

HB257 ENGROSSED



1 U8URXG-2
2 By Representatives Garrett, Ledbetter, Lovvorn, Stadthagen,
3 Daniels, Moore (P), Reynolds
4 RFD: Ways and Means Education
5 First Read: 04-Apr-23
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HB257 Engrossed

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A BILL
TO BE ENTITLED
AN ACT

Relating to economic development; to add Article 2D, commencing with Section 41-10-47.01, to Chapter 10 of Title 41, Code of Alabama 1975; to authorize the State Industrial Development Authority to make site assessment grants and site development grants to certain companies; to provide for the criteria that must be met for grant approval; to provide for changes to criteria based on economic conditions; to limit the funding that may be received by any site under the grant program; to create the Alabama Site Development Fund and provide for its management; to amend Section 41-10-27.2, Code of Alabama 1975, providing for an annual appropriation to the State Industrial Development Authority, to authorize the appropriation to be expended on the grant program created herein; and to exempt the State Industrial Development Authority and certain economic development organizations from certain state laws.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. A new Article 2D, commencing with Section 41-10-47.01, is added to Chapter 10 of Title 41, Code of



HB257 Engrossed

29 Alabama 1975, to read as follows:

30 Article 2D

31 §41-10-47.01

32 This article shall be known and may be cited as the
33 Site Evaluation Economic Development Strategy.

34 §41-10-47.02

35 As used in this article, the following terms have the
36 following meanings:

37 (1) AUTHORITY. The public corporation organized
38 pursuant to Article 2.

39 (2) BOARD. The board of directors of the authority.

40 (3) COMPANY. Any person that has employees and conducts
41 an activity listed in Section 40-18-372(1).

42 (4) LOCAL ECONOMIC DEVELOPMENT ORGANIZATION. Any
43 organization that is determined by the authority to meet both
44 of the following criteria:

45 a. The organization is an Alabama entity not operating
46 for profit, including, but not limited to, a municipality,
47 county, industrial development board, industrial development
48 authority, chamber of commerce, or some other foundation or
49 nonprofit organization charged with improving a community or
50 region of the state.

51 b. The organization has a record of supporting or
52 otherwise participating in economic development in some part
53 of the state.

54 (5) FUND. The Alabama Site Development Fund created by
55 this article.

56 (6) SITE. Any parcel of real property intended for



HB257 Engrossed

57 development by a company.

58 §41-10-47.03

59 (a) Any local economic development organization may
60 apply to the authority for a site assessment grant.

61 (b) Before making a site assessment grant, the
62 authority shall make all of the following findings:

63 (1) The site is owned by a local economic development
64 organization, or a local economic development organization has
65 an option to purchase the site.

66 (2) The site is at least 50 acres.

67 (3) The application includes proof that the grant funds
68 that are approved by the authority will be matched by funds on
69 hand with, or contingently committed to, the applicant.

70 (c) The authority may impose additional requirements
71 with regard to the sites, including, but not limited to,
72 environmental and geotechnical matters, as well as utility and
73 transportation related issues.

74 (d) Each applicant must enter into a project agreement
75 with the authority to establish the terms and conditions of
76 the site assessment grant.

77 §41-10-47.04

78 (a) Any local economic development organization may
79 apply to the authority for a site development grant.

80 (b) Before making a site development grant, the
81 authority shall make both of the following findings:

82 (1) The site is comprised of at least ~~200~~ 75 contiguous
83 acres, provided that in addition to the ~~200~~ 75 contiguous
84 acres, other proximate but noncontiguous property may be a



HB257 Engrossed

85 part of the site.

86 (2) The application includes proof that the grant funds
87 that are approved by the authority will be matched by funds on
88 hand with, or contingently committed to, the applicant.

89 (c) The authority may impose additional requirements
90 with regard to the sites, including, but not limited to,
91 environmental and geotechnical matters, as well as utility and
92 transportation related issues.

93 (d) Each applicant must enter into a project agreement
94 with the authority to establish the terms and conditions of
95 the site development grant.

96 §41-10-47.05

97 (a) For the benefit of the state and the residents of
98 the state, there is created an irrevocable fund named the
99 Alabama Site Development Fund, which shall be funded from all
100 of the following sources:

101 (1) Proceeds of any gifts, grants, or contributions.

102 (2) Revenue sources as directed by, and at the
103 discretion of, the Legislature.

104 (3) Appropriations as directed by, and at the
105 discretion of, the Legislature.

106 (4) Investment income.

107 (5) Federal grants relating to site-based development
108 initiatives which the authority finds will have the effect of
109 advancing economic development in Alabama.

110 (6) Any other lawful sources.

111 (b) The funds shall be administered in accordance with
112 this article. All revenues received by the fund shall be



HB257 Engrossed

113 deposited in the fund upon receipt and may be invested by the
114 board and withdrawn and expended by the authority for the
115 purposes of this article in a manner consistent with the
116 powers granted to the authority by this article.

117 (c) The fund shall be under the management and control
118 of the board, and all powers necessary or appropriate for the
119 management and control of the fund shall be vested solely in
120 the board. The authority may make whatever representations and
121 covenants it finds reasonable or necessary for federal grant
122 applications and agreements, and it may take whatever actions
123 it deems reasonable or necessary to implement such grants.

124 §41-10-47.06

125 (a) The funds shall be held in perpetual trust and
126 shall not be appropriated by the Legislature or expended or
127 disbursed for any purpose other than as provided in this
128 article. The board may expend the fund's earnings and
129 principal in furtherance of its purposes.

130 (b) (1) To the extent practicable, the board shall keep
131 all monies at any time held in the fund invested in eligible
132 investments, in its sole judgment, as shall produce the
133 greatest trust income over the term of the investments while
134 preserving capital.

135 (2) The board may select the eligible investments in
136 which monies held in the fund shall at any time be invested.

137 (3) The board may invest the fund capital in any
138 eligible investments producing trust income in accordance with
139 the schedule as the board, in its sole judgment, determines to
140 be in the best interests of the state. In determining the



HB257 Engrossed

141 schedule, the board may emphasize future benefits in
142 preference to near-term needs. A board member shall not be
143 responsible for the adequacy of the fund to satisfy and
144 discharge any obligation of the corporation.

145 §41-10-47.07

146 The Legislature recognizes that economic conditions may
147 require the consideration of a grant for a site that does not
148 meet one or more requirements of Section 41-10-47.03(b) or
149 41-10-47.04(b). The board, by majority vote, may cause a grant
150 to be made so long as the board determines that the site is
151 suitable for development for one or more activities listed in
152 Section 40-18-372(1) and is in the best interest of the
153 public.

154 §41-10-47.08

155 The authority may contract with and rely on one or more
156 statewide economic development organizations in implementing
157 this article. The authority may enter into such contracts,
158 leases, agreements, and investments and may otherwise expend
159 monies without compliance with Article 5 of Chapter 4 of Title
160 41 or Chapter 2 of Title 39. Solely as a result of entering
161 into contracts, leases, agreements, investments, or otherwise,
162 no local economic development organization, nor the officers,
163 employees, agents, or directors of any of the foregoing, shall
164 become subject to Chapter 25 or Chapter 25A of Title 36;
165 Article 5 of Chapter 4 of Title 41; Chapter 2 of Title 39; or
166 Section 36-12-40.

167 §41-10-47.09

168 The authority shall report annually to each member of



HB257 Engrossed

169 the Legislature on the number, amount, and location of site
170 grants distributed by the authority.

171 Section 2. Section 41-10-27.2, Code of Alabama 1975, is
172 amended to read as follows:

173 "§41-10-27.2

174 Beginning in the fiscal year ending September 30,
175 ~~2006~~2024, the Legislature shall annually appropriate an amount
176 up to \$2,000,000 from the Capital Improvement Trust Fund to
177 the State Industrial Development Authority for the purpose of
178 paying industrial development site grants, site assessment
179 grants, or site development grants. The bond commission
180 established by ~~Amendment 666 of the Constitution of Alabama of~~
181 ~~1901, now appearing as~~ Section 210.04, ~~of the Official~~
182 ~~Recompilation~~ of the Constitution of Alabama of ~~1901~~2022, ~~as~~
183 ~~amended~~, shall consult with the State Industrial Development
184 Authority and recommend to the Legislature the actual amount
185 of the annual appropriation."

186 Section 3. This act shall become effective immediately
187 following its passage and approval by the Governor, or its
188 otherwise becoming law.



HB257 Engrossed

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House of Representatives

Read for the first time and referred04-Apr-23
to the House of Representatives
committee on Ways and Means
Education
Read for the second time and placed12-Apr-23
on the calendar:
2 amendments
Read for the third time and passed13-Apr-23
as amended
Yeas 105
Nays 0
Abstains 0

John Treadwell
Clerk