

HB551 INTRODUCED



1 HB551

2 JPEPZFF-1

3 By Representatives Jackson, Daniels, Clarke, Lands, Jones,
4 Forte, Hall, Warren, Datcher, Bracy, Hollis, Tillman, Moore
5 (M), McClammy, Hendrix, Morris, England, Sellers, Gray,
6 Travis, McCampbell, Hassell, Givan, Drummond, Lawrence,
7 Ensler, Rafferty, Chestnut, Boyd

8 RFD: State Government

9 First Read: 03-Mar-26



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SYNOPSIS:

This bill would establish the Steel and Advanced Manufacturing Competitiveness Act that will support steel and heavy manufacturing sectors by providing financial assistance, procurement preferences, and innovation incentives to counteract global trade disruptions and maintain industrial competitiveness.

A BILL
TO BE ENTITLED
AN ACT

Relating to commerce; to establish the Steel and Manufacturing Competitiveness Act; to provide definitions; to create the Steel Industry Relief and Investment Grant Program; to create the Manufacturing Innovation and Modernization Income Tax Credit; to adapt state procurement preferences; to create the Advanced Manufacturing Export Expansion Initiative; and to create the Industrial Trade Vulnerability Monitoring Board.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as the Steel and Advanced Manufacturing Competitiveness Act.

Section 2. It is the intent of the Legislature to



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29 sustain and strengthen the steel and manufacturing industries
30 by responding to international trade volatility through
31 investment, modernization, and strategic procurement policies.

32 Section 3. For the purpose of this act, the following
33 terms and phrases have the following meanings:

34 (1) DEPARTMENT. The Alabama Department of Commerce.

35 (2) ELIGIBLE MANUFACTURER. A steel producer or
36 industrial manufacturer operating within the State of Alabama.

37 (3) TRADE DISRUPTION. Cost increases, lost markets, or
38 input shortages caused by tariffs, quotas, or other trade
39 restrictions.

40 Section 4. (a) The Steel Industry Relief and Investment
41 Grant Program is established and shall be administered by the
42 department.

43 (b) The department shall award grants to eligible
44 manufacturers that demonstrate hardship from trade
45 disruptions.

46 (c) Grant funds may be used for:

47 (1) Working capital for tariff-impacted operations;

48 (2) Retention of skilled labor; or

49 (3) Capital Improvements to enhance efficiency or
50 resilience.

51 (d) The aggregate amount of grants awarded pursuant to
52 this section shall not exceed ten million dollars
53 (\$10,000,000) in a calendar year.

54 (e) The department, by rule, shall develop application
55 and oversight procedures for the program.

56 Section 5. (a) A refundable income tax credit, known as



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57 the Manufacturing Innovation and Modernization Tax Credit, may
58 be claimed by eligible manufacturers investing in advanced
59 machinery, industrial automation, or domestic sourcing
60 capability as provided by this section.

61 (b) A taxpayer may claim a credit in an amount equal to
62 20 percent of the amount of qualifying investments made during
63 the tax year.

64 (c) (1) A taxpayer may not claim more than one million
65 dollars (\$1,000,000) in credits pursuant to this section in
66 any single tax year.

67 (2) The income tax credit authorized by this act is
68 limited to an aggregate amount for all taxpayers of ten
69 million dollars (\$10,000,000) annually.

70 (d) The income tax credit is nontransferable and may be
71 carried forward for up to five years.

72 (e) (1) The income tax credit allowed under this section
73 shall be effective beginning January 1, 2027, for the 2027 tax
74 year, and shall continue through the 2029 tax year, except for
75 carry-forward as provided in subsection (d).

76 (2) Notwithstanding the other provisions of this
77 section, a business shall not claim this income tax credit for
78 more than three tax years.

79 (f) The Alabama Department of Revenue may adopt rules
80 for the implementation and administration of this section.

81 Section 6. (a) All infrastructure and construction
82 contracts made pursuant to Article 5 of Chapter 4 of Title 41
83 and Chapter 16 of Title 41, Code of Alabama 1975, shall
84 include a preference for domestically produced steel and



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85 manufactured components.

86 (b) The Alabama Department of Finance shall establish
87 criteria and certification processes to implement this
88 section.

89 (c) An entity may forgo this requirement if domestic
90 materials are unavailable or unreasonably priced.

91 Section 7. (a) The department shall create a program
92 called the Advanced Manufacturing Export Expansion Initiative
93 to assist manufacturers in expanding international market
94 reach.

95 (b) Services may include:

- 96 (1) Export compliance and logistics support;
97 (2) International marketing assistance; or
98 (3) Trade mission coordination.

99 (c) Priority shall be given to firms affected by
100 retaliatory tariffs or loss of market share.

101 Section 8. (a) There is established the Industrial
102 Trade Vulnerability Monitoring Board.

103 (b) The board shall consist of five members, each
104 appointed by the Governor.

105 (c) The first meeting shall be held by September 1,
106 2026, at which it shall elect a chair. The board shall meet no
107 less than annually and at the call of the chair.

108 (d) The board shall:

- 109 (1) Monitor international trade developments affecting
110 manufacturers;
111 (2) Identify sector-specific risks; and
112 (3) Recommend policies to improve long-term



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113 competitiveness.

114 (4) Report annually to the Governor and the Legislature
115 on its activities, findings, and recommendations.

116 Section 9. This act shall become effective on July 1,
117 2027.