passage and approval by the
24 Governor, or its otherwise becoming law.