



FISCAL NOTE

House Bill 417

Committee: Economic Development and
Tourism

Sponsor: Representative Danny Crawford

Analyst: Jennifer Farish

Date: 04/16/2024

House Bill 417 as reported by the Committee on Economic Development and Tourism would authorize the creation of the Agriculture Exhibition Center Corporation to be governed by a 5-member board of directors to construct, develop, and operate the Alabama Farm Center for the promotion, showcasing, and facilitating education regarding all facets of the agricultural industry and advancing agricultural business and workforce development in this state. The bill would authorize the county where the Alabama Farm Center is located, as well as each municipality located in the county, to lease, sell, or convey property and appropriate public funds to the Corporation. The bill would deem the Corporation an economic development organization, for purposes of the Growing Alabama Act allowing the Corporation to apply directly to the Department of Commerce for tax credits to undertake construction, management, and leasing of the Alabama Farm Center.

Additionally, this bill would exempt the Corporation from payment of: (1) all state, county, and municipal sales and use taxes; (2) all state, county, and local ad valorem taxes; and (3) any other taxes levied by a county, municipality, or other political subdivision of this state, including, license and excise taxes, which would reduce potential receipts to the State General Fund, Education Trust Fund, county and municipal funds, by an undetermined amount dependent upon the amount of taxes exempted by this bill that would otherwise have been collected by state or local governments. This bill would require local taxing authorities to rebate county or municipal sales and use tax proceeds collected by the Corporation back to the corporation. This bill would further authorize the Corporation to enter revenue sharing agreements with the County Commission and municipalities to share any revenue generated by the Corporation outside of the operational area of the Corporation.



This bill would also allow the corporation to: (1) accept pledges of revenues and grants from government entities; (2) sell or lease its property to government entities; (3) enter into financing agreements with state agencies that requires the authority to mortgage its property; (4) invest funds; (5) accept lease payments; (6) issue bonds; (7) make loans; (8) establish subsidiaries other corporations; (9) enter into design-build contracts; and (10) borrow money from any government entity.

This could also increase the administrative obligations of the Department of Examiners of Public Accounts to biennially audit the corporation.