



**House Ways and Means Education Engrossed  
Substitute for HB257**

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A BILL  
TO BE ENTITLED  
AN ACT

Relating to economic development; to add Article 2D, commencing with Section 41-10-47.01, to Chapter 10 of Title 41, Code of Alabama 1975; to authorize the State Industrial Development Authority to make site assessment grants and site development grants to certain companies; to provide for the criteria that must be met for grant approval; to provide for changes to criteria based on economic conditions; to limit the funding that may be received by any site under the grant program; to create the Alabama Site Development Fund and provide for its management; to amend Section 41-10-27.2, Code of Alabama 1975, providing for an annual appropriation to the State Industrial Development Authority, to authorize the appropriation to be expended on the grant program created herein; and to exempt the State Industrial Development Authority and certain economic development organizations from certain state laws.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. A new Article 2D, commencing with Section 41-10-47.01, is added to Chapter 10 of Title 41, Code of



**House Ways and Means Education Engrossed  
Substitute for HB257**

29 Alabama 1975, to read as follows:

30 Article 2D

31 §41-10-47.01

32 This article shall be known and may be cited as the  
33 Site Evaluation Economic Development Strategy.

34 §41-10-47.02

35 As used in this article, the following terms have the  
36 following meanings:

37 (1) AUTHORITY. The public corporation organized  
38 pursuant to Article 2.

39 (2) BOARD. The board of directors of the authority.

40 (3) COMPANY. Any person that has employees and conducts  
41 an activity listed in Section 40-18-372(1).

42 (4) LOCAL ECONOMIC DEVELOPMENT ORGANIZATION. Any  
43 organization that is determined by the authority to meet both  
44 of the following criteria:

45 a. The organization is an Alabama entity not operating  
46 for profit, including, but not limited to, a municipality,  
47 county, industrial development board, industrial development  
48 authority, chamber of commerce, or some other foundation or  
49 nonprofit organization charged with improving a community or  
50 region of the state.

51 b. The organization has a record of supporting or  
52 otherwise participating in economic development in some part  
53 of the state.

54 (5) FUND. The Alabama Site Development Fund created by  
55 this article.

56 (6) SITE. Any parcel of real property intended for



**House Ways and Means Education Engrossed  
Substitute for HB257**

57 development by a company.

58 §41-10-47.03

59 (a) Any local economic development organization may  
60 apply to the authority for a site assessment grant.

61 (b) Before making a site assessment grant, the  
62 authority shall make all of the following findings:

63 (1) The site is owned by a local economic development  
64 organization, or a local economic development organization has  
65 an option to purchase the site.

66 (2) The site is at least 50 acres.

67 (3) The application includes proof that the grant funds  
68 that are approved by the authority will be matched by funds on  
69 hand with, or contingently committed to, the applicant.

70 (c) The authority may impose additional requirements  
71 with regard to the sites, including, but not limited to,  
72 environmental and geotechnical matters, as well as utility and  
73 transportation related issues.

74 (d) Each applicant must enter into a project agreement  
75 with the authority to establish the terms and conditions of  
76 the site assessment grant.

77 §41-10-47.04

78 (a) Any local economic development organization may  
79 apply to the authority for a site development grant.

80 (b) Before making a site development grant, the  
81 authority shall make both of the following findings:

82 (1) The site is comprised of at least 200 75 contiguous  
83 acres, provided that in addition to the 200 75 contiguous  
84 acres, other proximate but noncontiguous property may be a



**House Ways and Means Education Engrossed  
Substitute for HB257**

85 part of the site.

86 (2) The application includes proof that the grant funds  
87 that are approved by the authority will be matched by funds on  
88 hand with, or contingently committed to, the applicant.

89 (c) The authority may impose additional requirements  
90 with regard to the sites, including, but not limited to,  
91 environmental and geotechnical matters, as well as utility and  
92 transportation related issues.

93 (d) Each applicant must enter into a project agreement  
94 with the authority to establish the terms and conditions of  
95 the site development grant.

96 §41-10-47.05

97 (a) For the benefit of the state and the residents of  
98 the state, there is created an irrevocable fund named the  
99 Alabama Site Development Fund, which shall be funded from all  
100 of the following sources:

101 (1) Proceeds of any gifts, grants, or contributions.

102 (2) Revenue sources as directed by, and at the  
103 discretion of, the Legislature.

104 (3) Appropriations as directed by, and at the  
105 discretion of, the Legislature.

106 (4) Investment income.

107 (5) Federal grants relating to site-based development  
108 initiatives which the authority finds will have the effect of  
109 advancing economic development in Alabama.

110 (6) Any other lawful sources.

111 (b) The funds shall be administered in accordance with  
112 this article. All revenues received by the fund shall be



**House Ways and Means Education Engrossed  
Substitute for HB257**

113 deposited in the fund upon receipt and may be invested by the  
114 board and withdrawn and expended by the authority for the  
115 purposes of this article in a manner consistent with the  
116 powers granted to the authority by this article.

117 (c) The fund shall be under the management and control  
118 of the board, and all powers necessary or appropriate for the  
119 management and control of the fund shall be vested solely in  
120 the board. The authority may make whatever representations and  
121 covenants it finds reasonable or necessary for federal grant  
122 applications and agreements, and it may take whatever actions  
123 it deems reasonable or necessary to implement such grants.

124 §41-10-47.06

125 (a) The funds shall be held in perpetual trust and  
126 shall not be appropriated by the Legislature or expended or  
127 disbursed for any purpose other than as provided in this  
128 article. The board may expend the fund's earnings and  
129 principal in furtherance of its purposes.

130 (b) (1) To the extent practicable, the board shall keep  
131 all monies at any time held in the fund invested in eligible  
132 investments, in its sole judgment, as shall produce the  
133 greatest trust income over the term of the investments while  
134 preserving capital.

135 (2) The board may select the eligible investments in  
136 which monies held in the fund shall at any time be invested.

137 (3) The board may invest the fund capital in any  
138 eligible investments producing trust income in accordance with  
139 the schedule as the board, in its sole judgment, determines to  
140 be in the best interests of the state. In determining the



**House Ways and Means Education Engrossed  
Substitute for HB257**

141 schedule, the board may emphasize future benefits in  
142 preference to near-term needs. A board member acting in his or  
143 her official capacity may not be held personally liable for  
144 any liability, loss, or expense suffered by the fund, unless  
145 the liability, loss, or expense arises out of or results from  
146 the willful misconduct or intentional wrongdoing of the board  
147 member. A board member shall not be responsible for the  
148 adequacy of the fund to satisfy and discharge any obligation  
149 of the corporation.

150 §41-10-47.07

151 The Legislature recognizes that economic conditions may  
152 require the consideration of a grant for a site that does not  
153 meet one or more requirements of Section 41-10-47.03(b) or  
154 41-10-47.04(b). The board, by majority vote, may cause a grant  
155 to be made so long as the board determines that the site is  
156 suitable for development for one or more activities listed in  
157 Section 40-18-372(1) and is in the best interest of the  
158 public.

159 §41-10-47.08

160 The authority may contract with and rely on one or more  
161 statewide economic development organizations in implementing  
162 this article. The authority may enter into such contracts,  
163 leases, agreements, and investments and may otherwise expend  
164 monies without compliance with Article 5 of Chapter 4 of Title  
165 41 or Chapter 2 of Title 39. Solely as a result of entering  
166 into contracts, leases, agreements, investments, or otherwise,  
167 no local economic development organization, nor the officers,  
168 employees, agents, or directors of any of the foregoing, shall



**House Ways and Means Education Engrossed  
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169 become subject to Chapter 25 or Chapter 25A of Title 36;  
170 Article 5 of Chapter 4 of Title 41; Chapter 2 of Title 39; or  
171 Section 36-12-40.

172 §41-10-47.09

173 The authority shall report annually to each member of  
174 the Legislature on the number, amount, and location of site  
175 grants distributed by the authority.

176 Section 2. Section 41-10-27.2, Code of Alabama 1975, is  
177 amended to read as follows:

178 "§41-10-27.2

179 Beginning in the fiscal year ending September 30,  
180 ~~2006~~2024, the Legislature shall annually appropriate an amount  
181 up to \$2,000,000 from the Capital Improvement Trust Fund to  
182 the State Industrial Development Authority for the purpose of  
183 paying industrial development site grants, site assessment  
184 grants, or site development grants. The bond commission  
185 established by ~~Amendment 666 of the Constitution of Alabama of~~  
186 ~~1901, now appearing as~~ Section 210.04, ~~of the Official~~  
187 ~~Recompilation~~ of the Constitution of Alabama of ~~1901~~2022, ~~as~~  
188 ~~amended~~, shall consult with the State Industrial Development  
189 Authority and recommend to the Legislature the actual amount  
190 of the annual appropriation."

191 Section 3. This act shall become effective immediately  
192 following its passage and approval by the Governor, or its  
193 otherwise becoming law.