

**SB165 ENROLLED**



1 WV4V9E-3

2 By Senators Orr, Weaver, Williams, Chesteen, Price, Reed,  
3 Allen, Butler, Jones, Gudger, Waggoner, Kelley, Chambliss,  
4 Hovey, Sessions, Bell, Shelnett, Scofield, Melson, Singleton,  
5 Livingston, Hatcher, Stewart, Figures, Smitherman,  
6 Coleman-Madison

7 RFD: Fiscal Responsibility and Economic Development

8 First Read: 04-Apr-23

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## SB165 Enrolled

1 Enrolled, An Act,

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5 Relating to economic development; to add Article 2D,  
6 commencing with Section 41-10-47.01, to Chapter 10 of Title  
7 41, Code of Alabama 1975; to authorize the State Industrial  
8 Development Authority to make site assessment grants and site  
9 development grants to certain companies; to provide for the  
10 criteria that must be met for grant approval; to provide for  
11 changes to criteria based on economic conditions; to limit the  
12 funding that may be received by any site under the grant  
13 program; to create the Alabama Site Development Fund and  
14 provide for its management; to amend Section 41-10-27.2, Code  
15 of Alabama 1975, providing for an annual appropriation to the  
16 State Industrial Development Authority, to authorize the  
17 appropriation to be expended on the grant program created  
18 herein; and to exempt the State Industrial Development  
19 Authority and certain economic development organizations from  
20 certain state laws.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. A new Article 2D, commencing with Section  
23 41-10-47.01, is added to Chapter 10 of Title 41, Code of  
24 Alabama 1975, to read as follows:

25 Article 2D

26 §41-10-47.01

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



## SB165 Enrolled

29 §41-10-47.02

30 As used in this article, the following terms have the  
31 following meanings:

32 (1) AUTHORITY. The public corporation organized  
33 pursuant to Article 2.

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

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

37 (4) LOCAL ECONOMIC DEVELOPMENT ORGANIZATION. Any  
38 organization that is determined by the authority to meet both  
39 of the following criteria:

40 a. The organization is an Alabama entity not operating  
41 for profit, including, but not limited to, a municipality,  
42 county, industrial development board, industrial development  
43 authority, chamber of commerce, or some other foundation or  
44 nonprofit organization charged with improving a community or  
45 region of the state.

46 b. The organization has a record of supporting or  
47 otherwise participating in economic development in some part  
48 of the state.

49 (5) FUND. The Alabama Site Development Fund created by  
50 this article.

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

53 (7) STATEWIDE ECONOMIC DEVELOPMENT ORGANIZATION. An  
54 organization that is determined by the authority to be an  
55 Alabama entity not operating for profit which is charged with  
56 improving the state or a region of the state and has a record



## SB165 Enrolled

57 of supporting or otherwise participating in economic  
58 development in the state.

59 (8) TARGETED COUNTY. Any Alabama county that is  
60 described in Section 40-18-376.1.

61 §41-10-47.03

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

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

66 (1) The site is owned by a local economic development  
67 organization, or a local economic development organization has  
68 an option to purchase the site.

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

70 (3) The application includes proof that the grant funds  
71 that are approved by the authority will be matched by funds on  
72 hand with, or contingently committed to, the applicant such  
73 that one of the following is true:

74 a. If the site is located in a targeted county with a  
75 population of less than 12,000, for every dollar of grant  
76 funds, the applicant will contribute twenty-five cents (\$0.25)  
77 of additional funds.

78 b. If the site is located in a targeted county with a  
79 population of 12,000 or greater but less than 50,000, for  
80 every dollar of grant funds, the applicant will contribute  
81 fifty cents (\$0.50) of additional funds.

82 c. If the site is located in a county with a population  
83 of 50,000 or greater but less than 150,000, for every dollar  
84 of grant funds, the applicant will contribute seventy-five



## SB165 Enrolled

85 cents (\$0.75) of additional funds.

86 d. If the site is located in a county with a  
87 population of 150,000 or greater, for every dollar of grant  
88 funds, the applicant will contribute one dollar (\$1) of  
89 additional funds.

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

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

97 §41-10-47.04

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

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

102 (1) The site is comprised of at least 75 contiguous  
103 acres, provided that in addition to the 75 contiguous acres,  
104 other proximate but noncontiguous property may be a part of  
105 the site.

106 (2) The application includes proof that the grant funds  
107 that are approved by the authority will be matched by funds on  
108 hand with, or contingently committed to, the applicant such  
109 that one of the following is true:

110 a. If the site is located in a targeted county with a  
111 population of less than 12,000, for every dollar of grant  
112 funds, the applicant will contribute twenty-five cents (\$0.25)



## SB165 Enrolled

113 of additional funds.

114           b. If the site is located in a targeted county with a  
115 population of 12,000 or greater but less than 50,000, for  
116 every dollar of grant funds, the applicant will contribute  
117 fifty cents (\$0.50) of additional funds.

118           c. If the site is located in a county with a population  
119 of 50,000 or greater but less than 150,000, for every dollar  
120 of grant funds, the applicant will contribute seventy-five  
121 cents (\$0.75) of additional funds.

122           d. If the site is located in a county with a  
123 population of 150,000 or greater, for every dollar of grant  
124 funds, the applicant will contribute one dollar (\$1) of  
125 additional funds.

126           (c) The authority may impose additional requirements  
127 with regard to the sites, including, but not limited to,  
128 environmental and geotechnical matters, as well as utility  
129 related and transportation related issues.

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

133           §41-10-47.05

134           (a) For the benefit of the state and the residents of  
135 the state, there is created an irrevocable fund named the  
136 Alabama Site Development Fund, which shall be funded from all  
137 of the following sources:

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

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



## SB165 Enrolled

141 (3) Appropriations as directed by, and at the  
142 discretion of, the Legislature.

143 (4) Investment income.

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

147 (6) Any other lawful sources.

148 (b) The funds shall be administered in accordance with  
149 this article. All revenues received by the fund shall be  
150 deposited in the fund upon receipt and may be invested by the  
151 board and withdrawn and expended by the authority for the  
152 purposes of this article in a manner consistent with the  
153 powers granted to the authority by this article.

154 (c) The fund shall be under the management and control  
155 of the board, and all powers necessary or appropriate for the  
156 management and control of the fund shall be vested solely in  
157 the board. The authority may make whatever representations and  
158 covenants it finds reasonable or necessary for federal grant  
159 applications and agreements, and it may take whatever actions  
160 it deems reasonable or necessary to implement such grants.

161 §41-10-47.06

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

167 (b) (1) To the extent practicable, the board shall keep  
168 all monies at any time held in the fund invested in eligible



## SB165 Enrolled

169 investments, in its sole judgment, as shall produce the  
170 greatest trust income over the term of the investments while  
171 preserving capital.

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

174 (3) The board may invest the fund capital in any  
175 eligible investments producing trust income in accordance with  
176 the schedule as the board, in its sole judgment, determines to  
177 be in the best interests of the state. In determining the  
178 schedule, the board may emphasize future benefits in  
179 preference to near-term needs. A board member shall not be  
180 responsible for the adequacy of the fund to satisfy and  
181 discharge any obligation of the corporation.

182 §41-10-47.07

183 The Legislature recognizes that economic conditions may  
184 require the consideration of a grant for a site that does not  
185 meet one or more requirements of Section 41-10-47.03(b) or  
186 41-10-47.04(b). The board, by majority vote, may cause a grant  
187 to be made so long as the board determines that the site is  
188 suitable for development for one or more activities listed in  
189 Section 40-18-372(1) and is in the best interest of the  
190 public.

191 §41-10-47.08

192 The authority may contract with and rely on one or more  
193 statewide economic development organizations in implementing  
194 this article. The authority may enter into such contracts,  
195 leases, agreements, and investments and may otherwise expend  
196 monies without compliance with Article 5 of Chapter 4 of Title





## SB165 Enrolled

197 41 or Chapter 2 of Title 39. Solely as a result of entering  
198 into contracts, leases, agreements, investments, or otherwise,  
199 no statewide economic development organization, nor the  
200 officers, employees, agents, or directors of any of the  
201 foregoing, shall become subject to Chapter 25 or Chapter 25A  
202 of Title 36; Article 5 of Chapter 4 of Title 41; Chapter 2 of  
203 Title 39; or Section 36-12-40.

204 §41-10-47.09

205 The authority shall report annually to each member of  
206 the Legislature on the number, amount, and location of site  
207 grants distributed by the authority.

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

210 "§41-10-27.2

211 Beginning in the fiscal year ending September 30,  
212 ~~2006~~2024, the Legislature shall annually appropriate an amount  
213 up to \$2,000,000 from the Capital Improvement Trust Fund to  
214 the State Industrial Development Authority for the purpose of  
215 paying industrial development site grants, site assessment  
216 grants, or site development grants. The bond commission  
217 established by ~~Amendment 666 of the Constitution of Alabama of~~  
218 ~~1901, now appearing as~~ Section 210.04, ~~of the Official~~  
219 ~~Recompilation~~ of the Constitution of Alabama of ~~1901~~2022, ~~as~~  
220 ~~amended~~, shall consult with the State Industrial Development  
221 Authority and recommend to the Legislature the actual amount  
222 of the annual appropriation."

223 Section 3. This act shall become effective immediately  
224 following its passage and approval by the Governor, or its



**SB165 Enrolled**

225 otherwise becoming law.



**SB165 Enrolled**

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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB165

Senate 13-Apr-23

I hereby certify that the within Act originated in and passed  
the Senate, as amended.

Patrick Harris,  
Secretary.

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House of Representatives

Passed: 20-Apr-23

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By: Senator Orr