

HB142 ENROLLED



1 HB142
2 CXLMPWW-2
3 By Representative Wilcox (N & P)
4 RFD: County and Municipal Government
5 First Read: 13-Jan-26
6 PFD: 09-Jan-26



Enrolled, An Act,

Relating to Class 2 municipalities; to amend Section 11-99-4, Code of Alabama 1975; to increase the percent of total value of equalized taxable property within a Class 2 municipality which may be included in tax increment districts created by the municipality.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 11-99-4, Code of Alabama 1975, is amended to read as follows:

"§11-99-4

(a) In order to exercise its powers under this chapter, a public entity shall take the following steps:

(1) The local governing body shall hold a public hearing at which all interested parties are afforded a reasonable opportunity to express their views on: (i) the concept of tax increment financing, ~~on;~~ (ii) the proposed creation of a tax increment district and its proposed boundaries, ~~;~~ and (iii) its benefits to the public entity.

Notice of the hearing shall be published in a newspaper of general circulation in either the county or in the city, as the case may be, in which the proposed tax increment district is to be located with notice to be published at least twice in the 15-day period immediately preceding the date of the hearing. Prior to publication, a copy of the notice shall be sent by first class mail to the chief executive officer of each deferred tax recipient.

(2)a. In addition to the notice required by subdivision



29 (1), and either before or after the public hearing, the local
30 governing body shall make a written submission to the
31 governing body of each deferred tax recipient. The submission
32 shall include a description of the proposed boundaries of the
33 tax increment district, the tentative plans for the
34 development, redevelopment, or revitalization of the tax
35 increment district, and an estimate of the general impact of
36 the proposed project plan on property values and tax revenues.

37 b. Not later than the 15th day after the date on which
38 the notice required by subdivision (1) is mailed, each
39 deferred tax recipient shall designate a representative
40 empowered to meet with the local governing body to discuss the
41 project plan and the tax increment financing and shall notify
42 the local governing body of its designation. Failure of any
43 deferred tax recipient to designate a representative within
44 the 15-day period, or to notify the local governing body of
45 its designation, shall not prevent the local governing body
46 from proceeding hereunder. If a deferred tax recipient who has
47 failed to so designate a representative thereafter designates
48 a representative and notifies the local governing body of the
49 designation, the representative shall be entitled to notice of
50 any meetings held thereafter pursuant to this section, and
51 shall be entitled to attend the meetings, but shall have no
52 right to have matters discussed again which have already been
53 discussed.

54 c. The local governing body shall call a meeting, or
55 meetings, of the representatives of the deferred tax
56 recipients to be held at any time after 20 days from the



57 mailing notice referred to in subdivision (1). Each
58 representative shall be notified of each meeting at least
59 three days before the meeting is to be held, but notice may be
60 waived. At the meetings, the local governing body and the
61 representatives of the deferred tax recipients may discuss the
62 boundaries of the tax increment district, development within
63 the tax increment district, the exclusion of particular
64 parcels of property from the district, and tax collection for
65 the district. On the motion of the local governing body any
66 other matter relevant to the proposed tax increment district
67 may be discussed.

68 (3) The local governing body shall adopt a resolution,
69 which need not be published, which does all of the following:

70 a. Describes the boundaries of the tax increment
71 district with sufficient definiteness to identify with
72 ordinary and reasonable certainty the territory included,
73 which. The description shall include only those whole units of
74 property, other than publicly owned property such as streets,
75 easements, and rights-of-way, assessed for general property
76 tax purposes—and, if. If the public entity is a county, which
77 the description shall include only those areas that lie
78 outside the corporate limits of any municipality, unless the
79 governing body of a municipality has consented to the
80 inclusion of land within its corporate limits within a tax
81 increment district formed by a county.

82 b. Creates the tax increment district as of a given
83 date after the date of adoption of the resolution, which. The
84 date of creation of the tax increment district may be a date



85 subsequent to the date of expiration of the period of duration
86 of an existing tax increment district of the public entity,
87 ~~and fixes.~~

88 c. Fixes the period for ~~its~~the duration of the tax
89 increment district.

90 1. which The duration may be for a period not to exceed
91 30 years from the date of creation of the tax increment
92 district in the case of a tax increment district in which not
93 less than 50 percent, by area, of the real property within the
94 tax increment district is a blighted or economically
95 distressed area, ~~and which.~~

96 2. The duration may be for a period not to exceed 35
97 years from the date of creation of the tax increment district
98 in the case of a district in which not less than 50 percent,
99 by area, of the real property within the tax increment
100 district is an enhanced use lease area or a Major 21st Century
101 Manufacturing Zone, unless an amendment is made to the project
102 plan under subdivision (7)-.

103 c.d. Assigns a name to the tax increment district for
104 identification purposes, such as "tax increment district
105 number one."~~z~~

106 d.e. Contains findings, which shall not be subject to
107 judicial review except after a showing of fraud, corruption,
108 or undue influence, that:

109 1. Not less than 50 percent, by area, of the real
110 property within the tax increment district is: (i) In need of
111 rehabilitation, redevelopment, revitalization, or conservation
112 work,~~or;~~ (ii) an enhanced use lease area;~~z~~ or (iii) a Major



113 21st Century Manufacturing Zone; and

114 2. The aggregate value of equalized taxable property in
115 the tax increment district plus all existing tax increment
116 districts created by the public entity does not exceed 10
117 percent of the total value of equalized taxable property
118 within the public entity or 50 percent if the public entity is
119 a Class 2 or Class 3 municipality. Provided, however, that
120 equalized taxable property located within the boundaries of a
121 military reservation, jurisdiction over which has been ceded
122 to the United States pursuant to Section 42-3-1, shall be
123 excluded from aggregated value.

124 (4) a. The local governmental body shall prepare and
125 adopt a project plan for each tax increment district. The plan
126 shall include all of the following:

127 1. a-A statement listing the proposed projects,
128 including, without limitation and if applicable, the kind,
129 number, and location of all proposed public works or
130 improvements or, in the case of a Major 21st Century
131 Manufacturing Zone, public works or improvements or private
132 improvements, within the district; a.

133 2. A detailed list of estimated project costs; and a.

134 3. A description of the methods of financing all
135 estimated project costs and the time when related costs or
136 monetary obligations are to be incurred. ~~For purposes of this~~
137 ~~chapter, any work or improvement for a military installation~~
138 ~~and located within an enhanced use lease area shall be deemed~~
139 ~~to be for public uses and purposes. The project plan shall~~
140 ~~also include:~~



141 4. A map showing existing uses and condition of real
142 property in the district;~~a.~~

143 5. A map or description showing proposed improvements
144 and uses therein~~r.~~

145 6. ~~proposed~~ Proposed changes of zoning, master map
146 plan, building code, and other ordinances or resolutions
147 affecting the district;~~a.~~

148 7. A list of estimated nonproject costs; ~~and a.~~

149 8. A proposed plan for the relocation of any families,
150 individuals, and businesses to be temporarily or permanently
151 displaced from housing or commercial facilities in the
152 district by implementation of the plan.

153 b. For purposes of this chapter, any work or
154 improvement for a military installation and located within an
155 enhanced use lease area shall be deemed to be for public uses
156 and purposes.

157 (5) The local governing body shall certify all of the
158 following before approving the project plant:

159 a. That a feasible method exists for the relocation and
160 compensation of any individuals, families, and businesses that
161 will be displaced by the project in decent, safe, and sanitary
162 accommodations within their means and without undue hardship
163 to such individuals, families, and businesses~~r.~~

164 b. That the project plan conforms to the applicable
165 master plan of the local entity, if there is one; ~~and a.~~

166 c. That the project plan will afford maximum
167 opportunity, consistent with the sound needs of the public
168 entity as a whole, for the rehabilitation, redevelopment, or



169 revitalization of the tax increment district by private
170 enterprise.

171 (6) A copy of the project plan shall be mailed to the
172 governing body of each deferred tax recipient, before approval
173 of the project plan.

174 (7) The local governing body may at any time adopt an
175 amendment to a project plan by complying with the procedures
176 for the original adoption of a project plan.

177 (8) The public entity that created the tax increment
178 district, and each deferred tax recipient with respect to the
179 tax increment district, notwithstanding any provision in this
180 chapter to the contrary, by written mutual agreement duly
181 authorized, executed, and delivered thereby, may establish an
182 advisory board for the tax increment district composed of the
183 mayor or the chair of the county commission of the public
184 entity, as appropriate, a member of the governing body of the
185 public entity that represents the largest area in the tax
186 increment district, and other members as the respective
187 governing body, or its designee, of each deferred tax
188 recipient may appoint; provided a majority of the members of
189 an advisory board must be members of the governing body of the
190 public entity.

191 (b) Judicial review of a decision of a public entity
192 related to a tax increment district shall be as provided by
193 law."

194 Section 2. This act shall become effective on October
195 1, 2026.

HB142 Enrolled



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207 Speaker of the House of Representatives
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212 President and Presiding Officer of the Senate
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215 House of Representatives
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217 I hereby certify that the within Act originated in and
218 was passed by the House 22-Jan-26.

219

220 John Treadwell
221 Clerk

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227 Senate

10-Feb-26

228 Passed

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