

SB291 INTRODUCED



1 SB291
2 BYEALJ4-1
3 By Senator Coleman
4 RFD: Finance and Taxation General Fund
5 First Read: 10-Feb-26



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4 SYNOPSIS:

5 Under existing law, an entity is not
6 disqualified from receiving tax incentives under the
7 Alabama Jobs Act if it violates human trafficking or
8 child labor laws.

9 This bill would prevent entities who violate
10 human trafficking or child labor laws from receiving
11 economic tax incentives under the Alabama Jobs Act.
12 This bill would require an entity that engages in any
13 act or practice that violates human trafficking or
14 federal child labor laws to reimburse the state and
15 local government the cost of any economic development
16 tax incentives received by the corporation or legal
17 entity.

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

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23 A BILL
24 TO BE ENTITLED
25 AN ACT

26
27 Relating to economic development; to require an entity
28 to reimburse the state and local government the cost of any

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29 economic development incentives received by the entity if the
30 entity violates human trafficking or child labor laws; to
31 amend Sections 40-18-373 and 40-18-374, Code of Alabama 1975,
32 to require the Secretary of Commerce to verify an entity does
33 not engage in any act or practice that violates human
34 trafficking or federal child labor laws to qualify for tax
35 incentives; and to make nonsubstantive, technical revisions to
36 update the existing code language to current style.

37 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

38 Section 1. Any entity that engages in any act or
39 practice that violates human trafficking laws as provided in
40 Sections 13A-6-152 and 13A-6-153, Code of Alabama 1975, or
41 federal child labor provisions of the Fair Labor Standards Act
42 of 1938 as provided in 29 U.S.C. § 212, shall reimburse to the
43 state and local government the cost of any economic
44 development incentive, including any tax abatement, grant, or
45 tax refund received by the entity pursuant to Title 40, Code
46 of Alabama 1975, from the date the entity is found guilty of
47 or liable for the violation.

48 Section 2. Sections 40-18-373 and 40-18-374, Code of
49 Alabama 1975, are amended to read as follows:

50 "§40-18-373

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

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

56 a. ~~That the~~ The project is ~~in fact~~ a qualifying



57 project~~†~~.

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

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

66 1. Construction activities related to the qualifying
67 project~~†~~.

68 2. The purchase of building materials and the initial
69 equipping of the qualifying project~~†~~.

70 3. The subsequent equipping of the qualifying project~~†~~
71 ~~and~~.

72 4. The operation of the qualifying project.

73 d. The company, any subsidiary of the company, or
74 company suppliers do not engage in any act or practice that
75 violates human trafficking laws as provided in Sections
76 13A-6-152 and 13A-6-153, or child labor provisions of the Fair
77 Labor Standards Act of 1938, provided in 29 U.S.C. § 212.

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

84 (3) After reviewing the information provided by the



85 Secretary of Commerce, the Governor shall also determine
86 whether the company meets the criteria ~~set forth~~ outlined in
87 subdivision (1). If the Governor makes such a finding, the
88 company shall be an approved company."

89 "§40-18-374

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

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

97 (1) The name of the incentivized company.

98 (2) The location of the qualifying project.

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

101 (4) The jobs act incentives to be granted.

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

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

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

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

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



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

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

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

129 (13) (14) Whether ~~the project agreement may be assigned~~
130 ~~by the approved company~~ the approved company may assign the
131 project agreement to some other purchaser, assignee, or
132 successor.

133 (14)(15) Any other terms, conditions, and limitations
134 that this article or the Governor may require for an
135 incentivized company to qualify for and receive a jobs act
136 incentive.

137 ~~(15)~~(16) Any other terms the parties deem necessary or
138 desirable.

139 (c) The Governor may decrease the amounts and ~~durations~~
140 duration of the jobs act incentives to ensure that the

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141 anticipated revenues for the state will exceed the amount of
142 tax incentives sought."

143 Section 3. This act shall become effective on June 1,
144 2026.