



FISCAL NOTE

Senate Bill 166

Committee: Fiscal Responsibility and Economic Development Sponsor: Senator Sam Givhan
Analyst: Jennifer Farish Date: 04/19/2023

Senate Bill 166 as introduced allows the Cities of Huntsville and Montgomery to establish one or more self-help business improvement districts managed by a district management corporation comprised of a board of directors of at least 3 members (, but not more than 13) to provide supplemental services to promote the economic growth of the district or to increase tourism in the municipality. The members of the board shall not be compensated but may receive reimbursement for actual expenses relating to board activity paid from the special assessment collected. A district management corporation under the provisions of this bill would be exempt from corporate income and franchise taxes as well as state and local sales, use, license, gross receipts, and ad valorem taxes. The impact of these exemptions on state and local tax receipts would depend on such things as the value of the property involved and the cost of any improvements. Supplemental services and improvements within the district would be funded by special assessments authorized pursuant to the provisions of this bill, against the owners of real property in the district excluding single-family, owner-occupied residential property and all property of utilities other than land and retail storage and office facilities within the district. The cities would not be prohibited from including a self-help business improvement district within the bounds of any area or zone which has as one of its purposes the construction of improvements or rehabilitation of properties. The provisions of this bill would increase the administrative obligations of the cities to hold public hearings as required prior to the creation, modification, or dissolution of a self-help business improvement district.