

SB289 INTRODUCED



1 SB289
2 BYBRGQ4-1
3 By Senator Singleton
4 RFD: Finance and Taxation Education
5 First Read: 10-Feb-26



SYNOPSIS:

Under existing law, the Growing Alabama Act provides tax credits to taxpayers that agree to make cash contributions to an economic development organization approved by the Renewal of Alabama Commission to fund improvements to sites owned by local economic development organizations and intended to be used by an industry or business.

This bill would allow sites owned by one or more local economic development organizations to qualify for Growing Alabama tax credits funding if all parties listed on the deed are eligible applicants.

This bill would also make nonsubstantive, technical revisions to update existing code language to current style.

A BILL
TO BE ENTITLED
AN ACT

Regarding the Growing Alabama Act; to amend Sections 40-18-417.1, 40-18-417.2, and 40-18-417.3, Code of Alabama 1975, to allow sites owned by one or more entities to qualify for Growing Alabama tax credits if all parties listed on the



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deed are eligible applicants; and to make nonsubstantive, technical revisions to update existing code language to current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 40-18-417.1, 40-18-417.2, and 40-18-417.3, Code of Alabama 1975, are amended to read as follows:

"§40-18-417.1

For the purposes of the Growing Alabama Act pursuant to this article, the following words and phrases ~~shall~~ have the following meanings:

(1) CAPITAL IMPROVEMENTS. Construction and rehabilitation expenses of a capital nature at an inland port or intermodal facility, the dredging of waterways in the immediate vicinity of an inland port, and the expansion of onsite storage facilities at an inland port or intermodal facility.

(2) ECONOMIC DEVELOPMENT ACTIVITIES. Activities and initiatives that enhance the use of, and flow of goods through, an inland port or intermodal facility.

(3) ECONOMIC DEVELOPMENT ORGANIZATION. A local economic development organization or a state economic development organization.

(4) GROWING ALABAMA CREDIT. The credit provided for in ~~subsection (a) of~~ Section 40-18-417.4 (a).

(5) INDUSTRY or BUSINESS. An entity that would conduct at a site an activity that is primarily described in Section 40-18-372(1).



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(6) INLAND PORT. Any port on a navigable river away from traditional land, air, and coastal borders.

(7) INTERMODAL FACILITY. Any facility that interconnects two or more different modes of air, rail, or road traffic serving multiple customers, and which involves storage facilities.

(8) LOCAL ECONOMIC DEVELOPMENT ORGANIZATION.

Organizations which are determined by the Department of Commerce to meet both of the following criteria:

a. The organization is an Alabama entity not operating for profit, including, but not limited to, a municipality or county, an industrial board or authority, a chamber of commerce, or some other foundation or Alabama nonprofit corporation charged with improving a community or region of the state.

b. The organization has a record of supporting or otherwise participating in economic development in some part of this state.

(9) RENEWAL OF ALABAMA COMMISSION. The Renewal of Alabama Commission created by Section 40-18-402.

(10) SITE. Real property owned by ~~a~~one or more local economic development ~~organization~~organizations and intended for use by an industry or business.

(11) STATE ECONOMIC DEVELOPMENT ORGANIZATION. An organization that is determined by the Department of Commerce to be an Alabama entity not operating for profit which is charged with improving the state or a region of the state and has a record of supporting or otherwise participating in



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economic development in the state."

"§40-18-417.2

(a)(1) A local economic development organization that owns a site, either solely or jointly with other local economic development organizations, may apply to the Department of Commerce for funding to solve an inadequacy involving the site. For sites with multiple owners, all owners shall submit a joint application as co-applicants. The application ~~by the local economic development organization~~ shall include at least one of the following:

a. If there is a pending expression of interest about the site from an industry or business, a list of the site preparation or public infrastructure work needed to make the site acceptable to the industry or business.

b. If the site has been offered to one or more industries or businesses but the offer did not result in the industry or business locating on the site, a list of the site preparation or public infrastructure work that, if it had been completed, would have made the site acceptable to the industries or businesses.

c. If the site is an industrial or research park that needs connections to interstates, highways, roadways, rail systems, or sewer, fiber, electrical, gas, or water infrastructure, a list of the site preparation or public infrastructure work needed.

d. Capital improvements or economic development activities at an inland port or intermodal facility, as described in Section 40-18-417.1~~+~~. provided that the



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113 application is accompanied by an economic impact report on
114 such improvements or activities.

115 e. Any site improvement or public infrastructure work
116 in census tracts that meets the definition of low-income
117 communities pursuant to 26 U.S.C. § 45D(e) as those
118 communities were identified as of January 1, 2015, or in such
119 a community identified thereafter.

120 (2) An economic development organization may apply to
121 the Department of Commerce for funding to undertake the
122 construction, maintenance, promotion, operation, management,
123 leasing, and subleasing of an agricultural center that
124 includes a multi-use facility and related commercial and
125 noncommercial structures for livestock, equestrian, small
126 animal shows and events, spectator events, trade shows,
127 educational conferences, agricultural and agricultural related
128 industries, educational, demonstrational or training purposes,
129 educational and training conferences or events, recreational
130 vehicle rallies, recreational vehicle multi-day parking,
131 hosting of corporate and non-corporate organization meetings,
132 use as fair grounds, operation of retail activities, and other
133 events and facilities expected to draw participants and
134 spectators from states located across the southeastern United
135 States, with a projected total annual economic impact upon
136 completion of all phases of the agricultural center of at
137 least thirty-five million dollars (\$35,000,000) and with the
138 related and supporting infrastructure and facilities having a
139 projected capital expenditure upon completion of all phases of
140 the agricultural center of at least one hundred million



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dollars (\$100,000,000)~~+~~L provided that the application is accompanied by an economic impact report on the agricultural center.

(b) The application shall include quotes for the completion of the work, following compliance with the procedures set forth by the Department of Economic and Community Affairs, as if the organization were disbursing state funds received from the department.

(c) The application provided in paragraph (a)(1)~~-a.~~ or b. shall include an estimate of the number of jobs, wages, and capital investment that would have been undertaken by the industries or businesses referred to in paragraph (a)(1)~~-a.~~ or b.

(d) The application provided in subsection (a) shall include proof that ~~the economic development organization~~ each applicant or co-applicant has in full force and effect a conflict of interest policy consistent with that found in the instructions to Form 1023 issued by the Internal Revenue Service.

(e) The application provided in subsection (a) shall include a notarized affirmation by an officer of the economic development organization that the submission of the application did not violate the conflict of interest policy referred to in subsection (d).

(f) If the site is owned by one or more economic development organizations, the application provided in subsection (a) must be jointly submitted by all economic development organizations. Each co-applicant must submit the



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conflict of interest policy referred to in subsections (d) and (e)."

"§40-18-417.3

(a) Following a review, if the Department of Commerce approves the application provided in ~~subsection (a) of~~ Section 40-18-417.2 (a), it shall forward the application to the Renewal of Alabama Commission.

(b) The Renewal of Alabama Commission shall consider the application and shall approve it if the commission deems it worthy of approval. As to improvements at industrial sites, the commission shall give preference to sites with at least 1,000 acres of available space. As to applications for projects located in communities which have the potential to provide additional funding separate from the Growing Alabama Credits, the commission shall take into consideration whether the separate funding is to be provided to the project that is the subject of the application. Meetings of the commission are subject to Chapter 25A of Title 36. Notwithstanding the foregoing, the commission may meet by telephone or some other telecommunications device so long as members of the public are allowed the opportunity to listen to or otherwise observe the commission's deliberations.

(c) The approval of an application by the commission shall specify the amount of money which the economic development organization is allowed to receive so that it can complete the work specified in the application.

(d) Following approval by the commission, the Department of Commerce shall enter into an agreement with ~~the~~



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~~economic development organization~~ all applicants or
co-applicants. The agreement shall require all co-applicants
to be jointly and severally liable for the proper disposition
of funds and for the submission of all required reports and
financial reviews. The agreement shall further ~~which shall~~ do
all of the following:

(1) Require the economic development organization to
use funding received as a result of this law only for the
purposes approved by the commission as expressed in the
agreement.

(2) Require the economic development organization to
make periodic reports, not more often than annually, to the
Department of Commerce and the commission, as required by the
commission, on the disposition of the funds. As to a project
described in ~~subdivision (a) (1) of~~ Section 40-18-417.2 (a) (1),
the report shall include information on the marketing of the
site, and the ultimate use of the site until such time as it
makes a final report. As to a project related to inland ports
or intermodal facilities as described in ~~paragraph (a) (1) d.~~
~~of~~ Section 40-18-417.2 (a) (1) d. or a project related to an
agricultural center as described in ~~subdivision (a) (2) of~~
Section 40-18-417.2 (a) (2), the report shall include an
economic impact report.

(3) Require the economic development organization to
provide a review of its financial accounts as directed by the
Renewal of Alabama Commission.

(e) For any approved applications, the Department of
Commerce shall notify the Department of Revenue of the



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225 information specified in subsection (c).

226 (f) The Department of Commerce shall publish on its
227 website a list of all approved applications and a list of the
228 economic development organizations that made the approved
229 applications."

230 Section 2. This act shall become effective on June 1,
231 2026.