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3 HOUSE BALDWIN COUNTY LEGISLATION COMMITTEE AMENDMENT TO HB611  
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8 On page 35, delete lines 18 through 27, inclusive,  
9 and on page 36, delete lines 1 through 8, inclusive, deleting  
10 all of Section 18 in its entirety, and insert in lieu thereof  
11 the following new Section 18:

12 Section 18. Tax Exemption.

13 (a) The exercise of the powers granted by this act  
14 shall be, in all respects, for the benefit of the people of  
15 the county and the state, for the increase of their commerce  
16 and prosperity and for the improvement of their safety. Since  
17 the operation and maintenance of the project by the authority  
18 will constitute the performance of the essential functions of  
19 the county, the project, authority, and its contractors and  
20 subcontractors shall not be required to pay the taxes or  
21 assessments as specifically authorized in this section.

22 (b) An income, excise, or license tax or assessment  
23 may not be levied upon or collected in the state with respect  
24 to any corporate activities of the authority or any of their  
25 revenues, income, or profit. The exemptions provided in this  
26 section do not extend to the taxes or fees levied under  
27 Division 1 of Article 5 of Chapter 17 of Title 8, Code of

1 Alabama 1975; Chapter 17 of Title 40, Code of Alabama 1975; or  
2 the Rebuild Alabama Act, Act 2019-2 of the 2019 Regular  
3 Session.

4 (c) No ad valorem tax or assessment for any public  
5 improvement shall be levied upon or collected in the state  
6 with respect to the project during any time that title to the  
7 project is held by the authority.

8 (d) No privilege or license taxes or assessments  
9 payable with respect to the recording or filing for record of  
10 any mortgage, deed, or other instrument, including, but not  
11 limited to, the privilege taxes under Chapter 22 of Title 40,  
12 Code of Alabama 1975, shall be levied, charged, or collected  
13 in connection with the recording or filing for record of any  
14 mortgage, deed, or other instrument evidencing a conveyance to  
15 or the creation of any property interest in the authority, any  
16 agreement or instrument to which the authority is a party, or  
17 any mortgage, deed, or other instrument evidencing a  
18 conveyance from the authority to another party or the creation  
19 by the authority of any property interest in another party.

20 (e) Any tangible personal property which becomes a  
21 permanent part of the project shall be exempt from taxation  
22 and assessment, including sales or use taxes.

23 (f) The project, authority, and its contractors and  
24 subcontractors shall be exempt from any tax imposed by Section  
25 40-23-50, Code of Alabama 1975, for the gross proceeds of the  
26 sale of materials or the gross receipts of services that are  
27 related to the construction of the project.

1           (g) The interest paid or accrued on all bonds,  
2 notes, or other obligations issued by the authority shall be  
3 free from taxation by the state or a county, municipality, or  
4 other political subdivision or instrumentality thereof.

5           (h) (1) The Department of Revenue shall issue a  
6 certificate of exemption to the authority and each contractor  
7 and subcontractor for each project for the purchase of  
8 building materials, construction materials and supplies, and  
9 other tangible personal property that becomes part of the  
10 project. Any use of the certificate issued under the authority  
11 of this subsection and subsection (e) shall be subject to the  
12 reporting and penalty provisions of Section 40-9-14.1, Code of  
13 Alabama 1975. Any holder or user of the certificate shall  
14 maintain an accurate accounting of the purchase and use of the  
15 property and shall file, in a manner prescribed by the  
16 Department of Revenue, reports of all of the purchases.

17           (2) It is the intent of the Legislature for this  
18 subsection to lower the administrative cost for the project  
19 and authority and its contractors and subcontractors.

20           (i) Nothing in this section exempts any contractor  
21 or subcontractor from state income taxes.

22           (j) The Department of Revenue may adopt rules to  
23 implement, administer, and provide for accurate accounting and  
24 enforcement of this section.