

1 HB523  
2 176297-1  
3 By Representative Scott  
4 RFD: Ways and Means Education  
5 First Read: 12-APR-16

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8 SYNOPSIS: Under existing law, governmental bodies of  
9 municipalities, counties, and public industrial  
10 authorities may grant abatements of taxes or  
11 property to certain private enterprises and  
12 businesses.

13 This bill would require governmental bodies  
14 of municipalities, counties, and public industrial  
15 authorities that grant abatements of taxes or  
16 property to submit to the Legislature a report on  
17 these abatements every year.

18  
19 A BILL  
20 TO BE ENTITLED  
21 AN ACT  
22

23 Relating to tax abatements; to add Section 40-96-14  
24 to the Code of Alabama 1975; to require governmental bodies of  
25 municipalities, counties, and public industrial authorities  
26 that grant abatements of taxes or property to submit to the  
27 Legislature a report on these abatements every year.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Section 40-96-14 is added to the Code of  
3 Alabama 1975, to read as follows:

4 §40-96-14.

5 (a) In order for the Legislature to get accurate and  
6 complete information regarding the costs and benefits of  
7 economic tax incentives, the governmental body of each  
8 municipality, county, and public industrial authority that  
9 grants abatements under this chapter, no later than the second  
10 Legislative day beginning in the 2017 Regular Session of the  
11 Legislature and every year thereafter, shall provide to the  
12 Legislature a report assessing each abatement based on the  
13 following criteria:

14 (1) Whether or not the abatement has been successful  
15 in meeting the purpose for which it was enacted, in  
16 particular, whether the abatement benefits those originally  
17 intended to be benefited, and if not, those who do benefit.

18 (2) Whether or not the governmental body receives a  
19 positive return on investment, specifically the direct and  
20 indirect impact on local tax revenues, from the business or  
21 industry for which the abatement is intended to benefit and  
22 any other economic benefits produced by the abatement.

23 (3) The economic results of each abatement, taking  
24 into account the extent to which the abatement successfully  
25 changes business behavior, and the unintended or inadvertent  
26 effects, benefits, or harm caused by the abatement.

1           (c) (1) Nothing in this section shall be construed to  
2 require the disclosure of proprietary or trade secret  
3 information that has been submitted to any governmental body  
4 with respect to an abatement.

5           (2) Nothing in this section shall be construed to  
6 supersede any provision with respect to the confidentiality of  
7 taxpayer records.

8           (d) Each governmental body required to submit a  
9 report pursuant to the provisions of this section may request  
10 from any other state or local agency, official, recipient of  
11 funds, or the Alabama Department of Revenue any information  
12 necessary to complete the required report. Any such agency,  
13 official, or recipient shall comply with this request.

14           (f) (1) The Department of Revenue shall develop a  
15 format for reports required herein. The format shall be made  
16 available to all governmental bodies for use in preparation of  
17 their required reports.

18           (2) The Department of Revenue shall provide  
19 governmental bodies with any tax information necessary to  
20 complete the required report relating to an abatement granted  
21 by the governmental body.

22           Section 2. This act shall become effective  
23 immediately following its passage and approval by the  
24 Governor, or its otherwise becoming law.