

1 HB317  
2 194050-2  
3 By Representative Johnson (K)  
4 RFD: Economic Development and Tourism  
5 First Read: 25-JAN-18

1  
2 ENROLLED, An Act,

3           Relating to economic development; to amend Section  
4 41-29-3, Code of Alabama 1975, to revise notification and  
5 confidentiality provisions governing certain economic  
6 incentives; to provide that certain activity relating to the  
7 award of certain economic incentives would not constitute  
8 lobbying; to clarify what incentives are subject to the  
9 notification requirements; to add Article 5 to Chapter 29 of  
10 Title 41, Code of Alabama 1975, to codify Act 91-635, 1991  
11 Regular Session, as amended by Act 97-645, 1997 Regular  
12 Session, with certain revisions, authorizing the State  
13 Industrial Development Authority to sell and issue bonds for  
14 the financing of industrial development and site preparations  
15 and for other industrial development purposes.

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

17           Section 1. This act shall be known and may be cited  
18 as the The Alabama Jobs Enhancement Act.

19           Section 2. Section 41-29-3, Code of Alabama 1975, is  
20 amended to read as follows:

21           "§41-29-3.

22           "(a) (1) The Secretary of Commerce shall be notified,  
23 ~~either orally or~~ in writing,~~7~~ about the general parameters of a  
24 project if an entity is considering locating or expanding a  
25 facility at a site within this state and intends to claim any

1 of the incentives provided by the State of Alabama that are  
2 described in subdivision (2) (the "required notification").  
3 The required notification should be made as soon as the  
4 project's parameters are generally known or when a site or  
5 sites have been identified by ~~an investing a project entity or~~  
6 ~~entities~~ or a visit is made to the State of Alabama by the  
7 project entity or its representative. The initial required  
8 notification may be made on an anonymous basis (i.e., "Project  
9 Alpha") in order to protect the confidentiality of a proposed  
10 project. Upon timely notifying the secretary within the time  
11 frame specified in this subdivision, the secretary shall  
12 transmit a letter to the ~~company~~ project entity or its  
13 representative acknowledging receipt of the required  
14 notification (the "notification acknowledgment letter").

15           "(2) The required notification set forth in  
16 subdivision (1) applies to ~~(i) capital investment credits~~  
17 ~~pursuant to Act 95-187, as amended; (ii) site preparation~~  
18 ~~grants pursuant to Act 91-635, as amended; (iii) funding for~~  
19 ~~access roads and bridges through the Alabama Industrial Access~~  
20 ~~Road and Bridge Corporation pursuant to Act 85-549, as~~  
21 ~~amended; (iv) training or other assistance from the Alabama~~  
22 ~~Industrial Development Training Program where the annual~~  
23 ~~expenditures of cash is estimated to be in excess of one~~  
24 ~~million dollars (\$1,000,000); and any of the following:~~

1           "a. The jobs credit provided for by Section  
2           40-18-375.

3           "b. The investment credit provided for by Section  
4           40-18-376.

5           "c. Any action by a local government body pursuant  
6           to Amendment 772 of the Constitution of Alabama of 1901, or  
7           local amendment of similar effect.

8           "d. Any abatement of taxes pursuant to Chapters 9B  
9           or 9G of Title 40.

10          "e. The port credit provided for by Section  
11          40-18-403.

12          "f. The growing Alabama credit provided for by  
13          Section 40-18-413.

14          "g. Site preparation grants pursuant to Article 5 of  
15          Chapter 29 of Title 41.

16          "h. Funding for access roads and bridges through the  
17          Alabama Industrial Access Road and Bridge Corporation pursuant  
18          to Chapter 6 of Title 23.

19          "i. Training or other assistance from the Alabama  
20          Industrial Development Training Program.

21          "j. Any grant of federal funds administered or  
22          otherwise involving any state or local government, agency,  
23          department, body, or other entity, related to the location or  
24          expansion of a facility at a site within this state.

1           ~~"(v) any~~ k. Any direct or indirect cash payment for  
2 a project from the State of Alabama related to the location or  
3 expansion of a facility within this state, whether in the form  
4 of an in-kind contribution of a site, building, or equipment,  
5 or otherwise.

6           "(3) Unless the secretary should specially determine  
7 to the contrary, the notification set forth in subdivision (1)  
8 shall be available for public inspection two years after a  
9 project entity publicly commits to a site for development,  
10 whether the publicly-committed site is in this state or  
11 elsewhere.

12           "(b) ~~All~~ Except as provided in Chapter 25A of Title  
13 36 and any constitutional or statutory disclosure requirements  
14 for obtaining the economic develop incentives listed in  
15 subdivision (2) of subsection (a), all information concerning  
16 a proposed project seeking an economic development incentive  
17 which is provided to ~~the secretary and the Department of~~  
18 ~~Commerce~~ any state or local government, agency, department, or  
19 other entity seeking an economic development incentive shall  
20 be confidential. Any state or local government, agency,  
21 department, or other entity, or the secretary on their behalf  
22 The secretary is authorized to enter into a confidentiality  
23 agreement with a ~~prospective~~ project entity which prohibits  
24 the disclosure of the identity of the prospective entity and  
25 any information obtained, whether orally or in writing, about

1 the entity's proposed project. Unless the secretary should  
2 specially determine to the contrary, such confidentiality  
3 agreements shall terminate two years after a project entity  
4 publicly commits to a site for development in this state.

5 Provided, however, such confidentiality agreements  
6 shall not supersede or conflict with statutory provisions  
7 requiring either of the following:

8 "(1) Notice to the entities for which a governmental  
9 body or board intends to abate taxes.

10 "(2) Public disclosure of information for  
11 applications for governmental approvals such as permits.

12 "(c) The secretary may adopt rules to implement this  
13 section.

14 ~~"(c) All written statements of intent to claim the~~  
15 ~~capital credit which may be filed with the Department of~~  
16 ~~Revenue at anytime prior to the date on which a qualifying~~  
17 ~~project is placed in service pursuant to Section 40-18-191,~~  
18 ~~shall include the notification acknowledgment letter from the~~  
19 ~~secretary.~~

20 ~~"(d) All applications to the State Industrial~~  
21 ~~Development Authority for site preparation grants pursuant to~~  
22 ~~Act 91-635, 1991 Regular Session, as last amended by Act~~  
23 ~~97-645, 1997 Regular Session, shall include the notification~~  
24 ~~acknowledgment letter from the secretary.~~

1           ~~"(e) All applications to the Industrial Access Road~~  
2 ~~and Bridge Corporation for funding for access roads and~~  
3 ~~bridges shall include the notification acknowledgment letter~~  
4 ~~from the secretary.~~

5           ~~"(f) All companies seeking training or other~~  
6 ~~assistance from the Alabama Industrial Development Training~~  
7 ~~Program shall file an application with the Secretary of~~  
8 ~~Commerce if the annual expenditure of cash is estimated to be~~  
9 ~~in excess of one million dollars (\$1,000,000). The application~~  
10 ~~shall include the notification acknowledgment letter from the~~  
11 ~~secretary. The secretary shall be responsible for reviewing,~~  
12 ~~coordinating, and processing each application. The secretary~~  
13 ~~shall have 30 days to process each application.~~

14           ~~"(g) An application must be filed with the secretary~~  
15 ~~before any direct or indirect cash payments are expended for a~~  
16 ~~project from the State of Alabama, whether the payment is in~~  
17 ~~the form of an in-kind contribution of a site, building,~~  
18 ~~equipment, or otherwise. The application shall include the~~  
19 ~~notification acknowledgment letter from the secretary. The~~  
20 ~~secretary shall be responsible for reviewing, coordinating,~~  
21 ~~processing, and approving each application for direct or~~  
22 ~~indirect cash payments and shall have 30 days to approve or~~  
23 ~~deny each application."~~

24           Section 3. (a) Notwithstanding any provision of law,  
25 including, but not limited to, Chapter 25 of Title 36, a

1 person acting as an economic development professional is not a  
2 lobbyist, unless and until he or she seeks incentives through  
3 legislative action, or is seeking funds over which a  
4 legislator or legislative delegation has discretionary  
5 control, that are above and beyond, or in addition to, the  
6 then current statutory or constitutional authorization.

7 (b) For purposes of this section, an economic  
8 development professional is a person employed to advance  
9 specific, good faith economic development or trade promotion  
10 projects or related objectives for his or her employer, a  
11 professional services entity, or a chamber of commerce or  
12 similar nonprofit economic development organization in the  
13 State of Alabama.

14 (c) For the purposes of this section, the term  
15 economic development professional does not include public  
16 officials, public employees, legislators, nor any former  
17 legislator within two years of the end of the term for which  
18 he or she was elected.

19 (d) This section shall not apply to any person that  
20 is otherwise required to register as a lobbyist.

21 (e) This section shall be repealed on ~~December~~ April  
22 1, 2019.

23 Section 4. A new Article 5 is added to Chapter 29 of  
24 Title 41, Code of Alabama 1975, to read as follows:

25 Article 5.



1           Section 41-29-501.

2           (a) For the purposes of this article, the following  
3 words and phrases shall have the following meanings:

4           (1) AUTHORITY. The public corporation organized  
5 pursuant to the provisions of Sections 41-10-20 through  
6 41-10-32, Code of Alabama 1975.

7           (2) AUTHORIZED PURPOSE. Any one or more of the  
8 purposes for which grants are herein authorized to be made as  
9 specified in Section 41-29-503(a).

10           (3) BOARD OF DIRECTORS. The board of directors of  
11 the authority.

12           (4) BOND. The bonds issued under the provisions of  
13 this article.

14           (5) CAPITAL COSTS. All costs and expenses incurred  
15 by one or more investing companies in connection with the  
16 acquisition, construction, installation and equipping of a  
17 qualifying project during the period commencing with the date  
18 on which such acquisition, construction, installation and  
19 equipping commences and ending on the date on which the  
20 qualifying project is placed in service, including, without  
21 limitation of all of the following:

22           a. The costs of acquiring, constructing, installing,  
23 equipping and financing a qualifying project, including all  
24 obligations incurred for labor and to contractors,  
25 subcontractors, builders, and materialmen.

1           b. The costs of acquiring land or rights in land and  
2 any cost incidental thereto, including recording fees.

3           c. The costs of contract bonds and of insurance of  
4 all kinds that may be required or necessary during the  
5 acquisition, construction or installation of a qualifying  
6 project.

7           d. The costs of architectural and engineering  
8 services, including test borings, surveys, estimates, plans  
9 and specifications, preliminary investigations, environmental  
10 mitigation and supervision of construction, as well as for the  
11 performance of all the duties required by or consequent upon  
12 the acquisition, construction and installation of a qualifying  
13 project.

14           e. The costs associated with installation of  
15 fixtures and equipment; surveys, including archaeological and  
16 environmental surveys; site tests and inspections; subsurface  
17 site work; excavation; removal of structures, roadways,  
18 cemeteries, and other surface obstructions; filling, grading,  
19 paving and provisions for drainage, storm water retention,  
20 installation of utilities, including water, sewer, sewage  
21 treatment, gas, electricity, communications, and similar  
22 facilities; off-site construction of utility extensions to the  
23 boundaries of the property.

24           f. All other costs of a nature comparable to those  
25 described, including, without limitation, all project costs

1 which are required to be capitalized for federal income tax  
2 purposes pursuant to 26 U.S.C. § 263A.

3 g. Costs otherwise defined as capital costs that are  
4 incurred by the investing company where the investing company  
5 is the lessee under a lease that: (i) has a term of not less  
6 than five years, and (ii) is characterized as a capital lease  
7 for federal income tax purposes. Capital costs shall not  
8 include property owned or leased by the investing company or a  
9 related party before the commencement of the acquisition,  
10 construction, installation or equipping of the qualifying  
11 project unless such property was physically located outside  
12 the state for a period of at least one year prior to the date  
13 on which the qualifying project was placed in service.

14 h. Costs either paid or incurred by (i) a public  
15 industrial development board or authority (including, without  
16 limitation, the State Industrial Development Authority), city,  
17 county, or other public corporation or political subdivision  
18 (a "public entity") for the benefit of a qualifying project  
19 where such costs are treated as costs paid by an investing  
20 company with respect to the qualifying project for federal  
21 income tax purposes (such costs shall not include amounts  
22 contributed by a public entity to a qualifying project as a  
23 capital contribution, grant, or gift except to the extent that  
24 an investing company has cost basis in the contribution,  
25 grant, or gift for federal income tax purposes); or (ii) a

1 related party to an investing company to the extent such costs  
 2 are included in or taken into account in determining the  
 3 investing company's federal income tax basis in the qualifying  
 4 project, whether or not incurred by an investing company.

5 (6) GRANTEE. A county, municipality, local  
 6 industrial development board or authority or economic  
 7 development council or authority, airport authority, port  
 8 authority or public corporation or political subdivision,  
 9 department, or agency of this state authorized to own or  
 10 possess by lease a project site, to which a grant of money is  
 11 made as provided in Section 41-29-503 hereof.

12 (7) HEADQUARTERS FACILITY. A facility described by  
 13 Section 40-18-372(1)d. or f.

14 (8) INDUSTRIAL, WAREHOUSING, OR RESEARCH ACTIVITY.  
 15 Any trade or business predominantly conducting an activity  
 16 described in Section 40-18-372(1).

17 (9) INVESTING COMPANY. Any corporation, partnership,  
 18 limited liability company, proprietorship, trust or other  
 19 business' entity, regardless of form, making a qualified  
 20 investment.

21 (10) PERSON. Unless limited to a natural person by  
 22 the context in which it is used, includes a private firm, a  
 23 private association, a public or private corporation or  
 24 partnership (whether limited liability company, limited  
 25 liability partnership or other form of business organization),

1 a municipality, a county, or an agency, department or  
2 instrumentality of the state or of a county or municipality.

3 (11) PREPARATION OF PROJECT SITES. The preparation  
4 of project sites including, without limitation, (i)  
5 preparation of a means of access to the site, (ii) provision  
6 for adequate drainage of the site to prevent the accumulation  
7 of excess natural waters thereon, (iii) boundary and  
8 topographical surveying, clearing and grubbing, and  
9 excavating, (iv) the reasonable rehabilitation of buildings  
10 and other structures, and (v) other work relative to site  
11 preparation deemed necessary or appropriate.

12 (12) PROJECT. Any land, building or other  
13 improvement, whether or not previously in existence, located  
14 or to be located in the state.

15 (13) PROJECT SITES. Land and structures located  
16 thereon owned by a grantee or potential grantee on which a  
17 qualifying project has been or will be located and which is  
18 held for sale or lease to a person for use as a qualifying  
19 project.

20 (14) QUALIFYING INVESTMENTS. The undertaking by one  
21 or more investing companies of a qualifying project.

22 (15) QUALIFYING PROJECT. A project to be sponsored  
23 or undertaken by one or more investing companies (i) at which  
24 the predominant trade or business activity conducted will

1 constitute industrial, warehousing or research activity, or  
2 (ii) which qualifies as a headquarters facility.

3 (16) STATE. The State of Alabama.

4 (b) The definitions set forth above shall be deemed  
5 applicable whether the words defined are used in the singular  
6 or plural. Whenever used herein, any pronoun or pronouns shall  
7 be deemed to include both singular and plural and to cover all  
8 genders.

9 Section 41-29-502.

10 (a) In addition to all powers heretofore conferred  
11 on it by acts heretofore enacted by the Legislature of  
12 Alabama, and in addition to all other powers conferred on it  
13 in this article, the authority is hereby authorized to sell  
14 and issue its bonds, not exceeding one hundred million dollars  
15 (\$100,000,000) in aggregate principal amount, for the purposes  
16 of making the grants of money authorized in Section 41-29-503  
17 hereof and to anticipate by the issuance of its bonds the  
18 receipt of the revenues herein appropriated and pledged;  
19 provided the authority shall not issue more than ten million  
20 dollars (\$10,000,000) in aggregate principal amount of such  
21 bonds in any two-year period; and provided there shall not be  
22 more than forty million dollars (\$40,000,000) in aggregate  
23 principal amount of such bonds, in addition to bonds  
24 heretofore issued by the authority, outstanding at any one  
25 time, but excluding for this purpose refunding bonds, which

1 shall not be considered in determining such limit. The bonds  
2 authorized hereby may be sold in one or more series.

3 (b) It is further provided that the authority shall  
4 be exempt from the laws of the state governing usury or  
5 prescribing or limiting interest rates, including, without  
6 limitation, the provisions of Chapter 8 of Title 8 of the Code  
7 of Alabama 1975.

8 Section 41-29-503.

9 (a) The authority is hereby authorized to make  
10 grants of money derived from the sale of its bonds, to  
11 grantees for use by the grantees for any one or more of the  
12 following purposes:

13 (1) The making of surveys to determine the location  
14 of suitable project sites in the locality of the grantee;

15 (2) The making of surveys to determine the  
16 availability of labor in the locality of the grantee and to  
17 classify such labor in terms of skills and educational level;

18 (3) The preparation of project sites; or

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

23 (b) Provided, however, that 20 percent of the grant  
24 funds shall be expended specifically in rural areas of the  
25 state and/or areas with high unemployment and low personal

1 income levels. The Director of the State Industrial  
2 Development Authority shall report annually to the Chairs of  
3 the House Government Finance and Appropriations Committee and  
4 the Senate Finance and Taxation-General Fund Committee and the  
5 Legislative Fiscal Officer the status of all grants allotted  
6 and specifically those grants allotted in rural areas of the  
7 state and/or areas with high unemployment and low personal  
8 income levels.

9 (c) Every grant of money made by the authority, any  
10 part of which is made from the proceeds of the authority's  
11 bonds, shall be made subject to the terms and conditions set  
12 forth herein, which are here by declared to be legally  
13 enforceable, and may be enforced by the authority, in any  
14 court of competent jurisdiction.

15 (d) Each application to the authority shall set  
16 forth the following:

17 (1) A description of the qualifying project;

18 (2) The estimated capital costs of the qualifying  
19 project; and

20 (3) Such other information, certification, and  
21 agreements as may be required by the authority to be contained  
22 in any application.

23 (e) Subject to receipt of an application and other  
24 required documentation and agreements in form and substance



1       satisfactory to the authority, the grantee, subject to  
2       availability of funds, shall receive grants as follows:

3               (1) For qualifying projects having capital costs of  
4       less than \$200,000, an amount equal to 5 percent of the  
5       capital costs of the qualifying project;

6               (2) For qualifying projects having capital costs of  
7       not less than \$200,000, but less than \$500,000, an amount  
8       equal to 3.5 percent of the capital costs of the qualifying  
9       project, with a minimum grant of \$10,000;

10              (3) For qualifying projects having capital costs of  
11       not less than \$500,000, but less than \$1,000,000, an amount  
12       equal to 2.5 percent of the capital costs of the qualifying  
13       project, with a minimum grant of \$20,000;

14              (4) For qualifying projects having capital costs of  
15       not less than \$1,000,000, but less than \$2,000,000, an amount  
16       equal to 1.5 per cent of the capital costs of the qualifying  
17       project, with a minimum grant of \$28,000;

18              (5) For qualifying projects having capital costs of  
19       not less than \$2,000,000, but less than \$10,000,000, an amount  
20       equal to 1 percent of the capital costs of the qualifying  
21       project, with a minimum grant of \$32,000; and

22              (6) For qualifying projects having capital costs of  
23       not less than \$10,000,000, an amount equal to .75 percent of  
24       the capital costs of the qualifying project, with a minimum  
25       grant of \$100,000 and a maximum grant of \$150,000.

1           (f) The authority shall have the power to audit the  
2 disbursements by the grantees from such grant or grants.

3           (g) The authority may specify any appropriate terms  
4 and conditions to facilitate the enforcement of the foregoing  
5 provisions of this section.

6           (h) The Director of the State Industrial  
7 Development Authority shall report annually to each member of  
8 the Legislature on the number and amount and location of  
9 grants distributed by the authority. The report for the  
10 previous fiscal year shall be reported by the second  
11 legislative day of each regular session.

12           (i) All grants made by the State Industrial  
13 Development Authority prior to the effective date of this act  
14 are hereby ratified, confirmed, and approved.

15           Section 41-29-504.

16           The bonds of the authority shall be signed by its  
17 president and attested by its secretary, and the seal of the  
18 authority shall be affixed thereto or a facsimile of such seal  
19 shall be printed or otherwise reproduced thereon; provided,  
20 that (a) a facsimile of the signature of one, but not both, of  
21 said officers may be printed or otherwise reproduced on any  
22 such bonds in lieu of being manually subscribed thereon, and  
23 (b) a facsimile of the signatures of both of the said officers  
24 may be printed or otherwise reproduced on such bonds in lieu  
25 of being manually affixed thereof if the authority, in its

1 proceedings with respect to issuance of the bonds, provides  
2 for manual authentication of such bonds and the secretary  
3 designates a trustee or paying agent or named individuals who  
4 are employees of the state and who are assigned to the finance  
5 department or the state treasurer's office of the state to  
6 authenticate the bonds. Any bonds of the authority may be  
7 executed and delivered by it any time and from time to time  
8 and shall be in such form or forms and such denomination or  
9 denominations and of such tenor and maturity or maturities,  
10 shall bear such rate or rates of interest, which may be  
11 variable rates, shall be payable at such times and evidenced  
12 in such manner, and may contain such other provisions not  
13 inconsistent herewith, all as may be provided by the  
14 resolution of the board of directors of the authority under  
15 which such bonds are authorized to be issued; provided, that  
16 no bond of the authority shall have a specified maturity date  
17 later than twenty years after its date. Any bond of the  
18 authority may be made subject to redemption at the option of  
19 the authority at such times and after such notice and on such  
20 conditions and at such redemption price or prices as may be  
21 provided in the resolution under which it is authorized to be  
22 issued; provided, that those bonds of the authority having  
23 specified maturity dates more than ten years after their date  
24 shall be made subject to redemption at the option of the  
25 authority not later than the end of the tenth year after their

1 date, and on any interest payment date thereafter, under such  
2 terms and conditions and at such redemption price or prices as  
3 may be provided in the resolution under which such bonds are  
4 authorized to be issued. Bonds of the authority may be sold at  
5 such price or prices and at such time or times as the board of  
6 directors of the authority may consider advantageous, either  
7 at public or private sale and by negotiation or by competitive  
8 bid. Bonds of the authority sold by competitive bid must be  
9 sold, whether on sealed bids or at public auction, to the  
10 bidder whose bid reflects the lowest true interest cost to the  
11 authority for the bonds being sold, computed from their date  
12 to their respective maturities; provided, that if no bid  
13 acceptable to the authority is received, it may reject all  
14 bids. The authority may fix the terms and conditions under  
15 which each sale of bonds may be held; provided, that such  
16 terms and conditions shall not conflict with any of the  
17 requirements of this article. Subject to the provisions and  
18 limitations contained in this article, the authority may from  
19 time to time sell and issue refunding bonds for the purpose of  
20 refunding any matured or unmatured bonds of the authority then  
21 outstanding. Such refunding bonds shall be subrogated and  
22 entitled to all priorities, rights and pledges to which the  
23 bonds refunded thereby were entitled. The authority may pay  
24 out of the proceeds of the sale of its bonds attorneys' fees  
25 and the expenses of issuance which the board of directors may

1       deem necessary and advantageous in connection with the  
2       issuance of such bonds. Bonds issued by the authority shall  
3       not be general obligations of the authority but shall be  
4       payable solely out of the funds appropriated and pledged  
5       thereof in Section 41-29-506 hereof. As security for the  
6       payment of the principal of and interest on the bonds issued  
7       by it, the authority is hereby authorized and empowered to  
8       pledge for payment of such principal and interest the funds  
9       that are appropriated and pledged in Section 41-29-506 hereof  
10      for payment of such principal and interest. All such pledges  
11      made by the authority shall take precedence in the order of  
12      the adoption of the resolutions containing such pledges;  
13      provided, that each pledge for the benefit of refunding bonds  
14      shall have the same priority as the pledge for the benefit of  
15      the bonds refunded thereby. All contracts made and all bonds  
16      issued by the authority pursuant to the provisions of this  
17      article shall be solely and exclusively obligations of the  
18      authority and shall not constitute or, create an obligation or  
19      debt of the State of Alabama. All bonds issued by the  
20      authority and the income therefrom shall be exempt from all  
21      taxation in the state. Any bonds issued by the authority may  
22      be used by the holder thereof as security for any funds  
23      belonging to the state, or to any political subdivision,  
24      instrumentality of agency of the state, in any instance where  
25      security for such deposits may be required by law. Unless

1 otherwise directed by the court having jurisdiction thereof,  
2 or the document that is the source of authority, a trustee,  
3 executor, administrator, guardian, or one acting in any other  
4 fiduciary capacity may, in addition to any other investment  
5 powers conferred by law and with the exercise of reasonable  
6 business prudence, invest trust funds in bonds of the  
7 authority. Neither a public hearing nor consent of the  
8 department of finance of the state or any other department or  
9 agency shall be a prerequisite to the issuance of the bonds by  
10 the authority. The bonds issued under the provisions of this  
11 article shall be legal investments for funds of the Teachers'  
12 Retirement System of Alabama, the Employees' Retirement System  
13 of Alabama, and the State Insurance Fund.

14 Section 41-29-505.

15 (a) The proceeds of all bonds, other than refunding  
16 bonds, issued by the authority remaining after paying expenses  
17 of their issuance, shall be deposited in the state treasury  
18 and shall be carried in the state treasury in a special or  
19 separate account or accounts. Such funds shall be subject to  
20 be drawn upon by the authority, but any funds so withdrawn  
21 shall be used solely for the purposes for which the bonds were  
22 issued as authorized in this article.

23 (b) The state treasurer, with the approval of the  
24 secretary of the authority, shall invest funds not needed by  
25 the authority within the ensuing thirty days for any purpose

1 for which they are held, which investments shall be made in  
2 the manner authorized and provided for in Section 36-17-18.  
3 The state treasurer and the authority may apply so much as may  
4 be necessary from the earnings on said investments toward  
5 satisfaction of the arbitrage rebate requirements under the  
6 Internal Revenue Code of 1986, as amended.

7 (c) The proceeds from the sale of any refunding  
8 bonds issued hereunder remaining after paying the expenses of  
9 their issuance shall be used only for the purpose of refunding  
10 the principal of outstanding bonds of the authority and of  
11 paying any premium that may be necessary to be paid in order  
12 to redeem or retire the bonds to be refunded.

13 Section 41-29-506.

14 For the purpose of providing funds to enable the  
15 authority to pay at their respective maturities the principal  
16 of and interest on any bonds issued by it under the provisions  
17 of this article and to accomplish the objects of this article,  
18 there are hereby irrevocably pledged to such purpose and there  
19 are hereby appropriated so much as may be necessary for such  
20 purpose of: (a) the residue of the receipts from the tax  
21 levied by Sections 40-25-2 and 40-25-41 after there shall have  
22 been taken therefrom the amount necessary for the purposes  
23 specified in Section 40-25-23(1)b.1., as in existence prior to  
24 the effective date of Act 91-635; and (b) any other revenues  
25 or receipts dedicated to the payment of bonds of the

1 authority, issued by it under the provisions of Act 91-635 or  
2 any subsequent authorizing legislation. All moneys hereby  
3 appropriated and pledged shall constitute a sinking fund for  
4 the purpose of paying the principal of and the interest on the  
5 bonds herein authorized.

6 Section 41-29-507.

7 Out of the revenues appropriated and pledged in  
8 Section 41-29-506 hereof, the state treasurer is hereby  
9 authorized and directed to pay the principal of and interest  
10 on the bonds issued by the authority under the provisions of  
11 this article, as the said principal and interest shall  
12 respectively mature, and the state treasurer is further  
13 authorized and directed to set up and maintain appropriate  
14 records pertaining thereto.

15 Section 5. The acceptance of a tax abatement, grant,  
16 credit, or exemption provided in Section 2 of this act, shall  
17 act as approval and written consent by the taxpayer, as  
18 required by Section 40-2A-10, Code of Alabama 1975, to  
19 disclose the taxpayer, the corresponding amount of the tax  
20 abatement, grant, credit, or exemption, and the realized  
21 benefits to the Secretary of Commerce. The disclosure of the  
22 tax abatement, grant, credit, or exemption, and the realized  
23 benefits shall be provided by the taxpayer to the Secretary of  
24 Commerce for the previous fiscal year and shall be reported by  
25 the Secretary of Commerce no later than the second legislative



1 day of each regular session in accordance with Section  
2 40-1-50, Code of Alabama 1975, to the Legislature.

3 Section 6. The provisions of this act are severable.  
4 If any part of this act is declared invalid or  
5 unconstitutional, that declaration shall not affect the part  
6 which remains.

7 Section 7. This act shall become effective  
8 immediately following its passage and approval by the  
9 Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

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President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in  
and was passed by the House 06-MAR-18, as amended.

Jeff Woodard  
Clerk

Senate	28-MAR-18	Amended and Passed
House	29-MAR-18	Concurred in Senate Amendment