

1 SB96  
2 173137-1  
3 By Senator Brewbaker  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 02-FEB-16

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8 SYNOPSIS: Under existing law, a municipality or a  
9 public industrial authority may abate taxes for  
10 economic development purposes under certain  
11 conditions. A municipality or municipal public  
12 industrial authority may abate county taxes only if  
13 the municipality has abated corresponding municipal  
14 taxes.

15 This bill would specify that a municipality  
16 or public industrial authority may abate county  
17 taxes only if the corresponding municipal tax is  
18 abated and the abatement is limited to the same  
19 rate of taxation as the corresponding municipal  
20 tax.

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22 A BILL  
23 TO BE ENTITLED  
24 AN ACT

25  
26 To amend Section 40-9B-5, Code of Alabama 1975,  
27 relating to the abatement of taxes by a municipality or a

1 public industrial authority; to specify that in order for a  
2 municipality or a municipal public industrial authority to  
3 abate county tax, the municipality would be required to abate  
4 the corresponding municipal tax and the abatement of the  
5 county tax would be limited to the same rate of taxation as  
6 the corresponding municipal tax.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Section 40-9B-5, Code of Alabama 1975, is  
9 amended to read as follows:

10 "§40-9B-5.

11 "(a) Subject to the geographical or jurisdictional  
12 or other limitations specified in subsections (b), (c), and  
13 (d), the governing body of a municipality, a county, or a  
14 public industrial authority may grant abatements of all of the  
15 taxes allowed to be abated under Section 40-9B-4 with respect  
16 to private use industrial property.

17 "(b) (1) The abatements authorized to be granted  
18 pursuant to subsection (a) for construction related  
19 transaction taxes and for ad valorem taxes for a period not to  
20 exceed 10 years may be granted:

21 "a. By the governing body of a municipality, with  
22 respect to private use industrial property located within the  
23 limits of the municipality or within the police jurisdiction  
24 of the municipality; provided, however, that the municipal  
25 governing body ~~shall not~~ may grant an abatement of ~~any a~~  
26 county ~~taxes unless the body~~ tax only if both the following  
27 conditions are met:

1           "1. The municipality has a corresponding municipal  
2 tax that has also been abated.

3           "2. The abatement of the county tax is limited to  
4 the same rate of taxation as the abatement of the  
5 corresponding municipal ~~taxes~~ tax.

6           "b. By the governing body of a county, with respect  
7 to private use industrial property located in the county and  
8 not within a municipality or the police jurisdiction of a  
9 municipality, unless consented to by resolution of the  
10 governing body of the municipality.

11           "c. By the governing body of a public industrial  
12 authority, with respect to private use industrial property  
13 located within the jurisdiction of the public industrial  
14 authority; provided, however, that any municipal public  
15 industrial authority ~~shall not~~ may grant an abatement of ~~any a~~  
16 county ~~taxes unless~~ tax only if the following conditions are  
17 met:

18           "1. The ~~the authority~~ municipality has a  
19 corresponding municipal tax that has also been abated.

20           "2. The abatement of the county tax is limited to  
21 the same rate of taxation as the corresponding municipal ~~taxes~~  
22 tax.

23           "(2) The abatements authorized to be granted  
24 pursuant to subsection (a) for ad valorem taxes for a period  
25 longer than 10 years may be granted:

26           "a. By the governing body of a municipality, with  
27 respect to private use industrial property located within the

1 limits of the municipality or within the police jurisdiction  
2 of the municipality, but only as to municipal noneducational  
3 taxes.

4 "b. By the governing body of a county, with respect  
5 to private use industrial property located in the county, but  
6 only as to county noneducational taxes.

7 "c. By the Governor, with respect to private use  
8 industrial property located in the state, but only as to state  
9 taxes.

10 "The governing body of a county and a municipality  
11 may separately authorize one or more public industrial  
12 authorities to provide by resolution for such consent on its  
13 behalf.

14 "(3) Notwithstanding the provisions of this  
15 subsection, abatements authorized to be granted pursuant to  
16 subsection (a) for data processing centers may be granted in  
17 accordance with subdivision (1) without regard to the time  
18 limitation stated in subdivision (1).

19 "(c) If a tax is abated pursuant to this chapter,  
20 any payment, contribution, or other financial or in-kind award  
21 received from a private user or related party shall be divided  
22 between the parties whose taxes were abated based upon the tax  
23 proceeds which would have been paid if the taxes had not been  
24 abated, unless the party receiving such award can prove that  
25 the award was not related to the granting of any abatement.

26 "(d) Any abatement of county taxes granted by a  
27 municipality or municipal industrial authority shall not be

1 valid until the expiration of (1) 10 days following the date  
2 of physical delivery to the county commission or (2) 13 days  
3 following the date of mailing by certified mail to the county  
4 commission of a copy of the resolution granting such  
5 abatement. Proof of delivery by affidavit of service, in the  
6 case of physical delivery, or by certified mail receipt, in  
7 the case of mailing by certified mail, shall be furnished to  
8 the Department of Revenue at the same time as the filing of  
9 the abatement agreement under Section 40-9B-6. If the  
10 procedures herein prescribed are followed, any such abatement  
11 shall be effective as of the date granted."

12 Section 2. This act shall become effective  
13 immediately following its passage and approval by the  
14 Governor, or its otherwise becoming law.