

## 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



## HB142 Enrolled

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~~, or~~; (ii) the proposed creation of a tax increment district and its proposed boundaries~~; and~~; 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



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

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

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



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

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

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

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



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subsequent to the date of expiration of the period of duration of an existing tax increment district of the public entity~~7~~ and ~~fixes~~.

c. Fixes the period for ~~its~~ the duration of the tax increment district7.

1. ~~which~~ The duration may be for a period not to exceed 30 years from the date of creation of the tax increment district in the case of a tax increment district in which not less than 50 percent, by area, of the real property within the tax increment district is a blighted or economically distressed area~~7~~, and ~~which~~.

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

e.d. Assigns a name to the tax increment district for identification purposes, such as "tax increment district number one."~~7~~

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

1. Not less than 50 percent, by area, of the real property within the tax increment district is: (i) In need of rehabilitation, redevelopment, revitalization, or conservation work~~7~~i; (ii) an enhanced use lease area~~7~~i or (iii) a Major



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21st Century Manufacturing Zone; and

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

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

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

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

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



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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;~~—.~~

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;~~—.~~

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

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



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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.





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Speaker of the House of Representatives

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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 22-Jan-26.

John Treadwell  
Clerk

Senate

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**10-Feb-26**

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Passed