

SB167 INTRODUCED



1 SB167
2 UYESDXX-1
3 By Senators Coleman, Hatcher, Coleman-Madison, Beasley,
4 Smitherman, Singleton, Stewart
5 RFD: Fiscal Responsibility and Economic Development
6 First Read: 27-Feb-24



SYNOPSIS:

Under existing law, the Alabama Jobs Act provides certain incentives to allow the state to foster economic development through the recruitment of quality projects and the expansion of existing businesses within Alabama.

This bill would provide that a business may not receive certain incentives if the company, its subsidiaries, or suppliers have engaged in human trafficking or violated the Fair Labor Standards Act of 1938 and would provide if it is determined a company has committed violations, all or part of the jobs act incentives may be recaptured.

A BILL
TO BE ENTITLED
AN ACT

Relating to the Alabama Jobs Act; to amend Section 40-18-373 and Section 40-18-374, as last amended by Act 2023-34, 2023 Regular Session, Code of Alabama 1975, to provide that a business may not receive certain incentives if the company, its subsidiaries, or suppliers have engaged in human trafficking or violated the Fair Labor Standards Act of



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1938 and would provide if violations were committed, all or part of the jobs act incentives may be recaptured.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-18-373 and Section 40-18-374, as last amended by Act 2023-34, 2023 Regular Session, Code of Alabama 1975, are amended to read as follows:

"§40-18-373

In order for a company to be an approved company, all of the following shall occur:

(1) For any company that proposes a qualifying project, the Secretary of Commerce shall make all of the following findings:

a. That the project is in fact a qualifying project;

b. That the qualifying project will not decrease, directly or indirectly, Alabama's exports; and

c. That the amount of tax incentives sought are exceeded by anticipated revenues for the state, including income, property, business privilege, utility, gross receipts, sales, and use tax revenues that are generated by the economic activity resulting from the project, as they arise from the following aspects of the qualifying project:

1. Construction activities related to the qualifying project;

2. The purchase of building materials and the initial equipping of the qualifying project;

3. The subsequent equipping of the qualifying project; and

4. The operation of the qualifying project.



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d. That neither the company nor its subsidiaries or suppliers have engaged in any act or practice that violates the human trafficking laws as provided in Sections 13A-6-152 and 13A-6-153, or federal child labor provisions of the Fair Labor Standards Act of 1938, 29 U.S.C. § 203.

(2) Upon making affirmative findings on the criteria set forth in subdivision (1) ~~that are applicable~~, the Secretary of Commerce shall recommend to the Governor that the company be designated as an approved company. The name of the company and information collected about ~~it~~ the company shall be forwarded to the Governor.

(3) After reviewing the information provided by the Secretary of Commerce, the Governor shall ~~also~~ determine whether the company meets the criteria set forth in subdivision (1). If the Governor makes such a finding, the company shall be an approved company."

"§40-18-374

(a) An incentivized company may claim either or both of the jobs act incentives, to the extent provided in the project agreement.

(b) In order for an incentivized company to claim the jobs act incentives, the Governor and the incentivized company shall execute a project agreement. The agreement shall contain all of the following:

(1) The name of the incentivized company.

(2) The location of the qualifying project.

(3) The activity to be conducted at the qualifying project.



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(4) The jobs act incentives to be granted.

(5) The capital investment to be made at the qualifying project.

(6) The time period for the capital investment to be made at the qualifying project.

(7) The number of employees at the qualifying project.

(8) The anticipated wages to be paid to or for the benefit of employees during the incentive period for the jobs created.

(9) The dates or conditions that shall begin the running of the incentive periods for applicable jobs act incentives.

(10) The lengths of the incentive periods for the jobs act incentives.

(11) Any annual or aggregate limitations on the amount of either or both of the jobs act incentives that can be claimed during an incentive period.

(12) Provisions governing the recapture of all or part of the jobs act incentives awarded to the qualifying project, should the approved company default on its obligations in the project agreement.

(13) Provisions governing the recapture of all or part of the jobs act incentives awarded to the qualifying project, should the approved company, its subsidiaries, or suppliers engage in any act or practice that violates the human trafficking laws as provided in Sections 13A-6-152 and 13A-6-153, or federal child labor provisions of the Fair Labor Standards Act of 1938, 29 U.S.C. § 203.



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113 ~~(13)~~ (14) Whether the project agreement may be assigned
114 by the approved company to some other purchaser, assignee, or
115 successor.

116 ~~(14)~~ (15) Any other terms, conditions, and limitations
117 that this article or the Governor may require for an
118 incentivized company to qualify for and receive a jobs act
119 incentive.

120 ~~(15)~~ (16) Any other terms the parties deem necessary or
121 desirable.

122 (c) The Governor may decrease the amounts and durations
123 of the jobs act incentives to ensure that the anticipated
124 revenues for the state will exceed the amount of tax
125 incentives sought."

126 Section 2. This act shall become effective on October
127 1, 2024.