

HB620 INTRODUCED



1 HB620
2 XDFTK7E-1
3 By Representative Reynolds
4 RFD: Ways and Means General Fund
5 First Read: 01-May-25



SYNOPSIS:

This bill would authorize a public industrial authority to grant abatements for international headquarters of publicly traded companies, under the Tax Incentive Reform Act of 1992.

A BILL
TO BE ENTITLED
AN ACT

Relating to the Tax Incentive Reform Act of 1992; to add Section 40-9B-14 to the Code of Alabama 1975, providing for abatements for international headquarters of publicly traded companies.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-9B-14 is added to the Code of Alabama 1975, to read as follows:

§40-9B-14

Notwithstanding any other provisions of this chapter, the following provisions shall be applicable, under the conditions stated in this section, to authorize a public industrial authority, in its discretion, to offer an incentive, as described in this section, to retain an international headquarters facility located within its



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29 jurisdiction:

30 (a) An "international headquarters facility" shall be
31 defined as industrial or research enterprise which is
32 accompanied by the international headquarters of a publicly
33 traded company located in the State of Alabama and which has
34 operations in one or more other sovereign nations consisting
35 of more than 100 employees and has not less than the below
36 specified number of employees in the State of Alabama.

37 (b) To be eligible for consideration for incentives,
38 the public industrial authority must determine that all of the
39 following provisions are met:

40 (1) Retention of the company is in the best interest of
41 the citizens of the jurisdiction.

42 (2) That at the time of application, the company has
43 not less than 300 full-time employees within the jurisdiction.

44 (3) That the company has made a total cumulative
45 capital investment of not less than two hundred million
46 dollars (\$200,000,000) in Alabama.

47 (4) That the company has been located within a
48 designated research park for a period of not less than 20
49 years.

50 (5) That the company has executed an inducement
51 agreement to retain the company within the jurisdiction that
52 is satisfactory to the authority which shall automatically
53 terminate, along with any incentives, if the terms of such
54 agreement are materially violated.

55 (6) That the local jurisdiction is a municipality with
56 a population of more than 210,000 according to the most recent



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57 decennial federal census.

58 (c) If the authority determines that all previous
59 incentives, if any, for the company have expired and the
60 criteria in (b) have been met, then, the authority may grant
61 an abatement of ad valorem taxes, excluding education taxes,
62 not exceeding one hundred thousand dollars (\$100,000) per
63 annum or a period of time in excess of 10 years.

64 Section 2. This act shall become effective immediately.