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SYNOPSIS:

Under existing law, the Alabama Jobs Act provides certain incentives to allow the state to foster economic development through the recruitment of quality projects and the expansion of existing businesses within Alabama.

Also under existing law, for an incentivized company to claim a jobs act incentive, the Governor and the incentivized company must execute a project agreement with certain provisions.

This bill would require the project agreement to contain a provision that if it is determined that a company has engaged in human trafficking or violated the Fair Labor Standards Act of 1938, all or part of the jobs act incentives may be recaptured.

A BILL
TO BE ENTITLED
AN ACT

Relating to the Alabama Jobs Act; to amend Section 40-18-374, as last amended by Act 2023-34, 2023 Regular Session, Code of Alabama 1975; to provide any jobs act incentives awarded to an incentivized company may be



29 recaptured if the company engaged in human trafficking
30 violations or violated the Fair Labor Standards Act of 1938.

31 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

32 Section 1. Section 40-18-374, as last amended by Act
33 2023-34, 2023 Regular Session, Code of Alabama 1975, is
34 amended to read as follows:

35 "§40-18-374

36 (a) An incentivized company may claim either or both of
37 the jobs act incentives, to the extent provided in the project
38 agreement.

39 (b) In order for an incentivized company to claim the
40 jobs act incentives, the Governor and the incentivized company
41 shall execute a project agreement. The agreement shall contain
42 all of the following:

43 (1) The name of the incentivized company.

44 (2) The location of the qualifying project.

45 (3) The activity to be conducted at the qualifying
46 project.

47 (4) The jobs act incentives to be granted.

48 (5) The capital investment to be made at the qualifying
49 project.

50 (6) The time period for the capital investment to be
51 made at the qualifying project.

52 (7) The number of employees at the qualifying project.

53 (8) The anticipated wages to be paid to or for the
54 benefit of employees during the incentive period for the jobs
55 created.

56 (9) The dates or conditions that shall begin the



57 running of the incentive periods for applicable jobs act
58 incentives.

59 (10) The lengths of the incentive periods for the jobs
60 act incentives.

61 (11) Any annual or aggregate limitations on the amount
62 of either or both of the jobs act incentives that can be
63 claimed during an incentive period.

64 (12) Provisions governing the recapture of all or part
65 of the jobs act incentives awarded to the qualifying project,
66 should the approved company default on its obligations in the
67 project agreement or should the incentivized company engage in
68 any act or practice that violates the human trafficking laws
69 as provided in Sections 13A-6-152 and 13A-6-153, or federal
70 child labor provisions of the Fair Labor Standards Act of
71 1938, 29 U.S.C. § 203.

72 (13) Whether the project agreement may be assigned by
73 the approved company to some other purchaser, assignee, or
74 successor.

75 (14) Any other terms, conditions, and limitations that
76 this article or the Governor may require for an incentivized
77 company to qualify for and receive a jobs act incentive.

78 (15) Any other terms the parties deem necessary or
79 desirable.

80 (c) The Governor may decrease the amounts and durations
81 of the jobs act incentives to ensure that the anticipated
82 revenues for the state will exceed the amount of tax
83 incentives sought."

84 Section 2. This act shall become effective on October



85 1, 2024.