

HB257 INTRODUCED



1 U8URXG-1
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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SYNOPSIS:

This bill would create the Site Evaluation Economic Development Strategy, a site development grant funding program that encourages the acquisition of new sites to meet speed-to-market demand. Grants would be available for the assessment of sites and for the subsequent development of sites.

This bill would require matching funds from local economic development organizations.

This bill would also provide that the site development grant funding program would be administered by the State Industrial Development Authority.

This bill would create the Alabama Site Development Fund and provide for its management.

This bill would also exempt the State Industrial Development Authority and economic development organizations from specified state laws.

A BILL
TO BE ENTITLED
AN ACT

Relating to economic development; to add Article 2D,



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29 commencing with Section 41-10-47.01, to Chapter 10 of Title
30 41, Code of Alabama 1975; to authorize the State Industrial
31 Development Authority to make site assessment grants and site
32 development grants to certain companies; to provide for the
33 criteria that must be met for grant approval; to provide for
34 changes to criteria based on economic conditions; to limit the
35 funding that may be received by any site under the grant
36 program; to create the Alabama Site Development Fund and
37 provide for its management; to amend Section 41-10-27.2, Code
38 of Alabama 1975, providing for an annual appropriation to the
39 State Industrial Development Authority, to authorize the
40 appropriation to be expended on the grant program created
41 herein; and to exempt the State Industrial Development
42 Authority and certain economic development organizations from
43 certain state laws.

44 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

45 Section 1. A new Article 2D, commencing with Section
46 41-10-47.01, is added to Chapter 10 of Title 41, Code of
47 Alabama 1975, to read as follows:

48 Article 2D

49 §41-10-47.01

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

52 §41-10-47.02

53 As used in this article, the following terms have the
54 following meanings:

55 (1) AUTHORITY. The public corporation organized
56 pursuant to Article 2.



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

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

60 (4) LOCAL ECONOMIC DEVELOPMENT ORGANIZATION. Any
61 organization that is determined by the authority to meet both
62 of the following criteria:

63 a. The organization is an Alabama entity not operating
64 for profit, including, but not limited to, a municipality,
65 county, industrial development board, industrial development
66 authority, chamber of commerce, or some other foundation or
67 nonprofit organization charged with improving a community or
68 region of the state.

69 b. The organization has a record of supporting or
70 otherwise participating in economic development in some part
71 of the state.

72 (5) FUND. The Alabama Site Development Fund created by
73 this article.

74 (6) SITE. Any parcel of real property intended for
75 development by a company.

76 §41-10-47.03

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

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

81 (1) The site is owned by a local economic development
82 organization, or a local economic development organization has
83 an option to purchase the site.

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



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

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

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

95 §41-10-47.04

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

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

100 (1) The site is comprised of at least 200 contiguous
101 acres, provided that in addition to the 200 contiguous acres,
102 other proximate but noncontiguous property may be a part of
103 the site.

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

107 (c) The authority may impose additional requirements
108 with regard to the sites, including, but not limited to,
109 environmental and geotechnical matters, as well as utility and
110 transportation related issues.

111 (d) Each applicant must enter into a project agreement
112 with the authority to establish the terms and conditions of



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113 the site development grant.

114 §41-10-47.05

115 (a) For the benefit of the state and the residents of
116 the state, there is created an irrevocable fund named the
117 Alabama Site Development Fund, which shall be funded from all
118 of the following sources:

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

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

122 (3) Appropriations as directed by, and at the
123 discretion of, the Legislature.

124 (4) Investment income.

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

128 (6) Any other lawful sources.

129 (b) The funds shall be administered in accordance with
130 this article. All revenues received by the fund shall be
131 deposited in the fund upon receipt and may be invested by the
132 board and withdrawn and expended by the authority for the
133 purposes of this article in a manner consistent with the
134 powers granted to the authority by this article.

135 (c) The fund shall be under the management and control
136 of the board, and all powers necessary or appropriate for the
137 management and control of the fund shall be vested solely in
138 the board. The authority may make whatever representations and
139 covenants it finds reasonable or necessary for federal grant
140 applications and agreements, and it may take whatever actions



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141 it deems reasonable or necessary to implement such grants.

142 §41-10-47.06

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

148 (b) (1) To the extent practicable, the board shall keep
149 all monies at any time held in the fund invested in eligible
150 investments, in its sole judgment, as shall produce the
151 greatest trust income over the term of the investments while
152 preserving capital.

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

155 (3) The board may invest the fund capital in any
156 eligible investments producing trust income in accordance with
157 the schedule as the board, in its sole judgment, determines to
158 be in the best interests of the state. In determining the
159 schedule, the board may emphasize future benefits in
160 preference to near-term needs. A board member may not be held
161 personally liable for any liability, loss, or expense suffered
162 by the fund, unless the liability, loss, or expense arises out
163 of or results from the willful misconduct or intentional
164 wrongdoing of the board member. A board member shall not be
165 responsible for the adequacy of the fund to satisfy and
166 discharge any obligation of the corporation.

167 §41-10-47.07

168 The Legislature recognizes that economic conditions may



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169 require the consideration of a grant for a site that does not
170 meet one or more requirements of Section 41-10-47.03(b) or
171 41-10-47.04(b). The board, by majority vote, may cause a grant
172 to be made so long as the board determines that the site is
173 suitable for development for one or more activities listed in
174 Section 40-18-372(1) and is in the best interest of the
175 public.

176 §41-10-47.08

177 The authority may contract with and rely on one or more
178 statewide economic development organizations in implementing
179 this article. The authority may enter into such contracts,
180 leases, agreements, and investments and may otherwise expend
181 monies without compliance with Article 5 of Chapter 4 of Title
182 41 or Chapter 2 of Title 39. Solely as a result of entering
183 into contracts, leases, agreements, investments, or otherwise,
184 no local economic development organization, nor the officers,
185 employees, agents, or directors of any of the foregoing, shall
186 become subject to Chapter 25 or Chapter 25A of Title 36;
187 Article 5 of Chapter 4 of Title 41; Chapter 2 of Title 39; or
188 Section 36-12-40.

189 §41-10-47.09

190 The authority shall report annually to each member of
191 the Legislature on the number, amount, and location of site
192 grants distributed by the authority.

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

195 "§41-10-27.2

196 Beginning in the fiscal year ending September 30,



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197 ~~2006~~2024, the Legislature shall annually appropriate an amount
198 up to \$2,000,000 from the Capital Improvement Trust Fund to
199 the State Industrial Development Authority for the purpose of
200 paying industrial development site grants, site assessment
201 grants, or site development grants. The bond commission
202 established by ~~Amendment 666 of the Constitution of Alabama of~~
203 ~~1901, now appearing as~~ Section 210.04, ~~of the Official~~
204 ~~Recompilation~~ of the Constitution of Alabama of ~~1901~~2022, ~~as~~
205 ~~amended~~, shall consult with the State Industrial Development
206 Authority and recommend to the Legislature the actual amount
207 of the annual appropriation."

208 Section 3. This act shall become effective immediately
209 following its passage and approval by the Governor, or its
210 otherwise becoming law.