

# HB596 INTRODUCED



1 HB596  
2 PSH78EE-1  
3 By Representatives Lands, McClammy, Daniels, Jones, Drummond,  
4 Moore (M), Travis, Sellers, McCampbell, Jackson, Warren,  
5 Datcher, Morris, Bracy, Hendrix, Rafferty, Tillman, Lawrence,  
6 Chestnut, Hassell, Hall, Ensler, Hollis, Gray  
7 RFD: Ways and Means General Fund  
8 First Read: 10-Mar-26



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SYNOPSIS:

This bill would create the Main Street Revival Act to revitalize small municipal downtowns and commercial districts by providing redevelopment grant programs to support business startups, stimulate local entrepreneurship, reuse vacant or underutilized properties, preserve historic buildings, support mixed retail use and mentorship programs, and support local governments by providing technical and financial support to update planning, zoning, and land use regulation.

This bill would require the Alabama Department of Economic and Community Affairs to administer the program.

This bill would also create a rehabilitation tax credit for renovations of certain properties.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to Urban revitalization; to provide redevelopment grants and business startup support to certain



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29 vacant or underutilized commercial structures in small towns;  
30 to provide grants and technical assistance to governing bodies  
31 of small towns to assist with updating planning, zoning, and  
32 land use regulation; to require the Alabama Department of  
33 Economic and Community Affairs to administer the programs; and  
34 to create a rehabilitation tax credit for renovations of  
35 certain properties.

36 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

37 Section 1. This act shall be known and may be cited as  
38 the Main Street Revival Act.

39 Section 2. For purposes of this act, the following  
40 terms have the following meanings:

41 (1) DEPARTMENT. The Department of Economic and  
42 Community Affairs.

43 (2) ELIGIBLE AREA. A commercial corridor or downtown  
44 district in a municipality with a population under 25,000.

45 (3) ELIGIBLE PROPERTY. A vacant or underutilized  
46 commercial structure, or structure that can be used for a  
47 commercial purpose, located within an eligible area.

48 Section 3. (a) Subject to the Legislature appropriating  
49 funds for this purpose, the department shall establish and  
50 administer the Main Street Microenterprise Grant Program to  
51 provide small grants to local entrepreneurs launching or  
52 expanding businesses in eligible areas.

53 (b) The department shall establish criteria for  
54 eligibility in a manner that promotes revitalization and  
55 encourages entrepreneurship.

56 (c) The grants shall range from five thousand dollars



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57 (\$5,000) to twenty-five thousand dollars (\$25,000) and may be  
58 used for leasehold improvements, equipment, signage, or  
59 startup inventory.

60 (d) Applicants must demonstrate a business plan and  
61 sufficient funding to match the amount of any grant awarded  
62 pursuant to this section.

63 (e) The department may adopt rules as necessary to  
64 implement this section.

65 Section 4. (a) Subject to the Legislature appropriating  
66 funds for this purpose, the department shall establish and  
67 administer the Historic Storefront Preservation Incentive  
68 Grant Program to support the preservation and modernization of  
69 historic commercial buildings through state grants and  
70 technical assistance.

71 (b) The department shall establish criteria for  
72 eligibility of historic properties in eligible areas, provided  
73 properties must have been constructed at least 50 years before  
74 the date of grant application.

75 (c) Grants may be used for facade improvements,  
76 structural stabilization, and upgrades to comply with the  
77 Americans with Disabilities Act.

78 (d) The department shall give priority to projects  
79 contributing to local heritage tourism or cultural  
80 revitalization.

81 (e) The department may adopt rules as necessary to  
82 implement this section.

83 Section 5. (a) Subject to the Legislature appropriating  
84 funds for this purpose, the department shall establish and



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85 administer the Business Incubator and Pop-Up Support Grant  
86 Program to support temporary retail activations, shared  
87 commercial space, and business coaching for early-stage  
88 ventures in eligible areas.

89 (b) Grants under this program shall be available to  
90 nonprofit businesses and organizations, chambers of commerce,  
91 and municipal development agencies.

92 (c) Grants may be used for shared retail spaces or  
93 maker hubs, pop-up shops or kiosks in vacant storefronts, or  
94 technical assistance and mentorship programs.

95 (d) The department may adopt rules as necessary to  
96 implement this section.

97 Section 6. (a) Subject to the Legislature appropriating  
98 funds for this purpose, the department shall establish and  
99 administer the Local Planning and Zoning Modernization  
100 Assistance Program to offer technical assistance and matching  
101 grants for local governments to support mixed-use  
102 redevelopment and small business growth.

103 (b) The department shall provide matching grants and  
104 planning support to municipalities to update zoning and land  
105 use regulation in a manner that creates mixed-use overlays;  
106 reduces parking minimums; and streamlines permitting for  
107 adaptive reuse.

108 Section 7. (a) An income tax credit is established for  
109 eligible taxpayers who incur costs for the renovation of an  
110 eligible property. The tax credit shall equal 25 percent of  
111 the total cost of the renovation of the eligible property. The  
112 total costs for purposes of the tax credit calculation under



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113 this subsection shall exclude any costs reimbursed or expected  
114 to be reimbursed by any other entity including, but not  
115 limited to, insurance reimbursements, grants, or other  
116 government subsidies or incentives.

117 (b) The tax credit issued under this section may not  
118 decrease a taxpayer's tax liability to less than zero. If the  
119 tax liability of the taxpayer is less than the tax credit  
120 issued under this section, the taxpayer may only use the  
121 amount of the credit that reduces the taxpayer liability to  
122 zero. The tax credit is not refundable nor transferable but  
123 may be carried forward for a total of five years.

124 (c) The Department of Revenue may audit and reassess  
125 any credit improperly obtained by the taxpayer, in accordance  
126 with the Alabama Taxpayers' Bill of Rights and Uniform Revenue  
127 Procedures Act under Chapter 2A, Title 41, Code of Alabama  
128 1975.

129 (d) The Department of Revenue may adopt rules,  
130 including rules requiring proof of renovation of an eligible  
131 property, to administer this section.

132 Section 8. This act shall become effective on January  
133 1, 2027.