

SB330 INTRODUCED



1 SB330
2 FXV455C-1
3 By Senators Orr, Allen, Roberts
4 RFD: Transportation and Energy
5 First Read: 18-Apr-24



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SYNOPSIS:

Under existing law, the Alabama Jobs Act provides incentives for certain qualifying business activities to stimulate job creation and capital investment for new and existing businesses within Alabama.

This bill would amend the definition of a "renewable energy generation facility" which is an activity eligible for incentives under the Alabama Jobs Act.

A BILL
TO BE ENTITLED
AN ACT

Relating to the Alabama Jobs Act; to amend Section 40-18-372, Code of Alabama 1975, to amend the definition of a renewable energy generation facility.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-18-372, Code of Alabama 1975, is amended to read as follows:

"§40-18-372

A qualifying project must be found by the Secretary of Commerce to conduct an activity specified in subdivision (1)



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29 and to meet the minimum standard set forth in subdivision (2).

30

31 (1) A qualifying project must predominantly conduct an
32 activity that is any one or more of the following:

33 a. Described by NAICS Code 1133, 115111, 2121, 22111,
34 221330, 31 (other than 311811), 32, 33, 423, 424, 482, 4862,
35 48691, 48699, 48819, 4882, 4883 (other than 48833), 493, 511,
36 5121 (other than 51213), 51221, 517, 518 (without regard to
37 the premise that data processing and related services be
38 performed in conjunction with a third party), 51913, 52232,
39 54133 (if predominantly in furtherance of another activity
40 described in this article), 54134 (if predominantly in
41 furtherance of another activity described in this article),
42 54138, 5415, 541614, 5417, 55 (if not for the production of
43 electricity), 561422 (other than establishments that originate
44 telephone calls), 562213, 56291, 56292, 611512, 927, or 92811.

45 b. The production of biofuel as such term is defined in
46 Section 2-2-90(c)(2).

47 c. A renewable energy generation facility may be one of
48 the following:

49 1. A facility that is owned by one or more electric
50 providers, as the term is defined in Section 37-16-3, for
51 providing electric service at retail in Alabama.

52 2. A "qualifying facility" (QF) as defined by the
53 Energy Information Administration (EIA) as a cogeneration or
54 small power production facility that meets certain ownership,
55 operating, and efficiency criteria established by the Federal
56 Energy Regulatory Commission (FERC) pursuant to the Public



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57 Utility Regulatory Policies Act (PURPA).

58 3. An "independent power producer" as defined by EIA as
59 a corporation, person, agency, authority, or other legal
60 entity or instrumentality that owns or operates facilities for
61 the generation of electricity for use primarily by the public.

62 For purposes of this subdivision, an "electric
63 provider" shall also include an authority as defined in
64 Section 11-50A-1. In the case of an electric provider that is
65 also a tax-exempt organization under the Internal Revenue
66 Code, notwithstanding Section 40-18-376(b)(3), any investment
67 credit may be transferred for the entire term of the project
68 agreement, as approved by the Governor. A "renewable energy
69 generation facility" as used in this subdivision shall include
70 any tangible property that is part of renewable energy
71 generation, including any addition, modification, expansion,
72 or upgrade to transmission or distribution systems that is
73 required to accommodate the interconnection of renewable
74 energy generation.

75 d. The conduct of original investigations undertaken on
76 a systematic basis to gain new knowledge or the application of
77 research findings or other scientific knowledge to create new
78 or significantly improved products or processes.

79 e. The national or regional headquarters for a company
80 that conducts significant business operations outside the
81 state and that will serve as the principal office of the
82 company's principal operating officer with chief
83 responsibility for the daily business operations of the
84 company.



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85 f. A target of the state's economic development
86 efforts pursuant to the Accelerate Alabama Strategic Economic
87 Development Plan adopted in January 2012 by the Alabama
88 Economic Development Alliance, created by Executive Order
89 Number 21 of the Governor on July 18, 2011, or any amended
90 version or successor document thereto.

91 g. A type listed in a rule adopted by the Department of
92 Commerce, other than an emergency rule.

93 Notwithstanding the foregoing, a qualifying project may
94 not engage predominantly in farming activities involving
95 trees, animals, or crops, and a qualifying project may not
96 engage predominantly in the retail sale of tangible personal
97 property or services, and may not be a shopping center,
98 restaurant, movie theater, bowling alley, fitness center,
99 miniature golf course, nightclub, gaming facility, or
100 establishment serving the local community. However, if the
101 excluded activities are not the predominant activity at the
102 project, and if the project is otherwise a qualifying project,
103 then the project agreement may provide that the capital
104 investment may include costs related to excluded activities
105 that are ancillary to the primary business conducted as part
106 of the project. This provision shall not be deemed to exclude
107 customer service centers, call centers or headquarters
108 otherwise allowed by this subdivision.

109 (2) A qualifying project shall create a significant
110 number of new jobs for the area in which the qualifying
111 project shall be located. Absent a finding of extraordinary
112 circumstances by the Secretary of Commerce, a qualifying



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113 project shall employ either of the following number of new
114 employees:

115 a. Any number of new employees, for a qualifying
116 project in which the predominant activity involves chemical
117 manufacturing, data centers, renewable energy generation,
118 engineering, design, or research, metal/machining technology
119 or toolmaking; or

120 b. At least 50 new employees, for all other qualifying
121 projects."

122 Section 2. This act shall become effective on October
123 1, 2024.