

SB165 ENGROSSED



1 WV4V9E-2

2 By Senators Orr, Weaver, Williams, Chesteen, Price, Reed,
3 Allen, Butler, Jones, Gudger, Waggoner, Kelley, Chambliss,
4 Hovey, Sessions, Bell, Shelnett, Scofield, Melson, Singleton,
5 Livingston, Hatcher, Stewart, Figures, Smitherman,
6 Coleman-Madison

7 RFD: Fiscal Responsibility and Economic Development

8 First Read: 04-Apr-23

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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



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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



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57 development by a company.

58 (7) STATEWIDE ECONOMIC DEVELOPMENT ORGANIZATION. An
59 organization that is determined by the authority to be an
60 Alabama entity not operating for profit which is charged with
61 improving the state or a region of the state and has a record
62 of supporting or otherwise participating in economic
63 development in the state.

64 (8) TARGETED COUNTY. Any Alabama county that is
65 described in Section 40-18-376.1.

66 §41-10-47.03

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

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

71 (1) The site is owned by a local economic development
72 organization, or a local economic development organization has
73 an option to purchase the site.

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

75 (3) The application includes proof that the grant funds
76 that are approved by the authority will be matched by funds on
77 hand with, or contingently committed to, the applicant such
78 that one of the following is true:

79 a. If the site is located in a targeted county with a
80 population of less than 12,000, for every dollar of grant
81 funds, the applicant will contribute twenty-five cents (\$0.25)
82 of additional funds.

83 b. If the site is located in a targeted county with a
84 population of 12,000 or greater but less than 50,000, for



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85 every dollar of grant funds, the applicant will contribute
86 fifty cents (\$0.50) of additional funds.

87 c. If the site is located in a county with a population
88 of 50,000 or greater but less than 150,000, for every dollar
89 of grant funds, the applicant will contribute seventy-five
90 cents (\$0.75) of additional funds.

91 d. If the site is located in a county with a
92 population of 150,000 or greater, for every dollar of grant
93 funds, the applicant will contribute one dollar (\$1) of
94 additional funds.

95 (c) The authority may impose additional requirements
96 with regard to the sites, including, but not limited to,
97 environmental and geotechnical matters, as well as utility
98 related and transportation related issues.

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

102 §41-10-47.04

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

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

107 (1) The site is comprised of at least 75 contiguous
108 acres, provided that in addition to the 75 contiguous acres,
109 other proximate but noncontiguous property may be a part of
110 the site.

111 (2) The application includes proof that the grant funds
112 that are approved by the authority will be matched by funds on



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113 hand with, or contingently committed to, the applicant such
114 that one of the following is true:

115 a. If the site is located in a targeted county with a
116 population of less than 12,000, for every dollar of grant
117 funds, the applicant will contribute twenty-five cents (\$0.25)
118 of additional funds.

119 b. If the site is located in a targeted county with a
120 population of 12,000 or greater but less than 50,000, for
121 every dollar of grant funds, the applicant will contribute
122 fifty cents (\$0.50) of additional funds.

123 c. If the site is located in a county with a population
124 of 50,000 or greater but less than 150,000, for every dollar
125 of grant funds, the applicant will contribute seventy-five
126 cents (\$0.75) of additional funds.

127 d. If the site is located in a county with a
128 population of 150,000 or greater, for every dollar of grant
129 funds, the applicant will contribute one dollar (\$1) of
130 additional funds.

131 (c) The authority may impose additional requirements
132 with regard to the sites, including, but not limited to,
133 environmental and geotechnical matters, as well as utility
134 related and transportation related issues.

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

138 §41-10-47.05

139 (a) For the benefit of the state and the residents of
140 the state, there is created an irrevocable fund named the



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141 Alabama Site Development Fund, which shall be funded from all
142 of the following sources:

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

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

146 (3) Appropriations as directed by, and at the
147 discretion of, the Legislature.

148 (4) Investment income.

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

152 (6) Any other lawful sources.

153 (b) The funds shall be administered in accordance with
154 this article. All revenues received by the fund shall be
155 deposited in the fund upon receipt and may be invested by the
156 board and withdrawn and expended by the authority for the
157 purposes of this article in a manner consistent with the
158 powers granted to the authority by this article.

159 (c) The fund shall be under the management and control
160 of the board, and all powers necessary or appropriate for the
161 management and control of the fund shall be vested solely in
162 the board. The authority may make whatever representations and
163 covenants it finds reasonable or necessary for federal grant
164 applications and agreements, and it may take whatever actions
165 it deems reasonable or necessary to implement such grants.

166 §41-10-47.06

167 (a) The funds shall be held in perpetual trust and
168 shall not be appropriated by the Legislature or expended or



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169 disbursed for any purpose other than as provided in this
170 article. The board may expend the fund's earnings and
171 principal in furtherance of its purposes.

172 (b) (1) To the extent practicable, the board shall keep
173 all monies at any time held in the fund invested in eligible
174 investments, in its sole judgment, as shall produce the
175 greatest trust income over the term of the investments while
176 preserving capital.

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

179 (3) The board may invest the fund capital in any
180 eligible investments producing trust income in accordance with
181 the schedule as the board, in its sole judgment, determines to
182 be in the best interests of the state. In determining the
183 schedule, the board may emphasize future benefits in
184 preference to near-term needs. A board member shall not be
185 responsible for the adequacy of the fund to satisfy and
186 discharge any obligation of the corporation.

187 §41-10-47.07

188 The Legislature recognizes that economic conditions may
189 require the consideration of a grant for a site that does not
190 meet one or more requirements of Section 41-10-47.03(b) or
191 41-10-47.04(b). The board, by majority vote, may cause a grant
192 to be made so long as the board determines that the site is
193 suitable for development for one or more activities listed in
194 Section 40-18-372(1) and is in the best interest of the
195 public.

196 §41-10-47.08



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197 The authority may contract with and rely on one or more
198 statewide economic development organizations in implementing
199 this article. The authority may enter into such contracts,
200 leases, agreements, and investments and may otherwise expend
201 monies without compliance with Article 5 of Chapter 4 of Title
202 41 or Chapter 2 of Title 39. Solely as a result of entering
203 into contracts, leases, agreements, investments, or otherwise,
204 no statewide economic development organization, nor the
205 officers, employees, agents, or directors of any of the
206 foregoing, shall become subject to Chapter 25 or Chapter 25A
207 of Title 36; Article 5 of Chapter 4 of Title 41; Chapter 2 of
208 Title 39; or Section 36-12-40.

209 §41-10-47.09

210 The authority shall report annually to each member of
211 the Legislature on the number, amount, and location of site
212 grants distributed by the authority.

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

215 "§41-10-27.2

216 Beginning in the fiscal year ending September 30,
217 ~~2006~~2024, the Legislature shall annually appropriate an amount
218 up to \$2,000,000 from the Capital Improvement Trust Fund to
219 the State Industrial Development Authority for the purpose of
220 paying industrial development site grants, site assessment
221 grants, or site development grants. The bond commission
222 established by ~~Amendment 666 of the Constitution of Alabama of~~
223 ~~1901, now appearing as~~ Section 210.04, ~~of the Official~~
224 ~~Recompilation~~ of the Constitution of Alabama of ~~1901~~2022, as



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225 ~~amended,~~ shall consult with the State Industrial Development
226 Authority and recommend to the Legislature the actual amount
227 of the annual appropriation."

228 Section 3. This act shall become effective immediately
229 following its passage and approval by the Governor, or its
230 otherwise becoming law.

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233 Senate

234 Read for the first time and referred04-Apr-23
235 to the Senate committee on Fiscal
236 Responsibility and Economic
237 Development

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239 Read for the second time and placed11-Apr-23
240 on the calendar:
241 1 amendment

242
243 Read for the third time and passed13-Apr-23
244 as amended
245 Yeas 30
246 Nays 0
247 Abstains 0

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250 Patrick Harris,
251 Secretary.
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