

1 SB169  
2 119065-2  
3 By Senators Butler, Orr, Bedford, and Barron  
4 RFD: Finance and Taxation General Fund  
5 First Read: 12-JAN-10

1 SB169

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4 ENROLLED, An Act,

5 Relating to Section 40-9-34, Code of Alabama 1975,  
6 which relates to a tax exemption for the Hudson-Alpha  
7 Institute for Biotechnology; to reenact Section 40-9-34,  
8 retroactively effective to October 1, 2008, to clarify that  
9 the section was not affected by Section 12 of Act 2009-144 of  
10 the 2009 Regular Session.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. Section 40-9-34, Code of Alabama 1975, is  
13 hereby reenacted as follows:

14 Section 40-9-34. Hudson-Alpha Institute for  
15 Biotechnology.

16 (a) The following is hereby found and declared by  
17 the Legislature of Alabama:

18 (1) The lack of content in natural and bio-science  
19 education offered to students in kindergarten through high  
20 school is a nationwide problem.

21 (2) Such lack in curricular offerings to students  
22 will be detrimental in the long-term to the economy of the  
23 state and the welfare of the citizens during the scientific  
24 revolution now engulfing the world.

1           (3) The biotechnology institute can provide to  
2 education leaders of the distance learning program of the  
3 state cutting edge biotechnology curriculum recommendations  
4 and content for Alabama high schools, by providing information  
5 about cutting edge biotechnology curriculum and content to  
6 students in kindergarten through high school pursuant to the  
7 distance learning program of the state, the state course of  
8 study, and state textbooks.

9           (4) By educating Alabama high school students in the  
10 field of biotechnology, such students are more likely to  
11 pursue careers in the biological sciences, thereby providing  
12 the state with a better educated workforce able to support the  
13 growing biotechnology industry, in turn attracting and  
14 encouraging biotechnology companies to locate in the state and  
15 create additional challenging and rewarding job opportunities  
16 for the citizens of the state.

17           (5) The reputation, economic status, and educational  
18 system of the state will be further enhanced by the addition  
19 of an internationally renowned biotechnology institute that  
20 will support internationally recognized scientists and  
21 researchers, with a focus on scientific discoveries that are  
22 intended, when possible, to be proven in the state and  
23 provided by companies in the state to patients suffering from  
24 diseases.

1           (6) By establishing a biotechnology campus, the  
2 biotechnology institute will be in a better position to join  
3 with the economic development leaders of the state to attract  
4 biotechnology companies to the campus and to the state,  
5 thereby creating additional job opportunities for the citizens  
6 of the state.

7           (b) The Hudson-Alpha Institute for Biotechnology, a  
8 nonprofit corporation, and any real and personal property  
9 owned by the corporation, shall be exempt from the payment of  
10 any and all state, county, and municipal taxes, licenses,  
11 fees, and charges of any nature whatsoever, including any  
12 privilege or excise tax heretofore or hereafter levied by the  
13 State of Alabama or any county or municipality thereof.

14           (c)(1) In exchange for the tax exemption granted in  
15 subsection (b), beginning October 1, 2008, and for each year  
16 thereafter, the Hudson-Alpha Institute for Biotechnology shall  
17 make a report to the State Board of Education detailing the  
18 curricular content in biotechnology which could enhance the  
19 state distance learning program. This subdivision shall not  
20 apply in the event that the distance learning program is  
21 discontinued, or is no longer in existence. Further, the  
22 Hudson-Alpha Institute for Biotechnology shall report annually  
23 to the State Board of Education, the State Course of Study  
24 Committee, and the State Textbook Committee all new  
25 developments in the field of biotechnology which could be

1 integrated into the curriculum for high school courses in  
2 science and health.

3 (2) Further, in exchange for the tax exemption  
4 granted in subsection (b), the Hudson-Alpha Institute for  
5 Biotechnology shall certify to the Legislative Fiscal Office  
6 and to the House and Senate education appropriations  
7 committees on or before September 30, 2008, that the following  
8 levels of investment, employment, and property improvements  
9 have been made in the State of Alabama:

10 a. The Hudson-Alpha Institute for Biotechnology has  
11 made an investment in the State of Alabama equal to or in  
12 excess of fifty million dollars (\$50,000,000) in property and  
13 equipment.

14 b. The Hudson-Alpha Institute for Biotechnology has  
15 equal to or in excess of 100 employees.

16 c. For-profit companies have made property  
17 improvements on property in the State of Alabama owned by the  
18 Hudson-Alpha Institute for Biotechnology equal to or in excess  
19 of five million dollars (\$5,000,000).

20 (3) In the event that the Hudson-Alpha Institute for  
21 Biotechnology fails to meet the requirements in subdivision  
22 (1), all tax exemptions granted in subsection (b) are null and  
23 void as of October 1, 2008, and the Hudson-Alpha Institute for  
24 Biotechnology shall repay all taxes exempt under subsection  
25 (b) that were not otherwise exempt by law, beginning as of the

1 effective date of the exemption until September 30, 2008. The  
2 Hudson-Alpha Institute for Biotechnology shall repay the taxes  
3 in equal installments each year beginning October 1, 2008, and  
4 ending October 1, 2018.

5 (d) (1) Each for-profit entity leasing or otherwise  
6 owning property located on property owned by the Hudson-Alpha  
7 Institute for Biotechnology shall be subject to sales, use,  
8 and ad valorem taxes, and each for-profit entity leasing  
9 property located on property owned by the Hudson-Alpha  
10 Institute for Biotechnology shall be subject to property tax  
11 on the leased property, fixtures, and equipment thereof except  
12 as otherwise allowed under Chapter 9B of this title, or any  
13 amendment or successor statute thereto.

14 (2) No for-profit entity shall be entitled to an  
15 exemption under subsection (b) directly or indirectly,  
16 including any property that is contributed to the Hudson-Alpha  
17 Institute for Biotechnology by a for-profit entity if the  
18 contributing for-profit entity uses that contributed property  
19 in its for-profit activities.

20 Section 2. The intent of Section 1 of this act is to  
21 clarify that Section 40-9-34 was not and is not affected by  
22 Section 12 of Act 2009-144 of the 2009 Regular Session.

23 Section 3. This act shall be retroactively effective  
24 to October 1, 2008.

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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB169

Senate 11-FEB-10

I hereby certify that the within Act originated in and passed the Senate, as amended.

McDowell Lee  
Secretary

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House of Representatives  
Amended and passed 09-MAR-10

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Senate concurred in House amendment 09-MAR-10

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By: Senator Butler