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3 ORR AMENDMENT TO HB540  
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8 On page 19 line 8 after "40-18-6.1(c)." insert the  
9 following:

10 Project agreements under Sections 40-18-6.1 and  
11 41-10-46.01 include investments in qualified opportunity zones  
12 as defined in 26 U.S.C. § 1400Z-1 and low-income communities  
13 as defined in 26 U.S.C. § 45D(e).  
14

15 On page 25 after line 19 insert the new Section 2  
16 and renumber subsequent sections accordingly:

17 Section 2. The Alabama Innovation Corporation shall  
18 report to the Legislature beginning in 2023, pursuant to the  
19 provisions of Section 40-1-50, Code of Alabama 1975 an  
20 assessment of the corporation efforts to accomplish the goals  
21 pursuant to this act.  
22

23 On page 26 line 1 add a new section 4 and renumber  
24 the subsequent section:

25 Section 4. Section 41-10-46.01 Code of Alabama 1975,  
26 is amended to read as follows:

27 §41-10-46.01.

1 (a) Any qualified fund may invest at least three  
2 percent of its corpus in one or more approved opportunity  
3 funds.

4 (b) The following terms shall have the following  
5 meanings:

6 (1) "ADECA" shall mean the Department of Economic  
7 and Community Affairs.

8 (2) "Approved opportunity fund" shall mean any fund  
9 approved by ADECA as meeting all of the following:

10 a. ADECA determines that the fund has the capacity  
11 to improve Alabama's low-income opportunity zone communities  
12 by approving an application showing all of the following:

13 1. The amount of existing committed capital or  
14 potential to raise committed capital.

15 2. The investment track record or strength of the  
16 applicant's management team.

17 3. The existing project pipeline or strategy for  
18 developing new pipeline.

19 4. The fund structure and anticipated returns within  
20 that fund structure.

21 5. The presence of sound legal, accounting, and  
22 compliance policies and procedures.

23 6. A strategy for measuring, tracking, and annual  
24 reporting to ADECA on how the approved opportunity fund is  
25 achieving investment outcomes set forth in its applications.

1                   7. One or more clear and demonstrable partnerships  
2 with local or statewide public or nonprofit entities to ensure  
3 community engagement.

4                   b. ADECA determines that the fund has committed to  
5 deploying a substantial portion of its capital into qualified  
6 opportunity zone property in Alabama within one or more of the  
7 following asset classes:

8                   1. Rural areas described in Section 40-18-376.1(a).

9                   2. Technology companies which meet all the criteria  
10 in Section 40-18-376.3(c), or facilities to house such  
11 companies.

12                   3. Companies or projects described in Section  
13 40-18-372(1), or facilities to house such companies or  
14 projects.

15                   4. Workforce training.

16                   5. Affordable housing, in which case the burden  
17 shall be on the fund to demonstrate rent levels charged and  
18 why those rents are appropriate for a particular geographic  
19 area.

20                   6. Remediation of blighted or abandoned property, in  
21 which case the burden shall be on the fund to demonstrate why  
22 targeted properties qualify as blighted or abandoned.

23                   7. Revitalization of distressed urban neighborhoods,  
24 in which case the burden shall be on the fund to demonstrate  
25 why a neighborhood is distressed and why its investment  
26 strategy will revitalize the neighborhood.

1           8. Companies or projects that will have substantial,  
2 measurable impact on social, environmental, or economic  
3 conditions in low-income areas, or facilities to house such  
4 companies or projects, in which case the burden shall be on  
5 the fund to demonstrate why such companies or projects will  
6 have such substantial effects.

7           c. In addition, ADECA may determine that a fund  
8 meets paragraph b. if it can demonstrate that it will create  
9 substantial wealth within and for residents of Alabama's  
10 low-income and rural communities and will directly track the  
11 wealth created.

12           d. The fund commits to investing at least 75 percent  
13 of its committed capital in qualified opportunity zone  
14 property located in Alabama. ADECA shall adopt rules for  
15 determining whether an investment in a corporation or  
16 partnership should be considered to be located in Alabama. For  
17 purposes of this paragraph, "qualified opportunity zone  
18 property" shall have the meaning given to it in 26 U.S.C. §  
19 1400Z-2(d)(2), and shall also include a property located in a  
20 low-income community as defined by 26 U.S.C. § 45 (D)(e).

21           (3) "Qualified funds" are each of the following:

22           a. The Alabama Trust Fund created by Amendment No.  
23 450 to the Constitution of Alabama of 1901, now appearing as  
24 Section 219.02 of the Official Recompilation of the  
25 Constitution of Alabama of 1901, as amended.

26           b. The Alabama Game and Fish Fund created by Section  
27 9-2-20, the Alabama Game and Fish Endowment Fund created by

1 Section 9-2-20.1, and the Alabama Nongame Wildlife Endowment  
2 created by Section 9-2-20.2.

3 c. The Alabama Marine Resources Endowment Fund  
4 created by Section 9-11-23 and the Marine Resources Fund  
5 referred to in that section.

6 d. The Alabama Corrections Institution Finance  
7 Authority funds referred to in Chapter 2 of Title 14.

8 e. The Public Health Finance Authority funds  
9 described in Chapter 3A of Title 22.

10 f. The Public Road and Bridge funds described in  
11 Chapter 6 of Title 23.

12 g. The Unemployment Compensation Trust Fund created  
13 by Section 25-4-30.

14 h. The Mental Health Finance Authority funds  
15 described in Article 11 of Chapter 10 of Title 41.

16 i. The Incentives Financing Authority funds  
17 described in Division 1 of Article 16 of Chapter 10 of Title  
18 41.

19 j. The Alabama Senior Services Trust Fund created by  
20 Section 41-15C-1.

21 k. Any fund of funds representing two or more of the  
22 funds listed in paragraphs a. through j.

23 (c) ADECA may charge application fees for the powers  
24 and responsibilities delegated to it herein, and it may charge  
25 fees for its financial and oversight audits of the funds.  
26 ADECA may retain consultants to assist it with the powers and  
27 responsibilities delegated to it herein.

