

1 HB169
2 173137-1
3 By Representative Fincher
4 RFD: County and Municipal Government
5 First Read: 09-FEB-16

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8 SYNOPSIS: Under existing law, a municipality or a
9 public industrial authority may abate taxes for
10 economic development purposes under certain
11 conditions. A municipality or municipal public
12 industrial authority may abate county taxes only if
13 the municipality has abated corresponding municipal
14 taxes.

15 This bill would specify that a municipality
16 or public industrial authority may abate county
17 taxes only if the corresponding municipal tax is
18 abated and the abatement is limited to the same
19 rate of taxation as the corresponding municipal
20 tax.

21
22 A BILL
23 TO BE ENTITLED
24 AN ACT

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26 To amend Section 40-9B-5, Code of Alabama 1975,
27 relating to the abatement of taxes by a municipality or a

1 public industrial authority; to specify that in order for a
2 municipality or a municipal public industrial authority to
3 abate county tax, the municipality would be required to abate
4 the corresponding municipal tax and the abatement of the
5 county tax would be limited to the same rate of taxation as
6 the corresponding municipal tax.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Section 40-9B-5, Code of Alabama 1975, is
9 amended to read as follows:

10 "§40-9B-5.

11 "(a) Subject to the geographical or jurisdictional
12 or other limitations specified in subsections (b), (c), and
13 (d), the governing body of a municipality, a county, or a
14 public industrial authority may grant abatements of all of the
15 taxes allowed to be abated under Section 40-9B-4 with respect
16 to private use industrial property.

17 "(b) (1) The abatements authorized to be granted
18 pursuant to subsection (a) for construction related
19 transaction taxes and for ad valorem taxes for a period not to
20 exceed 10 years may be granted:

21 "a. By the governing body of a municipality, with
22 respect to private use industrial property located within the
23 limits of the municipality or within the police jurisdiction
24 of the municipality; provided, however, that the municipal
25 governing body ~~shall not~~ may grant an abatement of any a
26 county ~~taxes unless the body~~ tax only if both the following
27 conditions are met:

1 "1. The municipality has a corresponding municipal
2 tax that has also been abated.

3 "2. The abatement of the county tax is limited to
4 the same rate of taxation as the abatement of the
5 corresponding municipal ~~taxes~~ tax.

6 "b. By the governing body of a county, with respect
7 to private use industrial property located in the county and
8 not within a municipality or the police jurisdiction of a
9 municipality, unless consented to by resolution of the
10 governing body of the municipality.

11 "c. By the governing body of a public industrial
12 authority, with respect to private use industrial property
13 located within the jurisdiction of the public industrial
14 authority; provided, however, that any municipal public
15 industrial authority ~~shall not~~ may grant an abatement of ~~any a~~
16 county ~~taxes unless~~ tax only if the following conditions are
17 met:

18 "1. The ~~the authority~~ municipality has a
19 corresponding municipal tax that has also been abated.

20 "2. The abatement of the county tax is limited to
21 the same rate of taxation as the corresponding municipal ~~taxes~~
22 tax.

23 "(2) The abatements authorized to be granted
24 pursuant to subsection (a) for ad valorem taxes for a period
25 longer than 10 years may be granted:

26 "a. By the governing body of a municipality, with
27 respect to private use industrial property located within the

1 limits of the municipality or within the police jurisdiction
2 of the municipality, but only as to municipal noneducational
3 taxes.

4 "b. By the governing body of a county, with respect
5 to private use industrial property located in the county, but
6 only as to county noneducational taxes.

7 "c. By the Governor, with respect to private use
8 industrial property located in the state, but only as to state
9 taxes.

10 "The governing body of a county and a municipality
11 may separately authorize one or more public industrial
12 authorities to provide by resolution for such consent on its
13 behalf.

14 "(3) Notwithstanding the provisions of this
15 subsection, abatements authorized to be granted pursuant to
16 subsection (a) for data processing centers may be granted in
17 accordance with subdivision (1) without regard to the time
18 limitation stated in subdivision (1).

19 "(c) If a tax is abated pursuant to this chapter,
20 any payment, contribution, or other financial or in-kind award
21 received from a private user or related party shall be divided
22 between the parties whose taxes were abated based upon the tax
23 proceeds which would have been paid if the taxes had not been
24 abated, unless the party receiving such award can prove that
25 the award was not related to the granting of any abatement.

26 "(d) Any abatement of county taxes granted by a
27 municipality or municipal industrial authority shall not be

1 valid until the expiration of (1) 10 days following the date
2 of physical delivery to the county commission or (2) 13 days
3 following the date of mailing by certified mail to the county
4 commission of a copy of the resolution granting such
5 abatement. Proof of delivery by affidavit of service, in the
6 case of physical delivery, or by certified mail receipt, in
7 the case of mailing by certified mail, shall be furnished to
8 the Department of Revenue at the same time as the filing of
9 the abatement agreement under Section 40-9B-6. If the
10 procedures herein prescribed are followed, any such abatement
11 shall be effective as of the date granted."

12 Section 2. This act shall become effective
13 immediately following its passage and approval by the
14 Governor, or its otherwise becoming law.