

HB243 ENROLLED



1 HB243
2 9NHUPPP-2
3 By Representatives Whitt, Sellers
4 RFD: Economic Development and Tourism
5 First Read: 11-Feb-25



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1 Enrolled, An Act,

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3 Relating to taxation; to unabate a portion of the
4 abated amounts of the state's noneducational ad valorem tax
5 and state construction related transaction tax; to create the
6 Alabama Development Fund to be administered by the Department
7 of Commerce; and to provide for the sharing of abatement
8 information between the Department of Revenue and the
9 Department of Commerce.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Upon the granting of an abatement pursuant
12 to Section 40-9B-4 or 40-9G-2, Code of Alabama 1975, during
13 the applicable exemption period:

14 (a) 1.0 mill of the state's abated noneducational ad
15 valorem taxes shall be unabated. The local tax collecting
16 official shall collect 1.0 mill of the state noneducational ad
17 valorem taxes that otherwise could have been abated and remit
18 the amount collected to the State Comptroller for deposit into
19 the Alabama Development Fund.

20 (b) Three-quarters of one percent of the state
21 construction related transaction taxes on private use
22 industrial property shall be unabated. The Department of
23 Revenue shall collect the unabated rate on sales of private
24 use industrial property that was previously subject to
25 abatement and shall deposit such funds directly to the Alabama
26 Development Fund.

27 Section 2. Nothing in this section shall impair,
28 restrict, or alter any abatement agreement granted prior to



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29 June 1, 2026. The provisions of this act shall apply
30 prospectively to new abatements granted on or after June 1,
31 2026.

32 Section 3. (a) The Department of Revenue shall provide
33 the Department of Commerce with a copy of each application,
34 resolution, and abatement agreement, including any amendment,
35 granted under Section 40-9B-4 or 40-9G-2, Code of Alabama
36 1975.

37 (b) The Department of Commerce shall use the
38 information received under subsection (a) solely for the
39 purposes of economic development planning and program
40 evaluation.

41 (c) To ensure taxpayer confidentiality, all information
42 shared under this section shall remain subject to the
43 confidentiality provisions of Section 40-2A-10, Code of
44 Alabama 1975. The Department of Commerce shall implement
45 safeguards to ensure that taxpayer information is not
46 disclosed to unauthorized persons or entities.

47 (d) The Department of Commerce and the Department of
48 Revenue may adopt rules for the administration of this act.

49 Section 4. Section 2 of this act shall apply uniformly
50 to all eligible taxpayers and shall be implemented in a manner
51 that complies with all applicable provisions of the
52 Constitution of Alabama of 2022, as amended.

53 Section 5. (a) There is created in the State Treasury a
54 fund to be known as the Alabama Development Fund, which shall
55 be administered by the Department of Commerce. Funds received
56 by the State of Alabama from the following sources shall be



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57 deposited into the fund: (i) monies received from taxes
58 collected by this act; (ii) monies appropriated or otherwise
59 made available by the Legislature in any manner excluding
60 State General Fund or Education Trust Fund monies; (iii)
61 proceeds of any gifts, grants, or contributions; and (iv)
62 monies from any other source designated for deposit into such
63 fund, but not including monies subject to a constitutional
64 designation for some other purpose.

65 (b) No monies shall be withdrawn or expended from the
66 fund for any purpose unless the monies have been appropriated
67 by the Legislature and allocated pursuant to applicable law.
68 Any monies appropriated shall be budgeted and allotted
69 pursuant to the Budget Management Act in accordance with
70 Article 4, commencing with Section 41-4-80 of Chapter 4 of
71 Title 41, Code of Alabama 1975, and only in the amounts
72 provided by the Legislature in the general appropriations act
73 or other appropriations act.

74 (c) Unexpended amounts remaining in the fund at the end
75 of each fiscal year shall not revert to the State Treasury at
76 the end of any fiscal year but shall be carried forward to the
77 succeeding fiscal year.

78 (d) The Alabama Department of Commerce shall be
79 authorized to administer the expenditure of funds in the
80 Alabama Development Fund in furtherance of economic
81 development.

82 Section 6. Section 1 through Section 4 of this act
83 shall become effective on June 1, 2026. Section 5 of this act
84 shall become effective on October 1, 2025.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 13-Feb-25.

John Treadwell
Clerk

Senate

18-Mar-25

Passed