

1 SB345
2 185351-5
3 By Senator Melson
4 RFD: Agriculture, Conservation, and Forestry
5 First Read: 04-APR-17

1 SB345

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4 ENROLLED, An Act,

5 Relating to agriculture authorities; to authorize a
6 county to establish an agriculture authority to construct and
7 operate facilities to promote agricultural businesses,
8 operations, and commodities, workforce development, and
9 economic development within the county; to provide procedures
10 for creating an agriculture authority; to provide for the
11 composition, membership, terms of office, powers, and duties
12 of the board of directors of an agriculture authority; to
13 authorize an agriculture authority to take steps necessary for
14 the planning and development of an agriculture center; to
15 authorize an agriculture authority to acquire property by
16 gift, grant, lease, or purchase, or to make and enter into
17 contracts, to accept pledges of revenues or grants of money,
18 and to borrow money; to authorize a county in which an
19 agriculture authority is established and any municipality in
20 the county to expend funds for the purposes of the authority;
21 to authorize the sale of alcoholic beverages for on-site
22 consumption within an agriculture center; to provide that an
23 agriculture authority is exempt from municipal planning and
24 zoning requirements; and to provide that an agriculture

1 authority as a governmental entity shall be exempt from sales
2 and use tax and ad valorem tax.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. (a) An agriculture authority may be
5 established in any county to construct and operate facilities
6 to promote agricultural businesses, operations, and
7 commodities, workforce development, and economic development
8 within the county as further provided in this act. The
9 operational area of an agriculture authority may not extend
10 beyond the boundaries of the county in which an agriculture
11 authority is incorporated.

12 (b) Any number of natural persons who are residents
13 and qualified electors in the county may file an application
14 in writing with the county commission for authority to
15 incorporate and organize an agriculture authority. If the
16 application is approved, the county commission shall adopt a
17 resolution declaring it to be wise, expedient, and beneficial
18 to the county that the agriculture authority be formed and
19 that the persons filing the application are authorized to form
20 the authority. An agriculture authority may not be formed
21 under this act unless the application is approved by the
22 county commission and the resolution required herein is
23 adopted.

24 (c) Once the county commission has approved the
25 application as provided in subsection (b), the persons seeking

1 incorporation of an agriculture authority shall file articles
2 of incorporation with the office of the judge of probate that
3 do all of the following:

4 (1) Contain a statement that the incorporators
5 propose to incorporate an agriculture authority pursuant to
6 this act.

7 (2) States the authorized operational area of the
8 proposed authority within the county.

9 (3) State that the county commission has approved
10 the application for an agriculture authority and has adopted a
11 resolution declaring that it is expedient that the proposed
12 authority be formed by approving the written application.

13 (d) The application shall be accompanied by articles
14 of incorporation that include all of the following:

15 (1) A designation of the authorized operational area
16 of the authority which shall be considered an agriculture
17 center, including the name of each municipality within the
18 authorized operational area, which may not extend beyond the
19 boundaries of the county in which the authority is
20 incorporated.

21 (2) The names of the incorporators of the authority
22 and a statement that each is qualified to incorporate the
23 authority.

24 (3) The name of the authority, which must include
25 the words "Agriculture Authority" or "Agriculture Center

1 Authority" and be reasonably descriptive of the operational
2 area of the authority.

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

5 (5) The location of the principal office of the
6 authority, which shall be within the boundaries of the county.

7 (6) A statement that the authority is organized
8 pursuant to this act.

9 (7) If the exercise by the authority of any of its
10 powers is to be in any way prohibited, limited, or
11 conditioned, a statement of the terms of the prohibition,
12 limitation, or condition.

13 (8) The number of directors, which may not exceed
14 seven, and the duration of their respective terms of office,
15 which may not exceed six years.

16 (9) The manner of appointing directors, which shall
17 be a combination of appointment by the county commission and
18 appointment by the legislative delegation for the authorized
19 operational area of the authority; provided, however, a
20 majority of the directors must be appointed by the legislative
21 delegation.

22 (10) Any provision not inconsistent with this act
23 relating to the dissolution of the authority.

1 (11) 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 state law.

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

6 (f) Upon the filing for record of the articles with
7 the office of the judge of probate, the authority shall come
8 into existence and shall constitute a public corporation under
9 the name set forth in its articles of incorporation. The
10 acceptance of articles for recording by the judge of probate
11 shall be conclusive evidence of the due, legal, and valid
12 incorporation of the agriculture authority in all courts. The
13 judge of probate shall record the articles in an appropriate
14 book in his or her office. There shall be no filing fee or
15 recording taxes due or payable on account of the filing for
16 record of the articles.

17 (g) Notwithstanding any other provision of this act,
18 the articles of incorporation or legal existence of an
19 agriculture authority shall not be deemed invalid for the sole
20 reason that the articles of incorporation of the authority
21 fail to specify an authorized operational area, and every
22 agriculture authority whose articles of incorporation fail to
23 specify an authorized operational area, but are otherwise
24 formed in accordance with this act, may do all things
25 contemplated by this act as if the agriculture authority had

1 designated as its authorized operational area the county of
2 incorporation.

3 Section 2. (a) The board of directors of an
4 agriculture authority shall be as specified in the articles
5 and in accordance with Section 1.

6 (b) Each agriculture authority shall have a chair,
7 vice chair, secretary, and treasurer to be elected by the
8 board of directors. The offices of secretary and treasurer
9 may, but need not, be held by the same person. A majority of
10 the directors shall constitute a quorum for the transaction of
11 business. The officers and directors shall serve for the terms
12 provided for in the articles. A director may not draw any
13 salary for any service rendered or for any duty performed as
14 director. The duties of the chair, vice chair, secretary, and
15 treasurer shall be those as are customarily performed by such
16 officers and as may be prescribed by the board of directors
17 from time to time.

18 (c) All directors shall serve until their successors
19 are duly appointed or until they cease to be qualified.
20 Vacancies on the board shall be filled as provided for in the
21 articles, but any individual appointed to fill a vacancy shall
22 serve only for the unexpired portion of the term. In the event
23 any uncertainty arises as to the terms of office of the
24 directors, the county commission or individual authorized to
25 appoint the directors may clarify the term by adoption of an

1 appropriate resolution or by execution of an appropriate
2 certificate, and the term of office shall be as so clarified.

3 (d) All proceedings of the board of directors of an
4 agriculture authority shall be reduced to writing by the
5 secretary of the authority and shall be signed by at least two
6 directors present at the proceedings. Copies of the
7 proceedings, when certified by the secretary under the seal of
8 the agriculture authority, shall be received in all courts as
9 prima facie evidence of the matters and things therein
10 certified.

11 (e) Directors of an agriculture authority must be
12 residents and qualified electors of the county within the
13 authorized operational area of the authority. If any director
14 ceases to be a resident of the county, he or she shall cease
15 to be a director, and the position shall remain vacant until a
16 successor is appointed in accordance with the articles and
17 this act.

18 (f) A director of an agriculture authority may not
19 have an interest, directly or indirectly, in any contract of
20 work, material, or services, or the profits therefrom, to be
21 furnished or performed for the authority under this act if the
22 director has, directly or indirectly, more than a 10 percent
23 interest in any business, firm, or corporation, or profits
24 thereof, furnishing or providing work, materials, or services.

1 Section 3. (a) The articles of an agriculture
2 authority may at any time be amended in the manner provided in
3 this section. The board of directors shall first adopt a
4 resolution proposing an amendment to the articles, setting
5 forth the full text of the amended language. An amendment may
6 be made for the sole purpose of altering, in accordance with
7 this act, the authorized operational area of the authority,
8 provided the articles may not be amended to extend the
9 operational area of the authority beyond the boundaries of the
10 county in which the authority is incorporated.

11 (b) After the adoption by the board of directors of
12 an agriculture authority of a resolution proposing an
13 amendment to the articles, the chair and the secretary shall
14 sign and file with the county commission of the appropriate
15 county a written application in the name and on behalf of the
16 authority, under its seal, requesting that the county
17 commission adopt a resolution approving the proposed
18 amendment, and accompanied by a copy of the resolution adopted
19 by the board of directors proposing the amendment to the
20 articles. As promptly as may be practicable after the filing
21 of the application, the county commission shall review the
22 application and shall adopt a resolution either denying the
23 application or approving and authorizing the proposed
24 amendment. A proposed amendment shall not take effect unless
25 approved by the county commission. The resolution need not be

1 published or posted and need not be offered for more than one
2 reading.

3 (c) Following the adoption of a resolution approving
4 the proposed amendment by the county commission, the chair and
5 the secretary shall sign and file for record in the office of
6 the judge of probate a certificate in the name and on behalf
7 of the authority, under its seal, reciting the adoption of
8 resolutions by the board and by the county commission and
9 setting forth the proposed amendment. The judge of probate
10 shall record the certificate in an appropriate book in his or
11 her office. When the certificate has been so filed and
12 recorded, the amendment shall become effective, and the
13 articles shall be amended as provided in the amendment.

14 Section 4. (a) An agriculture authority shall have
15 the following powers, which it may exercise in the agriculture
16 authority's authorized operational area:

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

19 (2) To adopt bylaws making provisions for its
20 actions not inconsistent with this act.

21 (3) To institute and defend legal proceedings in any
22 court of competent jurisdiction and proper venue; provided,
23 however, that the board may not be sued in any trial court
24 other than the courts of the county of incorporation;
25 provided, further, that the officers, directors, agents, and

1 employees of an agriculture authority may not be sued for
2 their actions in behalf of the authority except for actions
3 that are unreasonable or known by the person to be unlawful or
4 are performed with reckless disregard for the lawfulness of
5 such actions.

6 (4) To plan for construction and development of an
7 agriculture center within the operational area of the
8 agriculture authority on property owned by the authority.
9 Construction and development may include any or all of the
10 following:

11 a. Buildings to hold offices for use by the federal
12 government, the state or any agency of the state, the county,
13 or one or more municipalities within the county.

14 b. Buildings to house or accommodate public
15 facilities of the federal government, the state or any agency
16 of the state, the county, or one or more municipalities within
17 the county.

18 c. Streets, boulevards, walkways, parkways, parks,
19 or other places of recreation.

20 d. Monuments, statues, or other structures
21 beautifying the agriculture center.

22 e. Community houses or meeting houses or
23 auditoriums.

24 f. Arenas, convention halls, or convention sites.

1 g. Music halls, art museums, art exhibits or other
2 exhibits for the advancement of the humanities and cultural
3 development.

4 (5) To acquire property and rights and interests in
5 property by gift, grant, lease, or purchase.

6 (6) To accept or receive gifts, bequests, and
7 devises.

8 (7) To have and use a corporate seal and alter the
9 seal at its pleasure.

10 (8) To appoint officers, agents, employees, and
11 attorneys and to fix their compensation.

12 (9) To hire professionals and enter into contracts
13 for their services in designing and supervising the
14 construction of any building, agriculture center, auditorium,
15 arena, convention hall, music hall, art museum, place of
16 recreation, art exhibit, office building, or other structure
17 that it desires to construct.

18 (10) To make and enter into contracts and to execute
19 all instruments necessary or convenient to lease or purchase
20 and own real or personal property to be used for the
21 furtherance of the purposes for the accomplishment of which
22 the authority is created.

23 (11) To plan for programs and exhibits in the
24 agriculture center for the advancement of the agricultural,

1 cultural, and workforce development interests of the citizens
2 of the county and of the municipalities thereof.

3 (12) To purchase or lease real property and rights
4 or easements therein necessary or convenient for its purposes
5 and to use the same so long as its existence shall continue.

6 (13) To accept pledges of revenues or grants of
7 money from any person or governmental entity.

8 (14) To lease its property to any person or
9 governmental entity.

10 (15) To enter into financing agreements with federal
11 or state agencies that may require the authority to mortgage
12 its property.

13 (16) To plan for programs and exhibits in the
14 agriculture center for the advancement of agricultural and
15 workforce development interests in the county.

16 (b) Contracts of an agriculture authority shall be
17 executed in the name of the authority by the chair and
18 attested by the secretary of the authority. The board may
19 provide by resolution for a different form for the execution
20 of a contract by an officer or agent other than the chair and
21 secretary. A contract, irrespective of its form and of the
22 persons executing the contract, shall not be binding unless
23 the contract is authorized or ratified by the board.

24 (c) An agriculture authority may deposit its funds
25 not needed to meet expenses or obligations in any bank or

1 building and loan association, provided the deposit is fully
2 insured by a federal corporation or agency of the federal
3 government insuring deposits in financial institutions.

4 Section 5. (a) Subject to the conditions,
5 qualifications, and restrictions set forth in subsection (b),
6 an agriculture authority may borrow money from any person or
7 governmental entity. As security for any money borrowed,
8 together with interest thereon, and any obligations incurred
9 or assumed, an agriculture authority may mortgage, pledge, or
10 otherwise transfer and convey its real, personal, and mixed
11 property, or any part or parts thereof, whether then owned or
12 thereafter acquired, including any franchises then owed or
13 thereafter adopted and all or any part of any funds of the
14 authority. In a resolution authorizing the mortgage given to
15 secure the payment thereof, an agriculture authority, in
16 addition to its other powers, shall have the power to agree
17 with the several holders of the mortgage to make, enter, and
18 perform covenants and agreements as to all of the following:

19 (1) The conduct, management, and maintenance of the
20 properties held by the authority or of the activities,
21 operations, and enterprises then or thereafter conducted by
22 the authority.

23 (2) Insurance of the properties of the authority.

1 (3) Restrictions on the exercise of the powers of
2 the authority to dispose or to limit or regulate the use of
3 all or any part of the properties of the authority.

4 (4) The use and disposition of any moneys of the
5 authority, including taxes payable to the authority under any
6 act of the Legislature heretofore or hereafter adopted and
7 revenues derived or to be derived from the activities,
8 operations, and enterprises of all or any part of the
9 properties of the authority, including any part or parts
10 theretofore constructed or acquired and any parts, extensions,
11 replacements, or improvements thereafter constructed or
12 acquired.

13 (5) The setting aside of the taxes payable to the
14 authority under any act of the Legislature heretofore or
15 hereafter adopted or use of the revenues or the moneys of the
16 authority or reserves and sinking funds, and the source,
17 custody, security, regulation, application, and disposition
18 thereof.

19 (6) The assumption or payment or discharge of any
20 indebtedness, liens, or other claims relating to any part of
21 the properties of the authority or any obligations
22 constituting, or which may constitute, a lien on the
23 properties or any part thereof.

24 (7) Limitations or other evidences of indebtedness
25 or upon the incurrence of indebtedness of the authority.

1 (b) The power vested in an agriculture authority to
2 pledge taxes to be paid to the authority or to pledge revenue
3 of the authority shall not be construed as undertaking or
4 purporting to empower the authority to pledge any tax or any
5 revenue if the pledge is prohibited by the Constitution of
6 Alabama of 1901. It is expressly provided that the authority
7 shall have the power to pledge any tax paid to the authority
8 or revenue of the authority, the pledge of which is authorized
9 by the Constitution of Alabama of 1901.

10 (c) The powers and authority set forth in this
11 section shall only be exercised if necessary in order for the
12 authority to receive federal funding or grants for any
13 projects or activities of the authority.

14 Section 6. The board of directors of an authority
15 may appoint an advisory council consisting of up to 10 members
16 to advise the board. The advisory council members shall serve
17 two-year terms, and are not required to be residents of the
18 county of incorporation. Members may be appointed to
19 additional terms by the board to serve on the advisory
20 council.

21 Section 7. The county of incorporation and each
22 municipality in the county may lease, sell, donate, or
23 otherwise convey to an agriculture authority real or personal
24 property, including park properties, without authorization by
25 election of the qualified voters of the county or of the

1 municipality; and the county and each municipality thereof are
2 authorized, but not required, to appropriate public funds of
3 the county or of the municipality, as the case may be, to the
4 authority to be used by the authority for purposes enumerated
5 in this act. The county shall not lease, sell, donate, or
6 convey any property to the authority, or appropriate any money
7 to the authority, unless the county commission has determined
8 that the lease, sale, donation, conveyance, or appropriation
9 will benefit the people of the county or municipality to such
10 an extent as to fully warrant and justify the lease, sale,
11 donation, conveyance, or appropriation.

12 Section 8. This act shall not be construed to limit
13 the right, power, or authority of any municipality to operate
14 facilities similar to the facilities provided for by this act.
15 It is expressly provided that this act shall not in any way
16 affect any auditorium, art museum, or other facility presently
17 owned or hereafter acquired by any municipality, whether
18 situated in the agriculture center or elsewhere.

19 Section 9. (a) An agriculture authority may be
20 dissolved by the adoption by its board of directors of a
21 resolution recommending its dissolution and the approval of
22 such dissolution and the proposed articles of dissolution by
23 the appropriate county commission. The resolution need not be
24 published or posted and need not be offered for more than one
25 reading. Upon receiving necessary approval under this section,

1 the chair and secretary of the dissolved authority shall
2 execute articles of dissolution reciting that such resolutions
3 have been adopted and that the authority has been dissolved.
4 The articles of dissolution shall be filed with the judge of
5 probate, who shall record them in an appropriate book.

6 (b) Upon dissolution of an agriculture authority,
7 all rights, property interests, assets, and obligations of the
8 authority shall be transferred to the county.

9 Section 10. An agriculture authority may permit the
10 consumption of alcoholic beverages any day of the week,
11 purchased from licensees of the Alcoholic Beverage Control
12 Board, to be consumed by purchasers within the boundaries of
13 the agriculture center.

14 Section 11. An agriculture authority is exempt from
15 all municipal planning boards and municipal planning board
16 requirements and all municipal zoning ordinances.

17 Section 12. (a) An agriculture authority is exempt
18 from the payment of all state, county, and municipal sales and
19 use taxes.

20 (b) Any county or municipal sales and use tax
21 proceeds that are collected by an agriculture authority and
22 remitted to a local taxing authority shall be rebated by that
23 local taxing authority to the agriculture authority.

24 (c) An agriculture authority is exempt from paying
25 all state, county, and local ad valorem taxes.

1 Section 13. This act shall become effective
2 immediately following its passage and approval by the
3 Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB345

Senate 11-APR-17

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

Patrick Harris,
Secretary.

House of Representatives
Amended and passed 04-MAY-17

Senate concurred in House amendment 04-MAY-17

By: Senator Melson