

1 HB455
2 153030-3
3 By Representatives Davis, Ball, Hammon, McMillan, Merrill,
4 Jones, Boothe, Shiver, Baker, Jackson, Faust, Mask, Williams
5 (P) and McClendon
6 RFD: County and Municipal Government
7 First Read: 20-MAR-13

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ENROLLED, An Act,

To amend Sections 11-99-1 and 11-99-2, Code of Alabama 1975, as heretofore amended by Act 2013-51 enacted at the 2013 Regular Session of the Legislature of Alabama, to extend to the governing bodies of counties the power to designate qualifying large contiguous tracts of underutilized real property as Major 21st Century Manufacturing Zones; and to amend Section 7 of Act 2013-51 to correct and clarify the effective date provisions of Act 2013-51.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 11-99-1 and 11-99-2, Code of Alabama 1975, as amended by Act 2013-51 enacted at the 2013 Regular Session of the Legislature of Alabama, are amended to read as follows:

"§11-99-1.

"(a) It is hereby found and declared that there exist in municipalities and counties of the state blighted or economically distressed areas which constitute a serious and growing problem, injurious to the public health, safety, morals, and welfare of the residents of the state; that the existence of such areas contributes substantially and increasingly to the spread of disease and crime, constitutes an economic and social liability imposing onerous burdens which decrease the tax base and reduce tax revenues,

1 substantially impairs or arrests sound growth, retards the
2 provision of housing accommodations, aggravates traffic
3 problems, and substantially hampers the elimination of traffic
4 hazards and the improvement of traffic facilities; and that
5 the prevention and elimination of slums and blighted areas and
6 economically distressed areas is a matter of state policy and
7 state concern in order that the state and its municipalities
8 and counties shall not continue to be endangered by areas
9 which are focal centers of disease, promote juvenile
10 delinquency, and consume an excessive proportion of public
11 revenues because of the extra services required for police,
12 fire, accident, hospitalization, and other forms of public
13 protection, services, and facilities.

14 "(b) It is further found and declared that certain
15 blighted and economically distressed areas or portions thereof
16 may require acquisition, clearance, and disposition subject to
17 use restrictions, as provided in this chapter, since the
18 prevailing condition of blight and economic distress may make
19 impracticable the reclamation of the area by conservation or
20 rehabilitation; that other areas or portions thereof may,
21 through the means provided in this chapter, be susceptible of
22 conservation or rehabilitation in such a manner that the
23 conditions and evils enumerated may be eliminated, remedied,
24 or prevented; and that salvageable blighted and economically
25 distressed areas can be conserved and rehabilitated through

1 appropriate public action as herein authorized and the
2 cooperation and voluntary action of the owners and tenants of
3 property in such areas.

4 "(c) It is further found and declared that there
5 exist in municipalities and counties of the state
6 underutilized real and personal property in enhanced use lease
7 areas which, when leased by a secretary of a military
8 department for cash or in-kind consideration, enhances the
9 public benefit and welfare by, among other things, promoting
10 local economic development and the stimulation of the local
11 economy, increasing job opportunities, creating additional tax
12 revenues, and enhancing the public's overall quality of life.

13 "(d) It is further found and declared that there
14 exist in municipalities and counties of the state
15 underutilized large tracts of real property suitable for the
16 location of automotive, automotive-industry related, aviation,
17 aviation-industry related, medical, pharmaceutical,
18 semiconductor, computer, electronics, energy conservation,
19 cyber technology, and biomedical industry manufacturing
20 facilities which, when serving as the site therefor, enhances
21 the public benefit and welfare by, among other things,
22 facilitating the creation of skilled manufacturing jobs,
23 promoting local economic development and the stimulation of
24 the local economy, creating additional tax revenues, and
25 enhancing the public's overall quality of life.

1 "(e) It is further found and declared that the
2 powers conferred by this chapter are for public and, in the
3 case of automotive, automotive-industry related, aviation,
4 aviation-industry related, medical, pharmaceutical,
5 semiconductor, computer, electronics, energy conservation,
6 cyber technology, and biomedical industry manufacturing
7 facilities, private uses and purposes imbued with a public
8 interest and for which public money may be expended, either
9 directly or indirectly, in the case of automotive,
10 automotive-industry related, aviation, aviation-industry
11 related, medical, pharmaceutical, semiconductor, computer,
12 electronics, energy conservation, cyber technology, and
13 biomedical industry manufacturing facilities, and the ~~power of~~
14 ~~eminent domain~~ and police power exercised, and the necessity
15 in the public interest for the provisions herein enacted is
16 hereby declared as a matter of legislative determination.

17 "§11-99-2.

18 "As used in this chapter:

19 "(1) BLIGHTED OR ECONOMICALLY DISTRESSED AREA:

20 "a. An area in which the structures, buildings, or
21 improvements, by reason of dilapidation, deterioration, age,
22 or obsolescence, inadequate provision for ventilation, light,
23 air, sanitation, or open spaces, high density of population
24 and overcrowding, or the existence of conditions which
25 endanger life or property by fire and other causes, or any

1 combination of such factors, are conducive to ill health,
2 transmission of disease, infant mortality, juvenile
3 delinquency, or crime, and are detrimental to the public
4 health, safety, morals, or welfare, or

5 "b. Any area which by reason of the presence of a
6 substantial number of substandard, slum, deteriorated, or
7 deteriorating structures, predominance of defective or
8 inadequate street layout, faulty lot layout in relation to
9 size, adequacy, accessibility, or usefulness, unsanitary or
10 unsafe conditions, deterioration of site or other
11 improvements, diversity of ownership, tax or special
12 assessment delinquencies exceeding the fair value of the land,
13 defective or unusual conditions of title, or the existence of
14 conditions which endanger life or property by fire and other
15 causes, or any combination of the foregoing, substantially
16 impairs or arrests the sound economic growth of an area,
17 retards the provision of housing accommodations, or
18 constitutes an economic or social liability and is a detriment
19 to the public health, safety, morals, or welfare in its
20 present condition and use, or

21 "c. Any area which is predominantly open and which
22 because of obsolete platting, diversity of ownership,
23 deterioration of structures or of site improvements, or
24 otherwise, substantially impairs or arrests the sound economic
25 growth of an area, or

1 "d. Any area which the local governing body
2 certifies is in need of redevelopment or rehabilitation as a
3 result of flood, fire, hurricane, tornado, earthquake, storm,
4 or other catastrophe respecting which the Governor of the
5 state has certified the need for disaster assistance under
6 federal law, or

7 "e. Any area containing excessive vacant land on
8 which structures were previously located, or on which are
9 located abandoned or vacant buildings or old buildings, or
10 where excessive vacancies exist in existing buildings, or
11 which contains substandard structures, or with respect to
12 which there exist delinquencies in payment of real property
13 taxes.

14 "(2) DEFERRED TAX RECIPIENT. Each taxing authority
15 which receives ad valorem taxes with respect to property
16 located in a proposed tax increment district.

17 "(3) ENHANCED USE LEASE AREA. Any area of a military
18 installation which contains underutilized real or personal
19 property, or both, that is leased by a secretary of a military
20 department to a lessee pursuant to the authority provided in
21 Title 10 U.S.C. §2667.

22 "(4) LOCAL FINANCE OFFICER. The legally authorized
23 officer or agent responsible for receipt and disbursement of
24 the revenues of a taxing authority.

1 "(5) LOCAL GOVERNING BODY. The governing body of a
2 county or municipality which proposes to create or has created
3 a tax increment district.

4 "(6) MAJOR 21ST CENTURY MANUFACTURING ZONE. Any area
5 aggregating not less than 250 contiguous acres of real
6 property determined by a ~~municipality~~ local governing body to
7 be a. located, in whole or part, within its boundaries or
8 corporate limits, b. suitable for the site of an automotive,
9 automotive-industry related, aviation, aviation-industry
10 related, medical, pharmaceutical, semiconductor, computer,
11 electronics, energy conservation, cyber technology, or
12 biomedical industry manufacturing facility or facilities, and
13 c. an area within which not less than one hundred million
14 dollars (\$100,000,000) of capital expenditure in connection
15 with the establishment, expansion, construction, equipping,
16 development, rehabilitation, or redevelopment of such a
17 facility or facilities is anticipated to be made based upon
18 representations and information provided by the anticipated
19 user or users of the facility or facilities and such other
20 information as the local governing body shall have available
21 to it and deems appropriate.

22 "(7) MUNICIPALITY. Any incorporated municipality in
23 this state.

24 "(8) PROJECT. Undertakings and activities of a
25 public entity in a tax increment district for a. the

1 elimination and prevention of the development or spread of
2 blight in a blighted or economically distressed area, b. the
3 utilization of underutilized real or personal property, or
4 both, in an enhanced use lease area, and may include property
5 acquisition, property clearance, development, redevelopment,
6 rehabilitation, or conservation or a combination or part
7 thereof in accordance with a project plan, or c. the
8 utilization of underutilized real property in an area
9 determined by a local governing body to be a Major 21st
10 Century Manufacturing Zone, and may include property
11 acquisition, property clearance, development, including,
12 without limitation, public infrastructure improvements and any
13 other improvements for the construction and equipping of
14 automotive, automotive-industry related, aviation,
15 aviation-industry related, medical, pharmaceutical,
16 semiconductor, computer, electronics, energy conservation,
17 cyber technology, or biomedical industry manufacturing
18 facilities, or the redevelopment, rehabilitation, or
19 conservation or a combination or part thereof in accordance
20 with a project plan.

21 "(9) PROJECT COSTS. Any expenditures made or
22 estimated to be made or monetary obligations incurred or
23 estimated to be incurred by a public entity, which in the case
24 of expenditures for or within a Major 21st Century
25 Manufacturing Zone may be incurred directly by the public

1 entity or by a private entity with funds granted by, or
2 otherwise made available from, a public entity, which are
3 listed in a project plan as costs of public works or
4 improvements or, in the case of improvements within a Major
5 21st Century Manufacturing Zone, public works or improvements
6 or private improvements, within a tax increment district, plus
7 any costs incidental thereto, diminished by any special
8 assessments, received or reasonably expected to be received by
9 the public entity in connection with the implementation of the
10 project plan. Project costs include, but are not limited to:

11 "a. Capital costs, including the costs of the
12 construction of public works or improvements, new buildings,
13 facilities or improvements, structures, and fixtures, the
14 demolition, alteration, remodeling, repair or reconstruction
15 of existing buildings, structures, facilities, and fixtures,
16 the acquisition of equipment, the acquisition, clearing, and
17 grading of land and the acquisition of interests in land;

18 "b. Financing costs, including all interest paid to
19 holders of tax increment obligations during the period of
20 implementation of the project plan, the costs of any form of
21 credit enhancement, printing and trustee costs, and any
22 premium paid in excess of the principal amount thereof because
23 of the redemption of such obligations prior to maturity;

24 "c. Real property assembly costs, meaning any
25 deficit resulting from the sale or lease as lessor by the

1 public entity of real or personal property within a tax
2 increment district for consideration which is less than its
3 cost to the public entity;

4 "d. Professional service costs, including those
5 costs incurred for architectural, planning, engineering,
6 fiscal, underwriting, and legal advice and services;

7 "e. Imputed administrative costs, including
8 reasonable charges for the time spent by officers and
9 employees of the public entity in connection with the
10 implementation of a project plan;

11 "f. Relocation costs, including those relocation
12 payments made following condemnation under Chapter 1A of Title
13 18;

14 "g. Organizational costs, including the costs of
15 conducting environmental impact and other studies and the
16 costs of informing the public with respect to the creation of
17 tax increment districts and the implementation of project
18 plans;

19 "h. The amount of any contributions made in
20 connection with the implementation of the project plan that
21 are within limits prescribed by law;

22 "i. Payments made, at the discretion of the local
23 governing body, which are to be necessary or convenient to the
24 creation of tax increment districts or the implementation of
25 project plans; and

1 "j. For purposes of any tax increment district in
2 which not less than 50 percent, by area, of the real property
3 within the tax increment district is an enhanced use lease
4 area, project costs shall also include all costs described in
5 this subdivision which are expended by a public entity or a
6 developer within three years immediately preceding the date of
7 the creation of such tax increment district.

8 "(10) PROJECT PLAN. The properly approved plan for
9 the development or redevelopment of a tax increment district,
10 including all properly approved amendments thereto.

11 "(11) PUBLIC ENTITY. Any municipality or county in
12 the state.

13 "(12) TAX INCREMENT. That amount obtained by
14 multiplying the total revenue derived from ad valorem taxes
15 levied by all local taxing authorities on all taxable property
16 within a tax increment district in any tax year by a fraction
17 having a numerator equal to that tax year's market value of
18 all taxable property in the district minus the tax increment
19 base and a denominator equal to that tax year's equalized
20 value of all taxable property in the district. In any tax
21 year, a tax increment is positive if the tax increment base is
22 less than the aggregate value of taxable property as equalized
23 by the Department of Revenue; it is negative if the base
24 exceeds such value.

1 "(13) TAX INCREMENT BASE. The aggregate value, as
2 equalized by the Department of Revenue, of all taxable
3 property located within a tax increment district on the date
4 the district is created, determined as provided in Section
5 11-99-5.

6 "(14) TAX INCREMENT DISTRICT. A contiguous
7 geographic area within the boundaries of a public entity
8 defined and created by resolution of the local governing body.

9 "(15) TAX INCREMENT FUND. A fund into which all tax
10 increments not retained by a taxing authority as provided by
11 Section 11-99-10(b) are paid, and from which money is
12 disbursed to satisfy claims of holders of tax increment
13 obligations issued for the tax increment district.

14 "(16) TAX INCREMENT OBLIGATIONS. Bonds, warrants,
15 notes, or other evidences of indebtedness issued by a public
16 entity to fund all or any project costs.

17 "(17) TAXABLE PROPERTY. All real and personal
18 property located in a tax increment district which is subject
19 to ad valorem taxation on the date of adoption of the
20 resolution creating the tax increment district.

21 "(18) TAXING AUTHORITY.

22 "a. For tax increment districts in which not less
23 than 50 percent, by area, of the real property within the tax
24 increment district is a blighted or economically distressed
25 area, taxing authority means any municipality, county, or

1 other taxing authority which has the power to levy taxes on
 2 property within the tax increment districts.

3 "b. For tax increment districts in which not less
 4 than 50 percent, by area, of the real property within the tax
 5 increment district is an enhanced use lease area, taxing
 6 authority means the state or any municipality, county, or
 7 other taxing authority which has the power to levy taxes on
 8 property within the tax increment district.

9 "c. For tax increment districts in which not less
 10 than 50 percent, by area, of the real property within the tax
 11 increment district is a Major 21st Century Manufacturing Zone,
 12 "taxing authority" means the state or any municipality,
 13 county, or other taxing authority which has the power to levy
 14 taxes on property within the tax increment district."

15 Section 2. Section 7 of Act 2013-51, enacted at the
 16 2013 Regular Session of the Legislature of Alabama, is amended
 17 to read as follows:

18 "Section 7. This act ~~of this act~~ shall become
 19 effective immediately following its passage and approval by
 20 the Governor, or its otherwise becoming law. ~~Notwithstanding~~
 21 ~~the foregoing, the provisions of this act shall apply to any~~
 22 ~~tax increment district created before the effective date of~~
 23 ~~this act provided that the tax increment district is created~~
 24 ~~on or after April 1, 2013, and not less than 50 percent by~~

1 ~~area of the real property within such tax increment district~~
2 ~~is a Major 21st Century Manufacturing Zone."~~

3 Section 3. All laws or parts of laws which conflict
4 with this act are repealed.

5 Section 4. This act shall become effective
6 immediately following its passage and approval by the
7 Governor, or its otherwise becoming law.

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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 24-APR-13, as amended.

Jeff Woodard
Clerk

Senate	20-MAY-13	Amended and Passed
House	20-MAY-13	Concurred in Senate Amendment