

1 SB273
2 210435-1
3 By Senator Allen
4 RFD: Transportation and Energy
5 First Read: 25-FEB-21

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8 SYNOPSIS: This bill would provide for the
9 establishment of joint road improvement authorities
10 by counties and participating municipalities, and
11 would provide for the procedure for incorporation
12 of an authority and officers and directors of an
13 authority.

14 This bill would also provide a procedure for
15 reincorporating and ratifying the existence of
16 previously created road improvement commissions in
17 counties containing a Class 4 municipality
18 incorporated under Chapter 44B of Title 11, Code of
19 Alabama 1975.

20 This bill would authorize a joint road
21 improvement authority to issue and sell bonds, make
22 grants, and amend the articles of incorporation of
23 the authority and would provide for certain other
24 powers of an authority. The bill would also exempt
25 an authority from certain taxes, provide for the
26 validation of bond issues by an authority, provide
27 for the authorization of the appropriation of funds

1 and the donation of property to an authority,
2 provide for the dissolution of an authority and
3 transfer of funds upon dissolution, provide for the
4 investment in bonds of an authority by certain
5 entities, and would provide for the bonds of an
6 authority to be eligible to be pledged as security
7 for funds belonging to the state or any of its
8 political subdivisions or instrumentalities.

9
10 A BILL
11 TO BE ENTITLED
12 AN ACT

13
14 Providing for the creation of joint road improvement
15 authorities for counties and participating municipalities;
16 providing a procedure for incorporation; providing for the
17 qualifications, procedure for election, and terms of the
18 officers and directors of an authority; providing for the
19 procedure for reincorporating and ratifying the existence of
20 previously created road improvement commissions in counties
21 containing a Class 4 municipality incorporated under Chapter
22 44B of Title 11, Code of Alabama 1975; providing for the
23 issuance, sale, and execution of bonds; providing for the
24 disposition of proceeds from sale of bonds and refunding
25 bonds; providing for the making of grants and the amendment of
26 articles; providing for powers of an authority; providing for
27 certain exemptions from taxation; providing for limited

1 liability; providing a procedure for validating bond issues;
2 authorizing other governmental bodies to appropriate funds and
3 donate property to an authority; providing for the dissolution
4 of authorities and transfer of funds and assets upon
5 dissolution; allowing municipalities, counties, the state, the
6 Teachers' Retirement System of Alabama, the Employees'
7 Retirement System of Alabama, the State Insurance Fund, and
8 fiduciaries to invest in bonds issued by an authority; and
9 authorizing bonds to be pledged as security.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Definitions.

12 When used in this act, the following terms shall
13 have the following meanings:

14 (1) ARTICLES. The articles of incorporation or
15 articles of reincorporation of an authority.

16 (2) AUTHORITY. A public corporation incorporated or
17 reincorporated pursuant to the provisions of this act.

18 (3) BOARD of DIRECTORS. The board of directors of an
19 authority.

20 (4) BOND or BONDS. A bond or bonds issued under this
21 act.

22 (5) COUNTY OF INCORPORATION. The county in which an
23 authority has been or is proposed to be incorporated or
24 reincorporated.

25 (6) DIRECTORS. The members of the board of
26 directors.

1 (7) INCORPORATORS. The natural persons filing a
2 written application for the incorporation or reincorporation
3 of an authority pursuant to this act.

4 (8) MUNICIPALITY. Any municipal corporation wholly
5 or partially within the county of incorporation.

6 (9) PARTICIPATING MUNICIPALITY. Any municipality
7 named in the articles that elects to participate in the
8 incorporation or reincorporation of the authority.

9 (10) PERSON. Unless limited to a natural person by
10 the context in which it is used, any person, including,
11 without limitation, a private firm, a private association, a
12 corporation, and a public person.

13 (11) PROBATE JUDGE. The judge of probate of the
14 county of incorporation of an authority.

15 (12) PROJECT. Any land and any buildings or other
16 improvements thereon, and all real, personal, and mixed
17 properties deemed by an authority to be necessary or
18 appropriate in connection therewith, whether or not now in
19 existence, which shall be suitable for road improvement
20 purposes. The determination of an authority that a proposed
21 use is within this definition shall be conclusive.

22 (13) PUBLIC PERSON. The state and any county,
23 municipal corporation, public corporation, agency, subdivision
24 thereof, instrumentality thereof, or similar person.

25 Section 2. Legislative findings of fact and
26 declaration of intent; construction of article.

1 The Legislature hereby makes the following findings
2 of fact and declares its intent to be as follows:

3 (1) The Legislature acknowledges the key role of
4 public corporations in the state in promoting public interest
5 through acquiring, enlarging, improving, expanding, owning,
6 operating, leasing, and disposing of road improvement related
7 properties. It has come to the attention of the Legislature
8 that questions have been raised as to the status of certain
9 road improvement commissions located in certain counties. It
10 is the intent of the Legislature to promote the public health
11 and general welfare by exercising its police power to
12 authorize the formation of independent public corporations
13 created jointly by counties and municipalities, and the
14 reincorporation of existing road improvement commissions
15 located in counties containing a Class 4 municipality, as
16 defined by Section 11-40-12, Code of Alabama 1975,
17 incorporated under Chapter 44B of Title 11, Code of Alabama
18 1975, having as their general purposes the promotion of road
19 improvement purposes, facilities and activities and having the
20 power to issue bonds, among certain other powers.

21 (2) This act shall be liberally construed in
22 accordance with the findings of fact and declaration of intent
23 in this section.

24 Section 3. Authorization and procedure for
25 incorporation generally.

26 Any number of natural persons, not less than three,
27 residing in the county of incorporation may incorporate an

1 authority as provided in this act. The incorporators shall
2 file a written application in accordance with Section 4.

3 Section 4. Filing of application for incorporation
4 with probate judge; contents thereof; recordation of
5 application by probate judge; approval or disapproval by
6 governing body of county of incorporation and each
7 participating municipality.

8 (a) The written application of the incorporators
9 shall be filed with the probate judge, which application
10 shall:

11 (1) Contain a statement that the incorporators
12 propose to incorporate an authority pursuant to this act.

13 (2) State that each of the incorporators is a
14 resident of the county of incorporation.

15 (3) Request that the governing body of the county of
16 incorporation and each participating municipality adopt a
17 resolution declaring that it is expedient that the proposed
18 authority be formed, approving the written application, and
19 authorizing the incorporators to proceed to form the proposed
20 authority by filing for record articles in accordance with
21 this act.

22 (b) The application shall include the form of
23 articles of the proposed authority.

24 (c) The governing body of the county of
25 incorporation and of each participating municipality shall
26 review the contents of the application and the accompanying
27 form of articles and shall adopt a resolution to deny the

1 application or to declare that it is expedient that the
2 proposed authority be formed, approving the form of the
3 articles, and authorizing the incorporators to proceed to form
4 the proposed authority by filing for record pursuant to
5 subsection (c) of Section 5.

6 (d) It shall not be necessary that a resolution be
7 published in any newspaper or posted or be offered for more
8 than one reading.

9 (e) No authority may be formed until the application
10 and the resolution have been adopted.

11 Section 5. Contents, signing, and filing of
12 articles.

13 (a) The articles of an authority shall state all of
14 the following:

15 (1) The names of the incorporators and that each is
16 a resident of the county of incorporation.

17 (2) The name of the authority, which may be a name
18 indicating in a general way the geographic area proposed to be
19 served by the authority and include the words "Road
20 Improvement Authority" (e.g., "The _____ Road
21 Improvement Authority" or "The Road Improvement Authority of
22 _____," the blank space to be filled in with a
23 geographically descriptive word or words, but the descriptive
24 word or words shall not preclude the authority from exercising
25 its powers in other geographic areas).

26 (3) The period of the authority, which may be
27 perpetual.

1 (4) The location of the principal office of the
2 authority, located within the boundaries of the county of
3 incorporation.

4 (5) That the authority is organized pursuant to this
5 act.

6 (6) The prohibitions, limitations, or conditions of
7 the authority.

8 (7) A minimum of three directors and the duration of
9 their respective terms of office which may not be in excess of
10 six years.

11 (8) The manner of appointing directors. Except as
12 provided in Section 6, the articles may specify that the
13 directors are to be appointed by any of the following:

14 a. The governing body of the county of
15 incorporation.

16 b. The governing bodies of the participating
17 municipalities.

18 c. The individual members of the governing bodies,
19 based upon districts, precincts, place numbers, or another
20 method.

21 d. The legislative delegation of the county of
22 incorporation.

23 e. Any combination of paragraphs a. to d. as the
24 articles prescribe.

25 (9) Any provisions not inconsistent with this act
26 relating to the dissolution of the authority and the vesting
27 of title to its assets and properties upon dissolution.

1 (10) Any other matters relating to the authority
2 that the incorporators may choose to insert and that are not
3 inconsistent with this act or with the laws of the state.

4 (b) The articles shall be signed by each of the
5 incorporators.

6 (c) The authority shall constitute a public
7 corporation under the name set forth in its articles upon the
8 filing of record of the article with the probate judge. The
9 recording of the articles by the probate judge shall be
10 conclusive evidence of the due, legal, and valid incorporation
11 of the authority. The probate judge shall record the articles
12 in an appropriate book in his or her office. There shall be no
13 filing fees or recording taxes due or payable on account of
14 the filing for record of the articles.

15 Section 6. Authorization and procedure for
16 reincorporation of existing road improvement commissions;
17 continuation in office of directors; effect of
18 reincorporation.

19 (a) In any county containing a Class 4 municipality
20 incorporated under Chapter 44B of Title 11, Code of Alabama
21 1975, where there has been an attempt to create a road
22 improvement commission by general or local legislation, but
23 the attempted creation or incorporation is or may be invalid
24 because of an irregularity in the procedure followed or
25 invalidity of or defect in the statute under which the
26 attempted creation or incorporation of the authority or board
27 was made, a minimum of four natural persons who reside in the

1 county in which the authority is to be incorporated and who
2 are members of the road improvement commission may file a
3 written application with the probate judge of the county in
4 which the road improvement commission has been attempted to be
5 created. The application shall:

6 (1) Contain a statement that the incorporators
7 propose to reincorporate the commission into an authority
8 pursuant to this act.

9 (2) State that each of the applicants is a resident
10 of the county of incorporation and a member of the commission.

11 (3) Request that the county commission of the county
12 of incorporation and of each participating municipality adopt
13 a resolution declaring that it is expedient that the road
14 improvement commission be reincorporated as a road improvement
15 authority, approving the written application, and authorizing
16 the incorporators to proceed to reincorporate the road
17 improvement commission by filing for record articles in
18 accordance with this act.

19 (b) (1) An application shall be accompanied by the
20 form of articles of the road improvement commission proposed
21 to be reincorporated.

22 (2) The articles shall specify that the manner of
23 appointment of the board of directors shall be the same as
24 provided for in the general or local legislation creating or
25 attempting to create the road improvement commission.

26 (c) The governing body of the county of
27 incorporation and of each participating municipality shall

1 review the contents of the application and the accompanying
2 form of articles and shall adopt a resolution either to deny
3 the application or declare that it is expedient that the
4 proposed reincorporation occur, approving the form of
5 articles, and authorizing the incorporators to proceed to
6 reincorporate the road improvement commission by filing for
7 record the articles in accordance with the provisions of
8 Section 5, except that the articles shall specify the name of
9 the road improvement commission being reincorporated.

10 (d) It shall not be necessary that any resolution be
11 published in any newspaper or posted or be offered for more
12 than one reading.

13 (e) (1) Upon the filing for record of the articles of
14 the authority with the probate judge, the commission shall be
15 reincorporated and the existence and validity of the authority
16 validated and ratified retroactive to the initial creation or
17 attempted creation of the commission, with all authorities and
18 powers granted to an authority under this act. All actions
19 taken, policies observed, contracts, obligations, agreements
20 and understandings entered, property owned, acquired,
21 received, or conveyed, any civil actions pending or concluded,
22 any employee rights or benefits granted, and all other matters
23 with respect to the road improvement commission occurring or
24 existing prior to the date of reincorporation shall be deemed
25 transferred, assigned, and conveyed to, and received,
26 accepted, and adopted by, the authority as of the date of
27 reincorporation, and shall be deemed valid, binding,

1 effective, legal, and constitutional with respect to the
2 authority after the date of reincorporation if those matters
3 would have been valid, binding, legal, effective, or
4 constitutional if occurring after the date of reincorporation
5 under the terms of this act.

6 (2) Upon the filing for record of the articles of
7 the authority with the probate judge, the proceeds of any
8 taxes that are directed by law to be paid to the road
9 improvement commission, including, but not limited to, those
10 taxes directed to be paid to the road improvement commission
11 under Act 56 of the 1953 Regular Session, as amended, shall
12 thereafter be paid to the reincorporated road improvement
13 authority.

14 (f) Upon reincorporation, the directors of the
15 authority shall consist of those natural persons who were
16 members of the road improvement commission prior to
17 reincorporation, until new appointments are made under the
18 articles of the authority.

19 Section 7. Further authorization and procedure for
20 reincorporation of existing road improvement commissions.

21 A road improvement commission created or attempted
22 to be created prior to the effective date of this act in a
23 county containing a Class 4 municipality incorporated under
24 Chapter 44B of Title 11, Code of Alabama 1975, may seek
25 authority to reincorporate pursuant to the procedure
26 established in Section 6 if a majority of the commission
27 adopts a resolution determining that it would be expedient for

1 the commission to reincorporate and a group of at least four
2 members of the commission files an application in accordance
3 with Section 6.

4 Section 8. Recordation of articles by probate judge;
5 probate judge to receive no fees in connection with
6 incorporation, reincorporation, dissolution, etc., of
7 authority.

8 (a) The articles shall be filed with the probate
9 judge. The proposed authority shall constitute a de jure
10 corporation upon acceptance of filing. The acceptance of the
11 articles for filing by the probate judge shall be conclusive
12 of the valid incorporation of a proposed authority or
13 reincorporation of a road improvement commission.

14 (b) There shall be no fees or taxes paid to or
15 collected by the probate judge for any service rendered or
16 work performed in connection with an authority, its
17 incorporation, reincorporation, amendment, dissolution, or
18 records.

19 Section 9. Powers of authority vested in board of
20 directors; officers and directors of authority; proceedings of
21 board of directors to be reduced to writing and signed by two
22 directors; admissibility of evidence of proceedings of board
23 of directors; adoption of bylaws; notice of meetings;
24 attendance at meetings; qualifications.

25 (a) All powers of an authority shall be vested in
26 its board of directors.

1 (b) The initial board of directors of an authority
2 shall be specified in the articles, or as provided in Section
3 6.

4 (c) The board shall elect from its own membership a
5 chair, vice-chair, and secretary. A majority of the directors
6 shall constitute a quorum for the transaction of business. The
7 officers and directors shall serve for the terms provided for
8 in the articles. A director may not receive any salary for
9 service rendered or for any duty performed as a director. The
10 chair, vice-chair, and secretary shall perform the duties
11 customarily performed by the officers and as may be prescribed
12 by the board of directors.

13 (d) All proceedings by the board of directors shall
14 be in writing by the secretary of the authority and signed by
15 at least two directors of the authority present at the
16 proceedings. Copies of the proceedings, when certified by the
17 secretary of the authority under the seal of the authority,
18 shall be received in all courts as prima facie evidence of the
19 matters and things therein certified.

20 (e) A board of directors may adopt bylaws not
21 inconsistent with this act.

22 (f) Notice of any meeting of the members of the
23 board of directors shall be as provided in the bylaws or as
24 determined by the chair of the board of directors. Notice of
25 any meeting may be waived by any director before, at, or after
26 the meeting and may be communicated by letter, telegraph,
27 telex, telecopy, internet posting, or similar means.

1 Attendance at any meeting for any purpose other than to
2 protest the holding of the meeting shall constitute a waiver
3 of notice. The board of directors may conduct a meeting by
4 teleconference; provided, the authority otherwise complies
5 with the notice requirements of this act, and provides public
6 access by allowing access to the teleconferencing technology.

7 (g) The board of directors may act by a written
8 consent, signed by all directors, which consent shall have the
9 same effect as unanimous action taken at a duly held meeting
10 of the board of directors, a quorum being present.

11 (h) The board of directors shall create a Finance
12 Committee and a Contract Review Committee, and may create one
13 or more additional committees, and may appoint members of the
14 board of directors to serve on each. Each committee shall have
15 one or more members, who serve at the pleasure of the board of
16 directors. A committee may exercise the authority of the board
17 of directors as specified by the board of directors, or in the
18 articles or bylaws, but may not amend the articles or adopt,
19 amend, or repeal bylaws. Notice of any committee meeting shall
20 be given in the same manner as provided for meetings of the
21 board of directors. A committee may conduct a meeting by
22 teleconference; provided, the committee provides public access
23 by allowing access to the teleconferencing technology.

24 (i) A director shall be a resident of the county of
25 incorporation. If a director ceases to be a resident of the
26 county of incorporation, he or she shall cease to be a
27 director, and the position shall remain vacant until a

1 successor is appointed in accordance with the articles and
2 this act.

3 Section 10. Members of the board of directors;
4 terms; meetings; removal from office.

5 (a) Except as provided in Section 6, the board of
6 directors shall be composed of the number of directors
7 provided for in the articles, appointed as provided in the
8 articles for the terms designated therein.

9 (b) All directors shall serve until their successors
10 are appointed or until they cease to be qualified. Vacancies
11 on the board of directors shall be filled as provided for in
12 the articles, but any person appointed to fill a vacancy shall
13 serve only for the unexpired portion of the term. In the event
14 any uncertainty arises as to the terms of office of a
15 director, the governing body or person authorized to appoint a
16 director to the board of directors may clarify the term by
17 adoption of an appropriate resolution or by execution of an
18 appropriate certificate.

19 (c) A majority of the directors shall constitute a
20 quorum for the transaction of business, but any meeting of the
21 board of directors may be adjourned by a majority of the
22 directors present, or may be adjourned by a single director if
23 the director is the only director present at the meeting. A
24 vacancy in the membership of the board of directors may not
25 impair the right of a quorum to exercise all the powers and
26 perform all the duties of the board. The board shall hold
27 regular meetings at such times as may be provided in the

1 bylaws of the authority and may hold other meetings at any
2 time upon notice as may be required by the bylaws of the
3 authority or if the bylaws make no provision for notice as
4 determined by the chair of the board of directors. The board
5 of directors may hold a special meeting upon call of the chair
6 or by a majority of the directors. Any matter on which the
7 board of directors is authorized to act may be acted upon at
8 any regular, special, or called meeting. At the request of a
9 director, the vote on any question before the board of
10 directors may be taken by yeas and nays and entered upon the
11 record. All resolutions adopted by the board of directors
12 shall constitute actions of the authority.

13 (d) A director may be impeached and removed from
14 office only in the same manner and on the same grounds
15 provided in Section 175 of the Constitution of Alabama of
16 1901, and the general laws of the state for impeachment and
17 removal of the officers mentioned in Section 175.

18 Section 11. Amendment of articles.

19 (a) The articles of a authority may be amended in
20 the manner provided in this section. The board of directors
21 shall adopt a resolution proposing an amendment to the
22 articles. The amendment shall be fully set forth in the
23 resolution and may include any matters that might have been
24 included in the original articles.

25 (b) After the adoption by the board of directors of
26 a resolution proposing an amendment to the articles, the chair
27 and the secretary of the authority shall sign and file with

1 the governing body of the county of incorporation and of each
2 participating municipality a written application in the name
3 and on behalf of the authority, under its seal, requesting the
4 county and each participating municipality to adopt a
5 resolution approving the proposed amendment, and accompanied
6 by a copy of the resolution adopted by the board of directors
7 proposing the amendment to the articles. The county and each
8 participating municipality shall therein review the
9 application and adopt a resolution either denying the
10 application or approving and authorizing the proposed
11 amendment. A resolution need not be published or posted or
12 offered for more than one reading.

13 (c) Following the adoption of a resolution approving
14 the proposed amendment by the county commission of the county
15 of incorporation and of each participating municipality, the
16 chair and the secretary of the authority shall sign and file
17 in the office of the probate judge a certificate in the name
18 and on behalf of the authority, under its seal, reciting the
19 adoption of resolutions by the board and by the governing body
20 of the county of incorporation and of each participating
21 municipality and setting forth the proposed amendment. The
22 probate judge shall record the certificate. The amendment
23 shall become effective upon recordation.

24 Section 12. Powers of authority generally.

25 An authority shall have the following powers:

26 (1) To have succession by its corporate name until
27 dissolved as provided in this act.

1 (2) To institute and defend legal proceedings in any
2 court of competent jurisdiction and proper venue; provided,
3 however, that an authority may not be sued in any court other
4 than the courts of the county of incorporation; provided,
5 further, that the officers, directors, agents, and employees
6 of an authority may not be sued for their actions on behalf of
7 the authority except for actions that are known by a person to
8 be unlawful or are performed with reckless disregard for the
9 lawfulness of the actions.

10 (3) To have and to use a corporate seal and to alter
11 the seal at its pleasure.

12 (4) To establish a fiscal year.

13 (5) To anticipate by the issuance of its bonds the
14 receipt of any revenues that may be appropriated by or to the
15 authority and to pledge the proceeds of the appropriations as
16 security for the payment of the principal of and interest on
17 its bonds.

18 (6) To mortgage and pledge any or all of its
19 property or facilities or any part or parts thereof, whether
20 then owned or thereafter acquired, and to pledge the revenues
21 and receipts therefrom or from any thereof as security for the
22 payment of the principal of and interest on its bonds.

23 (7) To make surveys and other analyses to determine
24 suitable locations for road improvement projects and necessary
25 facilities.

26 (8) To make grants of money for road improvement
27 purposes to other public persons and to any organization which

1 is described in Section 501(c)(3) of the Internal Revenue Code
2 of 1986, as in effect from time to time, or as recodified, or
3 any corresponding provision of any future revenue law.

4 (9) To accept gifts, grants, bequests, or devises.

5 (10) To accept grants of money from public persons
6 and to enter into binding agreements with those entities, with
7 or without consideration.

8 (11) To accept donations of money or real or
9 personal or mixed property.

10 (12) To invest in bank deposits, United States
11 Treasury obligations, instruments, real, personal, or mixed
12 property, and other investments as the board of directors may
13 determine to be appropriate and convenient to accomplish any
14 purpose for which an authority is organized, including works
15 of internal improvement.

16 (13) To appoint, contract with, and employ officers,
17 employees, and agents including, but not limited to,
18 engineers, accountants, attorneys, architects, construction
19 contractors, consultants, fiscal agents, underwriters, issuers
20 of letters of credit, depositories, banks, trustees, paying
21 agents, transfer agents, remarketing agents, marketing agents,
22 rating agencies, insurers of its securities, guarantors of its
23 securities, or providers of other forms of credit enhancement
24 for its securities as an authority may require or deem
25 appropriate for the carrying out of its corporate purposes and
26 the exercise of its powers.

1 (14) To acquire, whether by purchase, exchange,
2 gift, lease, or otherwise, all real and personal property that
3 the board of directors deems necessary for the purpose of the
4 authority; to improve roads and road maintenance facilities,
5 including the improvement of roads by the construction of
6 buildings, facilities, roads, curbing, gutters, drainage,
7 sewerage, utilities, or grading.

8 (15) To maintain, equip, furnish, own, and operate
9 one or more than one road improvement facility.

10 (16) To fix, prescribe, and collect rates, fees,
11 tolls, charges, lease payments, or rentals for the use or
12 lease of any of its facilities for services, facilities, and
13 accommodations furnished by it or any of its facilities.

14 (17) To adopt and enforce rules and regulations
15 relative to the use or occupancy of any of its facilities or
16 services.

17 (18) To sell, exchange, and convey, to contract, to
18 sell, exchange, and convey and to grant options to acquire any
19 or all of its properties whenever its board of directors find
20 any action to be in furtherance of the purposes for which the
21 authority was organized.

22 (19) To enter into leases of real or personal
23 property with a person.

24 (20) To provide for insurance as the board of
25 directors may deem advisable.

1 (21) To enter into a management agreement or
2 agreements with a person for the management of any road
3 improvement facilities.

4 (22) To grant privileges, licenses, or permits for
5 the operation of any public accommodation facilities.

6 (23) To assume obligations secured by a lien on, or
7 payable out of, or secured by a pledge of, the revenues and
8 receipts from projects, or any part thereof that may be
9 acquired, and obligation assumed to be payable solely out of
10 the revenues and receipts from any projects, or part thereof.

11 (24) To enter into contracts, agreements, options,
12 leases, deeds, mortgages, and other instruments, and to take
13 other actions as may be necessary or convenient to accomplish
14 any purpose for which an authority is organized or to exercise
15 any power expressly granted under this act.

16 Section 13. Issuance and sale of bonds.

17 An authority may sell at public or private sale and
18 issue bonds as provided in Section 14 for the purposes
19 authorized in Section 12.

20 Section 14. Execution of bonds and interest coupons;
21 form, terms, denominations, etc., of bonds; validation of
22 bonds; sale; refunding bonds.

23 (a) Bonds of an authority shall be signed by the
24 chair and attested by the secretary, the seal of the authority
25 shall be affixed thereto, and any interest coupons applicable
26 to the bonds shall be signed by the chair; provided that a
27 facsimile of the signature of the officers may be printed or

1 otherwise reproduced on any bonds in lieu of being manually
2 subscribed. A facsimile of the seal of the authority may be
3 printed or otherwise produced on any bonds in lieu of being
4 manually affixed thereto, and a facsimile of the chair's
5 signature may be printed or otherwise reproduced on any
6 interest coupons in lieu of being manually subscribed,
7 provided, that the bonds have been manually authenticated by a
8 transfer agent of the bond issue. Delivery of the bonds
9 executed shall be valid notwithstanding any changes in
10 officers or in the seal of the authority after the signing and
11 sealing of the bonds.

12 (b) Any bonds may be executed and delivered by the
13 authority and may be in such form and denominations, of the
14 tenor and maturities, bear rate or rates of interest, be
15 payable at the times and evidenced in a manner, and may
16 contain other provisions not inconsistent with this act as may
17 be provided by the resolution or resolutions of the board of
18 directors under which the bonds are authorized to be issued. A
19 bond may not have a specified maturity date later than 40
20 years after its date of execution. A bond may be made subject
21 to redemption at the option of an authority at such times and
22 after notice and on conditions and at redemption price or
23 prices as may be provided in the resolution or resolutions
24 under which it is authorized to be issued. The bonds may bear
25 interest at a fixed rate, at a rate that adjusts in accordance
26 with an independent standard, such as the prime or base
27 lending rate of a bank or published rates for other

1 securities, or may bear interest at rates which may be
2 adjusted to a rate sufficient, in the opinion of any
3 remarketing agent appointed by the authority, to make the
4 bonds have a fair market value or funding value not less than
5 the principal amount of the bonds or other amount as may be
6 specified in the proceedings authorizing the issuance of
7 bonds. The authority may issue "tender" bonds or similar bonds
8 and may enter into appropriate remarketing agreements with
9 respect to any bonds and the determination of the rate of
10 interest borne by the bonds.

11 (c) Upon the adoption by the board of directors of a
12 resolution providing for the issuance of bonds, an authority
13 may publish once a week for two consecutive weeks, in a
14 newspaper of general circulation published in the county of
15 incorporation a notice in substantially the following form
16 (the blanks being properly filled in) at the end of which
17 shall be printed the name and title of either the chair or
18 secretary of the authority: "_____, a public
19 corporation organized under the laws of the State of Alabama,
20 on the ____ day of _____, authorized the issuance of
21 not more than \$_____ principal amount of [revenue],
22 [general obligation], or [other appropriate designation] bonds
23 of the authority for purposes authorized in the act of the
24 Legislature of Alabama under which the authority was
25 organized. Any action or proceeding questioning the validity
26 of the bonds, any pledge or mortgage to secure, any lease or
27 sale of any project to be financed by the bonds, or the

1 proceedings authorizing the bonds shall be commenced within 20
2 days after the first publication of this notice." Any action
3 or proceeding in any court to set aside or question the
4 proceedings for the issuance of the bonds referred to in the
5 notice or to contest the validity of the bonds or the validity
6 of any pledge or mortgage made therefor shall be commenced
7 within 20 days after the first publication of the notice.
8 After the expiration of the period, no action, counterclaim,
9 setoff, or defense questioning or attacking the validity of
10 the proceeding or of the bonds shall be asserted, nor shall
11 the validity of the proceedings of the bonds be open to
12 question in any court on any ground whatsoever, except in an
13 action or proceeding commenced within the period.

14 (d) Subject to the provisions and limitations
15 contained in this act, an authority may sell and issue
16 refunding bonds for the purpose of refunding any outstanding
17 matured or unmatured bonds. Refunding bonds may be subrogated
18 and entitled to all priorities, rights, and pledges to which
19 the bonds refunded were entitled.

20 (e) An authority may pay out of the proceeds of the
21 sale of its bonds attorneys' fees and the other expenses of
22 issuance which a board of directors may deem necessary and
23 advantageous in connection with the issuance of bonds.

24 Section 15. Security for bonds.

25 (a) In the discretion of the board of directors of
26 an authority, any bonds may be secured by an indenture between
27 an authority and a trustee, which may be a trust company or

1 bank having trust powers, whether the trust company or bank is
2 located within or outside of the state. In any indenture or
3 resolution providing for the issuance of bonds, an authority
4 may pledge, for payment of the principal of and the interest
5 on such bonds, any of its revenues to which its rights exist
6 or may thereafter come into existence, and may assign, as
7 security for payment, any of its leases, franchises, permits,
8 and contracts. In any indenture, an authority may mortgage any
9 properties, including any that may be thereafter acquired by
10 it, and may provide that in the event of a default in payment
11 of the bonds secured thereby or in the event of default with
12 respect to any agreement contained therein, the mortgage may
13 be foreclosed either by sale at public outcry or by judicial
14 proceedings. Any pledge of revenues shall be valid and binding
15 from the time it is made, and the revenues pledged and
16 thereafter received by the authority shall immediately become
17 subject to the lien of the pledge without any physical
18 delivery thereof or further act. The lien of such a pledge
19 shall be valid and binding against all parties having claims
20 of any kind in tort, contract, or otherwise against the
21 authority, irrespective of whether the parties have actual
22 notice thereof, provided any indenture has been recorded in
23 the office of the probate judge, regardless of compliance with
24 the Alabama Uniform Commercial Code. In any indenture or
25 resolution authorizing the issuance of bonds and pledging for
26 the benefit thereof revenues from any one or more projects,
27 the authority may include provisions customarily contained in

1 instruments securing evidences of indebtedness, including,
2 without limiting the generality of the foregoing, provisions
3 respecting the collection, segregation, and application of any
4 rental or other revenue due or to become due to the authority,
5 the terms to be incorporated in any lease agreement respecting
6 any property of the authority, the maintenance and insurance
7 of any building, structure, or other property owned by the
8 authority, the creation and maintenance of special funds from
9 any revenue of the authority, and the rights and remedies
10 available in the event of default to the holder of the bonds
11 or the trustee under the indenture, all as the board of
12 directors deem advisable and which are not in conflict with
13 this section.

14 (b) If an authority defaults in payment of the
15 principal of or the interest on the bonds or in any of the
16 agreements on the part of an authority that may properly be
17 included in any indenture securing the bonds or in any
18 resolution authorizing their issuance, a holder of the bonds
19 or any of the coupons, or the trustee under any indenture if
20 authorized in indenture, may, in addition to any other
21 remedies herein provided or otherwise available, by suit,
22 action, mandamus, or other proceedings, enforce payment of the
23 principal or interest and compel performance of all duties of
24 the authority, and shall be entitled to the appointment of a
25 receiver possessing all the powers of a receiver necessary or
26 appropriate for the operation and maintenance of the property
27 of the authority covered by the indenture or resolution, and

1 the collection, segregation, and application of revenues
2 therefrom. The indenture or any resolution may contain
3 provisions restricting the individual rights of action of the
4 holders of the bonds and coupons.

5 Section 16. Application of proceeds from the sale of
6 bonds; source of payment; pledge of county's or municipality's
7 credit; negotiability; exemption from taxation; pledge as
8 security for funds belonging to a public person; investment in
9 bonds by fiduciaries; no public hearing required; investment
10 in bonds by Teachers' Retirement System of Alabama, the
11 Employees' Retirement System of Alabama, and the State
12 Insurance Fund; investment in bonds by public persons.

13 (a) The proceeds from the sale of any bonds shall be
14 applied as provided in the proceedings in which the bonds are
15 authorized to be issued, including, without limitation, the
16 payment of all legal, fiscal, and recording fees and expenses
17 incurred in connection with the authorization, sale, and
18 issuance of the bonds and, if provided in the proceedings
19 authorizing their issuance, interest on the bonds; or, if only
20 a part of any issue of bonds is issued for acquisition
21 purposes, interest on that portion of the bonds of that issue
22 that is issued to pay acquisition costs, for a reasonable
23 period prior to and during the time required for the
24 acquisition, construction, and equipping of road improvement
25 facilities. An authority may provide in the proceedings
26 authorizing the issuance of bonds for the funding of a debt

1 service reserve or a replacement and extension reserve from
2 the proceeds of its bonds.

3 (b) All contracts made by an authority and all bonds
4 shall be solely and exclusively obligations of an authority
5 and shall not constitute or create an obligation or debt of
6 any other public person except as provided in subsection (c).

7 (c) A county or municipality may pledge its full
8 faith and credit toward the retirement of any bonds or other
9 evidences of indebtedness issued by an authority under this
10 act.

11 (d) Bonds shall be construed to be negotiable
12 instruments even if payable solely from only a specified
13 source.

14 (e) Bonds issued by an authority and the income
15 therefrom shall be exempt from all taxation in the state.

16 (f) Bonds issued by an authority may be used by the
17 holder thereof as security for any funds belonging to any
18 public person in any instance where security for such deposits
19 may be required by law.

20 (g) Unless otherwise directed by a court having
21 jurisdiction thereof or the document that is the source of its
22 authority, a trustee, executor, administrator, custodian,
23 guardian, or one acting in any other fiduciary capacity may,
24 in addition to any other investment powers now or hereafter
25 conferred by law and with the exercise of reasonable business
26 prudence, invest trust or fiduciary funds in bonds.

1 (h) Neither a public hearing nor consent of any
2 other public person may be a prerequisite to the issuance of
3 bonds by an authority.

4 (i) The bonds shall be legal investments for funds
5 of the Teachers' Retirement System of Alabama, the Employees'
6 Retirement System of Alabama, and the State Insurance Fund.

7 (j) Public persons may invest in any bond issued by
8 an authority.

9 Section 17. Exemption from usury and interest laws.

10 An authority shall be exempt from all laws of the
11 state now or hereafter governing usury or prescribing or
12 limiting interest rates, including without limitation the
13 provisions of Chapter 8 of Title 8, Code of Alabama 1975.

14 Section 18. Exemptions from taxation.

15 All properties of an authority, whether real,
16 personal or mixed, and the income therefrom, all bonds and
17 other securities issued by an authority and the coupons
18 applicable thereto and the income therefrom, and all
19 indentures and other instruments executed as security
20 therefor, all leases made pursuant to this act and all
21 revenues derived from any such leases, and all deeds and other
22 documents executed by or delivered to an authority shall be
23 exempt from any and all taxation by any public person,
24 including, without limitation, license and excise taxes
25 imposed in respect of the privilege of engaging in any of the
26 activities in which an authority may engage. An authority
27 shall not be obligated to pay or allow any fees, taxes, or

1 costs to the probate judge in connection with the amendment of
2 its articles or the recording of any document. The gross
3 proceeds of the sale of any property used in a road
4 improvement project or the construction and equipping of any
5 road improvement facility for an authority, regardless of
6 whether or not the sale is to an authority or any contractor
7 or agent thereof, shall be exempt from the sales tax imposed
8 by Article 1 of Chapter 23 of Title 40, Code of Alabama 1975,
9 and from all other sales and similar excise taxes now or
10 hereafter levied on or with respect to the gross proceeds of
11 any such sale by a public person; and any property used in a
12 road improvement project or the construction and equipping of
13 any road improvement facility for an authority, regardless of
14 whether the property has been purchased by an authority or any
15 contractor or agent thereof, shall be exempt from the use tax
16 imposed by Article 2 of Chapter 23 of Title 40, Code of
17 Alabama 1975, and all other use and similar excise taxes now
18 or hereafter levied on or with respect to property by a public
19 person.

20 Section 19. Limited liability.

21 The recovery of damages under any judgment against
22 an authority or an officer, agent, or employee acting within
23 the line and scope of his or her duties with the authority
24 shall be limited to one hundred thousand dollars (\$100,000)
25 for bodily injury or death for one person in any single
26 occurrence. Recovery of damages under any judgment against an
27 authority shall be limited to three hundred thousand dollars

1 (\$300,000) in the aggregate where more than two persons have
2 claims or judgments on account of bodily injury or death
3 arising out of any single occurrence. Recovery of damages
4 under any judgment against an authority shall be limited to
5 one hundred thousand dollars (\$100,000) for damage or loss of
6 property arising out of any single occurrence. No authority
7 shall settle or compromise any claim for bodily injury, death,
8 or property damage for an amount in excess of the amounts
9 hereinabove set forth.

10 Section 20. Transfer of funds and assets to
11 authority.

12 Any public person may transfer and convey to an
13 authority, with or without consideration any properties, real,
14 personal, or mixed, and all funds and assets, tangible or
15 intangible, that may be owned by a public person or that may
16 be jointly owned by any two or more thereof, and any funds
17 owned or controlled by a public person or jointly by any two
18 or more thereof, whether or not the property or funds are
19 considered necessary for the conduct of the governmental or
20 public functions, if any, of a public person. The transfer or
21 conveyance shall be authorized by an ordinance or resolution
22 duly adopted by the governing body of a public person. Any
23 such ordinance or resolution need not be published or posted
24 and need not be offered for more than one reading.

25 Section 21. Dissolution of authority; title to
26 property of authority to vest in county of incorporation upon
27 dissolution of authority unless otherwise provided.

1 (a) At any time when no bonds of an authority are
2 outstanding, the authority may be dissolved by the adoption of
3 a resolution by the board of directors recommending
4 dissolution and by the approval of the dissolution by the
5 governing body of the county of incorporation and each
6 participating municipality and the adoption of a resolution to
7 the effect that the county and each participating municipality
8 concur. The resolution need not be published or posted and
9 need not be offered for more than one reading. Upon the
10 dissolution the chair and secretary of the dissolved authority
11 shall execute articles of dissolution reciting that the
12 resolutions have been adopted and that the authority has been
13 dissolved. The articles of dissolution shall be filed with the
14 probate judge, who shall record the dissolution.

15 (b) Upon dissolution of an authority, title to all
16 its property shall be vested in the public persons in its
17 articles, or if no specification exists, in the county of
18 incorporation.

19 Section 22. The provisions of this act are
20 severable. If any part of this act is declared invalid or
21 unconstitutional, such declaration shall not affect the part
22 which remains.

23 Section 23. All laws or parts of laws which conflict
24 with this act are hereby repealed.

25 Section 24. This act shall become effective June 1,
26 2021, upon its passage and approval by the Governor, or upon
27 its otherwise becoming a law.

