

1 HB627  
2 138215-7  
3 By Representative Scott (N & P)  
4 RFD: Jefferson County Legislation  
5 First Read: 16-APR-13

ENGROSSED

A BILL  
TO BE ENTITLED  
AN ACT

Relating to any transit authority organized under laws authorizing a public corporation for the purpose of providing a public transportation system in any county having a population of not less than 600,000 according to the last or any subsequent federal decennial census; to make legislative findings; to provide for the continued applicability of the act to an authorizing county which had, at one time, been subject to the act, notwithstanding a subsequent change in the county's population; to provide for the organization of a transit authority which would govern the establishment and operation of a public transportation system; to provide for amendments to the certificate of incorporation of the authority; to provide for the membership of the board of directors of the authority; to provide for the composition, terms, and powers of the board of directors of the authority; to provide for the compensation of board members attending meetings; to provide for inflation adjustments for various dollar amounts found in the act; to provide for the powers of the authority; to provide for the establishment of a Transit Citizens Advisory Body; to provide that the board can

1 determine the fiscal year of the transit authority; to provide  
2 for a quorum for any meeting of the board; to provide for the  
3 number of directors needed to approve an act of the board; to  
4 place limits on the recovery of damages for judgments against,  
5 or settlements by, the authority; to provide for the fixing of  
6 rates, fees, and charges by the authority; to provide that the  
7 rates charged for the use of the transit system would be  
8 subject to approval by the principal municipality; to provide  
9 for the issuance of bonds by the transit authority by  
10 including defining "bonds" to include warrants and other  
11 obligations, clarifying that bonds of the authority could be  
12 payable by other public bodies, providing for the method of  
13 execution of the bonds, providing for variable, in addition to  
14 fixed, rates of interest, and providing for a notice for  
15 publication and other procedures to establish the validity of  
16 the bonds and the security for the bonds; to provide for the  
17 tax exemption of the authority and its bonds, conveyances,  
18 leases, mortgages, and deeds of trust; to provide for the  
19 exemption from regulation of transit authorities by the Public  
20 Service Commission; to provide for the use of rights-of-way on  
21 public roads; to provide for the regular audit of the books of  
22 the authority; to provide that employees of the transit  
23 authority may participate in a labor union; to provide for the  
24 dissolution of the transit authority; to provide that, upon  
25 the dissolution of the transit authority, its assets would  
26 vest equally in the principal municipality and the authorizing  
27 county; to provide for the application of employee protective

1 conditions and remedies of Section 13(c) of the Urban Mass  
2 Transportation Act of 1964, as amended; to provide for the  
3 application of this act to the Birmingham-Jefferson County  
4 Transit Authority; to limit the effect of the enactment of  
5 this act and repeal of prior acts; to provide for the  
6 calculation of annual payments by the authorizing county, the  
7 principal municipality and any participating municipality; to  
8 provide for the calculation of ad valorem taxes paid by the  
9 authorizing county; to provide that the principal municipality  
10 would be required, like other municipalities, to set forth its  
11 desired routes for service; to provide for the review of the  
12 transit authority's budget by the principal municipality; to  
13 provide that the authorizing county and the principal  
14 municipality would have no further power to approve or  
15 disapprove of expenditures of the transit authority; to  
16 provide for the setting of routes by the principal  
17 municipality and any participating municipality; to provide  
18 for payments by the principal municipality and each  
19 participating municipality based on such routes; to provide  
20 for the transit authority's discontinuance or reduction in  
21 service to any municipality which fails timely to pay for such  
22 services; to provide for the use of ad valorem taxes to pay,  
23 in certain instances, the amounts owed by any municipality;  
24 and to provide for the repeal of Act 2004-500 of the 2004  
25 Regular Session (Acts 2004, p. 939), Act 993 of the 1971  
26 Regular Session (Acts 1971, p. 1787), Act 204 of the 1971  
27 Third Special Session (Acts 1971, p. 4472), Act 329 of the

1 1973 Regular Session (Acts 1973, p. 459), Act 508 of the 1973  
2 Regular Session (Acts 1973, p. 748), and Act 87-449 of the  
3 1987 Regular Session (Acts 1987, p. 663).

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. (a) The Legislature finds, determines,  
6 and hereby declares that, in counties having a population of  
7 not less than 600,000, there are conditions present that are  
8 not present in counties with lesser populations. Those  
9 conditions include, but are not limited to, the following:

10 (1) The excessive growth in private vehicular  
11 traffic in the counties is placing excessive burdens upon the  
12 road systems and parking facilities, especially in commercial  
13 and industrial districts and in areas of high population  
14 density which cannot be alleviated by private vehicular  
15 traffic.

16 (2) The number of vehicular miles the average  
17 citizen of those counties travels per day is among the highest  
18 nationally in terms of miles and commuting times.

19 (3) The projected continued economic growth of the  
20 counties and the general health and welfare of the citizens of  
21 the counties require those counties to provide the enhanced  
22 availability of public transportation facilities, operations,  
23 and services for mass transportation, thus it is necessary and  
24 desirable and in the best interests of the citizens of the  
25 counties that the provisions governing the administration of  
26 the authority be amended to expand and improve the existing  
27 public transportation services.

1 (b) The Legislature further declares its intention,  
2 by the passage of this act, to provide for solutions to the  
3 problems set out above that are not provided for by the  
4 general laws of the state, to promote public mass  
5 transportation in the authorizing county, and to provide a  
6 mechanism for transportation services in counties contiguous  
7 with a county having a population of not less than 600,000,  
8 through the authorization of public corporations, as agencies  
9 of the State of Alabama, with the powers conferred by this  
10 act.

11 Section 2. As used in this act, the following words  
12 and phrases shall mean the following unless the context  
13 clearly indicates otherwise:

14 (1) AD VALOREM TAX. Those real and personal property  
15 ad valorem taxes collected by the county tax collector, the  
16 director of revenue of the county, or revenue commissioner, if  
17 any, for the county, but shall exclude all ad valorem taxes  
18 collected for the State of Alabama and all boards of  
19 education, municipalities, fire districts, or other entities  
20 located in the county.

21 (2) APPLICANT. A natural person who files a written  
22 application with the governing body of any county to which  
23 this act applies and with a municipality in the county, all in  
24 accordance with Section 3.

25 (3) AUTHORITY. The public corporation organized  
26 pursuant to this act, which shall be an agency of the state  
27 but shall not be a political subdivision of the state.

1           (4) AUTHORIZING COUNTY. Any county the governing  
2 body of which shall have adopted an authorizing resolution,  
3 even if the population of the county should fall below  
4 600,000.

5           (5) AUTHORIZING MUNICIPALITY. Any municipality the  
6 governing body of which shall have adopted an authorizing  
7 resolution.

8           (6) AUTHORIZING RESOLUTION. A resolution, adopted by  
9 the governing body of any county to which this act applies or  
10 by a municipality in the county, all in accordance with  
11 Section 3.

12           (7) BOARD. The Board of Directors of an authority.

13           (8) BONDS. Bonds, notes, warrants, certificates, and  
14 other obligations representing an obligation to pay money.

15           (9) COUNTY. Any county in the state.

16           (10) DIRECTOR. A member of the board.

17           (11) FISCAL YEAR. The 12-month period provided for  
18 in subsection (c) of Section 7.

19           (12) GOVERNING BODY. With respect to a county, its  
20 county commissioners, board of revenue, or other like  
21 governing body and with respect to a municipality, its city or  
22 town council, board of commissioners, or other like governing  
23 body.

24           (13) INCORPORATORS. The persons forming a public  
25 corporation organized pursuant to this act.

26           (14) LABOR UNION. An organization in which employees  
27 participate for the purpose of dealing with one or more

1 employers concerning grievances, labor disputes, wages, rates  
2 of pay, hours of employment, or conditions of work.

3 (15) METROPOLITAN PLANNING ORGANIZATION. The forum  
4 for cooperative transportation decision making for a  
5 metropolitan planning area pursuant to 23 U.S.C. § 134 and 49  
6 U.S.C. § 5303.

7 (16) MUNICIPALITY. An incorporated city or town of  
8 this state.

9 (17) PARATRANSIT. Comparable transportation service  
10 required by the Americans with Disabilities Act for  
11 individuals who are unable to use fixed route transportation  
12 systems.

13 (18) PARTICIPATING MUNICIPALITY. A municipality in  
14 an authorizing county, other than the principal municipality,  
15 which is then providing funds for the authority, pursuant to  
16 resolution, contract, or otherwise.

17 (19) PERSON. Unless limited to a natural person by  
18 the context in which it is used, includes a public or private  
19 corporation, municipality, county, or an agency, department,  
20 or instrumentality of the state or of a county or  
21 municipality.

22 (20) PRINCIPAL MUNICIPALITY. The municipality in an  
23 authorizing county having the largest population in the  
24 authorizing county according to the last or any subsequent  
25 federal decennial census.

26 (21) PRINCIPAL OFFICE. The place at which the  
27 certificate of incorporation and amendments to the certificate



1 of incorporation, the bylaws, and the minutes of proceedings  
2 of the board are kept.

3 (22) PROPERTY. Real and personal property, and any  
4 and all interests in the real and personal property.

5 (23) PUBLIC TRANSPORTATION SERVICE. All service  
6 involved in the transportation of passengers for hire by means  
7 of buses, street railway, elevated railway, subway,  
8 underground railroad, light rail, mass transit systems, motor  
9 vehicles, or other means of conveyance generally associated  
10 with or developed for mass surface or sub-surface  
11 transportation of the public, but does not include any service  
12 involved in transportation by taxicab, airport limousine, or  
13 industrial bus; however, public transportation service does  
14 not include aircraft or any air service subject to the Air  
15 Carrier Access Act of 1986 or managed by an airport authority  
16 of the principal municipality.

17 (24) REGIONAL PLANNING COMMISSION. The regional  
18 organization representing governing bodies of local  
19 governments under Act 584 of the 1963 Regular Session (Acts  
20 1963, p. 1278) or Act 1126 of the 1969 Regular Session (Acts  
21 1969, p. 2084).

22 (25) TCAB. The transit citizens advisory board  
23 established herein.

24 (26) TRANSIT SYSTEM. Land, plants, systems,  
25 facilities, buildings, garages, vehicles of all types, rails,  
26 lines, and any combination of any of the following, used or  
27 useful or capable of future use in furnishing public

1 transportation service, and all other property deemed  
2 necessary or desirable by an authority for use in furnishing  
3 public transportation service.

4 (27) STATE. The State of Alabama.

5 Section 3. (a) A public corporation may be organized  
6 pursuant to this act in a county having a population of not  
7 less than 600,000 according to the last or any subsequent  
8 federal decennial census. Once incorporated under or governed  
9 by this act, the corporation shall continue to be subject to  
10 this act, even if the population of the county falls below  
11 600,000. In order to incorporate as a public corporation, any  
12 number of natural persons, not less than three, shall first  
13 file a written application with the governing body of the  
14 county and with the governing body of the municipality in the  
15 county having the largest population according to the most  
16 recent federal decennial census, which applications shall  
17 include all of the following:

18 (1) A statement that the authority proposes to  
19 render public transportation service in the county.

20 (2) The proposed location of the principal office of  
21 the authority, which shall be within the county with the  
22 governing body of which the application is filed.

23 (3) A statement that each of the applicants is a  
24 duly qualified elector of the county in which the application  
25 is filed.

26 (4) A request that the governing body adopt a  
27 resolution declaring that it is wise, expedient, and necessary

1       that the proposed authority be formed and authorizing the  
2       applicants to proceed to form the proposed authority by the  
3       filing for record of a certificate of incorporation in  
4       accordance with Section 4.

5               (b) The applications shall, except in their  
6       designation of the governing body to which they are addressed  
7       and with which they are filed, be identical, and accompanied  
8       by the supporting documents or evidence as the applicants may  
9       consider appropriate. As promptly as may be practicable after  
10      the filing of the applications in accordance with this  
11      section, the governing bodies of the county and the  
12      municipality with which the application was filed shall review  
13      the contents of the application and shall adopt resolutions  
14      either denying the application or declaring that it is wise,  
15      expedient, and necessary that the proposed authority be formed  
16      and authorizing the applicants to proceed to form the proposed  
17      authority by the filing for record of a certificate of  
18      incorporation in accordance with Section 4. Each governing  
19      body with which an application is filed shall also cause a  
20      copy of the application to be spread upon or otherwise made a  
21      part of the minutes of the meeting of the governing body at  
22      which final action upon the application is taken.

23              Section 4. (a) Within 40 days following the adoption  
24      of an authorizing resolution by that governing body that was  
25      the last to adopt an authorizing resolution, but only if the  
26      governing bodies of both the county and the municipality with  
27      which applications were filed have theretofore adopted

1 authorizing resolutions, the applicants shall proceed to  
2 incorporate an authority by filing for record in the office of  
3 the judge of probate of the authorizing county a certificate  
4 of incorporation which shall comply in form and substance with  
5 the requirements of this section, and which shall be in the  
6 form and executed in the manner as provided in this act. The  
7 certificate of incorporation of the authority shall contain  
8 all of the following:

9 (1) The names of the persons forming the authority,  
10 and that each of them is a duly qualified elector of the  
11 authorizing county.

12 (2) The name of the authority which shall be "\_\_\_\_\_  
13 County Transit Authority," with the insertion of the name of  
14 the authorizing municipality and the authorizing county.

15 (3) The period for the duration of the authority, if  
16 the duration is to be perpetual, subject to Section 20 and  
17 that fact shall be stated.

18 (4) The names of the authorizing county and the  
19 authorizing municipality, together with the dates on which the  
20 governing bodies thereof adopted authorizing resolutions.

21 (5) The location of the principal office of the  
22 authority, which shall be in the authorizing county.

23 (6) That the authority is organized pursuant to the  
24 provisions of this act for the purpose of supplying public  
25 transportation service in the authorizing county.

1           (7) Any other matters relating to the authority that  
2 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 certificate of incorporation shall be signed  
5 and acknowledged by the incorporators before an officer  
6 authorized by the laws of the state to take acknowledgments to  
7 deeds. When the certificate of incorporation is filed for  
8 record, there shall be attached to it all of the following:

9           (1) A copy of each of the applications filed with  
10 the governing bodies of the authorizing county and the  
11 authorizing municipality in accordance with Section 3.

12           (2) A certified copy of each of the authorizing  
13 resolutions adopted by the governing bodies of the authorizing  
14 county and the authorizing municipality.

15           (3) A certificate by the Secretary of State that the  
16 name proposed for the authority is not identical to that of  
17 any other corporation organized under the laws of the state or  
18 so nearly similar to another corporation so as to lead to  
19 confusion and uncertainty. Upon the filing for record of the  
20 certificate of incorporation and the documents required by the  
21 preceding sentence to be attached thereto, the authority shall  
22 come into existence and shall constitute a public corporation  
23 under the name set forth in the certificate of incorporation.  
24 The judge of probate shall send a notice to the Secretary of  
25 State that the certificate of incorporation of the authority  
26 has been filed for record.

1           Section 5. (a) The certificate of incorporation of  
2     any authority incorporated under or governed by this act may  
3     be amended in the manner provided in this section. The board  
4     shall first adopt a resolution proposing an amendment to the  
5     certificate of incorporation which shall be set forth in full  
6     in the resolution and which amendment may include any matters  
7     which might have been included in the original certificate of  
8     incorporation.

9           (b) After the adoption by the board of a resolution  
10    proposing an amendment to the certificate of incorporation of  
11    the authority, the chair of the board or executive director of  
12    the authority and the secretary of the authority shall sign  
13    and file a written application in the name of and on behalf of  
14    the authority, under its seal, with the governing body of the  
15    authorizing county and with the governing body of the  
16    principal municipality, requesting each governing body to  
17    adopt a resolution approving the proposed amendment, and  
18    accompanied by a certified copy of the resolution adopted by  
19    the board proposing the amendment to the certificate of  
20    incorporation, together with the documents in support of the  
21    application as the chair or executive director may consider  
22    appropriate. The applications, except in their designation of  
23    the governing body to which they are addressed and with which  
24    they are filed, shall be identical. As promptly as may be  
25    practicable after the filing of the application with the  
26    governing bodies of the authorizing county and the principal  
27    municipality pursuant to the foregoing provisions of this

1 section, the governing bodies shall review the application and  
2 shall adopt resolutions either denying the application or  
3 authorizing the proposed amendment. Each governing body shall  
4 cause a copy of the application and all accompanying documents  
5 to be spread upon or otherwise made a part of the minutes of  
6 the meeting of the governing body at which final action upon  
7 the application is taken.

8 (c) Within 40 days following the adoption of a  
9 resolution approving the proposed amendment by that governing  
10 body that was the last to adopt the resolution, but only if  
11 the governing bodies of both the authorizing county and the  
12 principal municipality have previously adopted a resolution,  
13 the chair of the board or executive director of the authority  
14 and the secretary of the authority shall sign and file for  
15 record in the office of the judge of probate of the  
16 authorizing county a certificate in the name of and in behalf  
17 of the authority, under its seal, reciting the adoption of the  
18 respective resolutions by the board and by the governing  
19 bodies of the authorizing county and the principal  
20 municipality and setting forth the proposed amendment.

21 Section 6. (a) Each authority shall be governed by a  
22 board. All powers of the authority shall be exercised by or  
23 under the authority of, and the business and affairs of the  
24 authority shall be managed under the direction of, the board  
25 or pursuant to its authorization. In making appointments to  
26 the board, best efforts should be used to reflect the racial,  
27 gender, and economic diversity within the county.

1           (b) The board shall consist of nine directors. One  
2       director shall be elected by the governing body of the  
3       authorizing county. Five of the directors shall be elected by  
4       the governing body of the principal municipality. One of the  
5       directors shall be elected by the governing bodies of each of  
6       the three participating municipalities having the largest  
7       population according to the last or any subsequent federal  
8       decennial census. If there are not three participating  
9       municipalities, the governing body of the authorizing county  
10      and the governing body of the principal municipality shall  
11      jointly elect a director that would otherwise be elected by  
12      the participating municipality. The term of office of each  
13      person who is a director on the effective date of this act  
14      shall not be changed by this act.

15           (c) Notwithstanding the provisions of subsection  
16      (b), the terms of this subsection shall apply after January 1,  
17      2014. Every appointment of a director for a new term shall be  
18      for a four-year term, and no one person shall serve more than  
19      two consecutive four-year terms unless such person is a  
20      director of the authority on the effective date of this act.  
21      The principal municipality may vary the term of office of any  
22      director it appoints as to cause its appointments to be evenly  
23      spaced over any four-year period. The participating  
24      municipalities and the authorizing county shall, following  
25      consultations with each other, exercise a similar power.

26           (d) Whenever there is a vacancy on the board, a  
27      successor director to serve for the unexpired term applicable



1 to the vacancy shall be elected by the public entity that  
2 elected the director whose unexpired term the successor is to  
3 fill. A municipality may not have any continuing or vested  
4 right to elect a director and the power of the governing body  
5 of any municipality to elect or to participate in the election  
6 of a director, whether for a full term or to complete an  
7 unexpired term, shall be determined in accordance with the  
8 most recent federal decennial census.

9 (e) An officer of the state or of any county or  
10 municipality may not, during his or her tenure as an officer,  
11 be eligible to serve as a director. Each director shall be a  
12 duly qualified elector of the authorizing county. Each  
13 director shall be reimbursed for expenses actually incurred by  
14 him or her in and about the performance of his or her duties.  
15 Each director, except the chair of the board, shall be  
16 compensated in an additional amount not to exceed ten dollars  
17 (\$10) per meeting attended but not to exceed two hundred fifty  
18 dollars (\$250) per year; the chair shall be compensated in an  
19 additional amount not to exceed five hundred dollars (\$500)  
20 per year; and the term "meeting" shall have the meaning given  
21 in Section 36-25A-2, Code of Alabama 1975. A director may be  
22 impeached and removed from office in the same manner and on  
23 the same grounds provided by Section 175 of the Official  
24 ReCompilation of the Constitution of Alabama of 1901, as  
25 amended, and the general laws of the state for impeachment and  
26 removal of the officers mentioned in Section 175.

1 (f) The dollar amounts specified in subsection (e)  
2 shall be adjusted according to the increase in the Consumer  
3 Price Index published by the Bureau of Labor Statistics of the  
4 United States Department of Labor for all Urban Consumers, US  
5 City Average, All Items, Not Seasonally Adjusted, Base Period  
6 1982-84=100 (the "Index"). Adjustments shall occur at the  
7 start of each fiscal year of the authority, and shall be  
8 determined by dividing the most recent information available  
9 for the Index at the start of each fiscal year, by the most  
10 recent information available for the Index upon the effective  
11 date of this act, and multiplying the resultant amount by the  
12 subject number in subsection (e). Any increase or decrease  
13 shall be rounded to the nearest whole dollar.

14 Section 7. (a) The authority shall exercise powers  
15 and duties necessary to the discharge of its powers and duties  
16 in corporate form as follows:

17 (1) Have succession by its corporate name in  
18 perpetuity subject to Section 20.

19 (2) Sue and be sued in its own name in civil suits  
20 and actions and defend suits against it.

21 (3) Adopt and make use of a corporate seal and alter  
22 the same at its pleasure.

23 (4) Adopt and alter bylaws for the regulation and  
24 conduct of its affairs and business.

25 (5) Acquire, receive, take, by purchase, gift,  
26 lease, devise, or otherwise, and hold property of every  
27 description, real, personal, or mixed, whether located in one

1 or more counties or municipalities and whether located within  
2 or outside the authorizing county.

3 (6) Make, enter into, and execute contracts,  
4 agreements, leases, and other instruments and take other  
5 actions as may be necessary or convenient to accomplish any  
6 purpose for which the authority was organized, or exercise any  
7 power expressly granted under this act. It is further provided  
8 that personnel employed and vendors hired with funds provided  
9 under this act shall reflect the racial and gender percentages  
10 within the authorizing county.

11 (7) Plan, establish, develop, acquire, purchase,  
12 lease, construct, reconstruct, enlarge, improve, maintain,  
13 equip, and operate a system for the provision of public  
14 transportation service within the authorizing county, or  
15 within any other county of the state, and without any  
16 requirement that the system be interconnected or otherwise  
17 constitute an integrated operational unit.

18 (8) Acquire real and personal property, franchises,  
19 and easements deemed necessary or desirable in connection with  
20 the system.

21 (9) Establish long-range plans and an annual program  
22 for public transportation in consultation with plans adopted  
23 by the Metropolitan Planning Organization and the Regional  
24 Planning Commission, the plans and programs to be coordinated  
25 with the plans for land use and development by counties and  
26 municipalities in the geographic area of the authority, in  
27 cooperation with the Regional Planning Commission and the

1 Metropolitan Planning Organization; assure consistency between  
2 public transportation plans and related land use policies and  
3 plans; and provide for funds sufficient to ensure the planning  
4 and consultation as required among the authority, the  
5 Metropolitan Planning Organization, and the Regional Planning  
6 Commission.

7 (10) Develop or make grants for development of  
8 alternative transportation projects designed to enhance access  
9 to public transportation service in furtherance of the goal of  
10 improved mobility within the system providing public  
11 transportation service and in accordance with Section 134 of  
12 Title 23 and Chapter 53 of Title 49 of the United States Code.

13 (11) Own, operate, finance, and provide public  
14 transportation service within the authorizing county or in any  
15 part of any other county upon the terms and for rates or other  
16 consideration as the board may prescribe.

17 (12) Provide charter service within the state upon  
18 the terms and for the rates or other consideration as the  
19 board may prescribe unless prohibited by federal or state law,  
20 and use or operate any part of any transportation system owned  
21 by the authority in the charter service.

22 (13) Sell and issue bonds of the authority in order  
23 to provide funds for any corporate function, use or purpose,  
24 the bonds to be payable solely from the sources specified in  
25 Sections 9 and 13.

26 (14) Assume obligations secured by a lien on, or  
27 payable out of or secured by a pledge of the revenues from,

1 any transit system or any part thereof, that may be acquired  
2 by the authority, any obligation so assumed to be payable by  
3 the authority solely from the sources from which bonds of the  
4 authority may be made payable pursuant to Sections 9 and 13.

5 (15) Pledge for payment of any bonds issued or  
6 obligations assumed by the authority any revenues from which  
7 those bonds or obligations are made payable as provided in  
8 this act.

9 (16) Execute and deliver, in accordance with  
10 Sections 9 and 13, mortgages and deeds of trust and trust  
11 indentures, or either.

12 (17) Exercise the power of eminent domain, except as  
13 limited by state law, except the authority may not acquire,  
14 without the consent of the owner, any transportation system  
15 from which public transportation service is currently being  
16 furnished. The authority may not by eminent domain acquire any  
17 real property or rights owned or held by public or private  
18 railroads or utilities.

19 (18) Expend funds for the purchase or lease of  
20 materials, equipment, supplies, or other personal property  
21 without compliance with Chapter 16 of Title 41, Code of  
22 Alabama 1975.

23 (19) Appoint, employ, contract with, and provide for  
24 the compensation of, officers, employees, and agents,  
25 including, but without limitation to, engineers, attorneys,  
26 management consultants, fiscal advisers, or other consultants  
27 without regard to Chapter 16 of Title 41, Code of Alabama

1 1975, or any law establishing a civil service or merit system  
2 that might otherwise be applicable, as the business of the  
3 authority may deem necessary or desirable, and also provide a  
4 system of disability pay, employee insurance, retirement  
5 compensation, pensions, or other employee benefit plans as the  
6 authority may deem necessary or desirable. This act may not be  
7 construed to affect the rights and privileges of the employees  
8 of the system.

9 (20) Make and enforce reasonable rules and  
10 regulations governing the use of any public transportation  
11 service provided by the authority.

12 (21) Provide for any insurance as the board may deem  
13 advisable.

14 (22) Invest funds of the authority that the board  
15 may determine are not presently needed in the operation of its  
16 properties in bonds of, or guaranteed by, the United States of  
17 America or any agency of the United States, bonds of the  
18 state, bonds of any county or municipality, interest-bearing  
19 bank deposits, any agreement to repurchase any one or more of  
20 the foregoing, any money market fund consisting of any one or  
21 more of the foregoing, or any combination thereof.

22 (23) Cooperate with the United States of America or  
23 its agencies or instrumentalities, the state, any county,  
24 municipality, or other political subdivision of the state, and  
25 any public corporation organized under the laws of the state  
26 and make or receive funds from any of them in the terms as the  
27 board may deem advisable or prescribe to make contracts with

1       them, or any of them, as the board deems advisable to  
2       accomplish the purposes for which the authority was  
3       established.

4               (24) Sell and convey its properties that may have  
5       become obsolete or worn out or that may no longer be needed or  
6       useful as a part of any transportation system of the  
7       authority.

8               (25) Sell and convey, with or without valuable  
9       consideration, any of its transit systems or any portion of a  
10      transit system, to any one or more counties, municipalities,  
11      or public corporations organized under the laws of the state,  
12      which have the corporate power to operate the system, or  
13      portions of a transit system, conveyed, and the property and  
14      income of which are not subject to taxation except that the  
15      sale and conveyance may be made only of the following:

16              a. With the consent of the authorizing county, the  
17      principal municipality, and each participating municipality,  
18      the consent to be evidenced by a resolution adopted by the  
19      governing body of each consenting county and municipality.

20              b. If the conveyance would not constitute a breach  
21      of any then outstanding mortgage and deed of trust, trust  
22      indenture, or other agreement to which the authority is a  
23      party.

24               (26) Enter into agreements with all or any part of  
25      the employees of the authority or with any groups or  
26      associations representing the employees.

1           (27) Enter into a management agreement or agreements  
2 with any person for the management by or for the authority of  
3 any public transportation service upon any mutually agreeable  
4 terms and conditions.

5           (28) Require that all laborers and mechanics  
6 employed by contractors or subcontractors in the performance  
7 of construction work for the authority be paid wages at rates  
8 not less than those prevailing on similar construction in the  
9 locality where the work is performed as determined by the  
10 United States Secretary of Labor or any department, agency or  
11 instrumentality of the United States or of the state.

12           (29) If the authority acquires an existing system  
13 for the provision of public transportation service, enter into  
14 arrangements necessary or desirable to protect the interest of  
15 employees of any acquired system including, without limiting  
16 the generality of the foregoing:

17           a. The preservation of rights, privileges, and  
18 benefits including continuation of pension rights and benefits  
19 under existing agreements.

20           b. The protection of individual employees against a  
21 worsening of their positions with respect to their employment.

22           c. Assurance of employment to the employees of  
23 acquired transportation systems, except executives and  
24 administrative officers, and priority of reemployment of the  
25 employees terminated or laid off.

26           d. Paid training or retraining programs.



1           (30) Fix and revise from time to time reasonable  
2 rates, fees, and other charges for public transportation  
3 service furnished or to be furnished by any system owned or  
4 operated by the authority, and collect all charges made by it.

5           (31) Prepare, adopt, and implement a set of policies  
6 that shall govern and set standards for, the conduct of all  
7 members of the board and all employees of the authority which  
8 shall include, but are not limited to, the following:

9           a. Provide for penalties for a violation.

10           b. Prohibit unethical conduct and require each  
11 director and employee of the authority to comply with all the  
12 provisions of the policy which shall include, but not  
13 necessarily be limited to, the provisions of the code of  
14 ethics for public officials and employees as provided for in  
15 Chapter 25 of Title 36, Code of Alabama 1975, and rules and  
16 regulations promulgated thereunder by the state Ethics  
17 Commission.

18           c. Allow for the reimbursement of the expenses of  
19 directors and employees, subject to any requirements provided  
20 in the policy.

21           d. Provide a method of keeping records for expenses  
22 of directors and employees.

23           e. Regulate business dealings and contracts between  
24 the authority and directors or employees of the authority and  
25 business dealings between the authority and members of the  
26 family of directors or employees of the authority.

1           (32) Do any and all things necessary to own,  
2           operate, facilitate, provide, or promote public transportation  
3           services within the authorizing county or any other county of  
4           the state.

5           (b)(1) The board shall establish a separate and  
6           independently accountable TCAB. The TCAB shall be established  
7           by the board within 60 days of the effective date of this act.  
8           The TCAB shall be composed of persons each of whom is a duly  
9           qualified elector of the authorizing county. In addition, the  
10          executive director of the authority shall serve as an ex  
11          officio nonvoting member of the TCAB. The procedure for making  
12          appointments to the TCAB and establishing the terms of the  
13          appointments shall be determined by the board in its sole  
14          discretion. The procedure shall include the approval of  
15          persons appointed to the TCAB by the authorizing county,  
16          principal municipality, or participating municipalities. In  
17          making appointments to the TCAB the following shall be  
18          considered:

19               a. Representation from all geographic regions served  
20               by the authority.

21               b. Minority representation to reflect the racial,  
22               gender and economic diversity within the geographic regions  
23               served by the authority.

24               c. Representation from users of the system providing  
25               public transportation service, paratransit users, and  
26               advocates.

1           The board shall ensure that the authorizing county,  
2           the principal municipality and each participating municipality  
3           shall be represented on the TCAB and that the number of  
4           representatives of each shall roughly approximate the funding  
5           normally provided by each.

6           (2) The TCAB shall be advisory to the authority and  
7           perform the following duties:

8           a. Serve as a body to advise the authority, the  
9           board, and private persons on the development and  
10          implementation of policies and programs relating to public  
11          transportation, and assist in the coordination of these  
12          activities.

13          b. Adopt bylaws, elect officers including a chair,  
14          and establish procedures for its operation within 30 days of  
15          its creation; provided, however, that the bylaws for the TCAB  
16          shall be subject to approval or amendment by the board.

17          c. Advise and make recommendations regarding transit  
18          development plans, comprehensive operations analysis, annual  
19          service, marketing and annual advertising plans developed by  
20          the authority.

21          (3) The board and the TCAB shall meet together at  
22          least once every six months at the time and place as shall be  
23          mutually agreeable.

24          (4) The board may, by three-fourths vote of the  
25          members of the board, determine to disband and reconstitute  
26          the TCAB.

1 (c) The board shall establish, from time to time, a  
2 fiscal year for the authority.

3 (d) A majority of the directors then in office shall  
4 constitute a quorum at any meeting of the board for the  
5 transaction of business. The act of a majority of the  
6 directors present at any meeting at which there is a quorum  
7 shall be an act of the board.

8 (e) The recovery of damages under any judgment or  
9 judgments against the authority shall be limited to one  
10 hundred thousand dollars (\$100,000) for bodily injury or death  
11 for one person in any single occurrence. Recovery of damages  
12 under any judgment or judgments against the authority shall be  
13 limited to three hundred thousand dollars (\$300,000) in the  
14 aggregate where more than three persons have claims or  
15 judgments on account of bodily injury or death arising out of  
16 any single occurrence. Recovery of damages under any judgment  
17 or judgments against the authority shall be limited to one  
18 hundred thousand dollars (\$100,000) for damage or loss of  
19 property arising out of any single occurrence. The authority  
20 may not settle or compromise any claim for bodily injury,  
21 death, or property damage for an amount in excess of the  
22 amounts stated in this paragraph.

23 Section 8. (a) Rates, fees, and charges for public  
24 transportation service rendered by the authority from any of  
25 its transit systems shall be so fixed and from time to time  
26 revised as at all times to provide funds that, when added to  
27 all other revenues including tax proceeds anticipated to be

1 received by the authority shall be at least sufficient to do  
2 all of the following:

3 (1) Pay the cost of operating, maintaining,  
4 repairing, replacing, extending, and improving the systems  
5 from which such services are rendered.

6 (2) Pay the principal of and the interest on all  
7 bonds issued and obligations assumed by the authority that are  
8 payable out of the revenues derived from operation of those  
9 systems, as the principal and interest become due and payable.

10 (3) Create and maintain reserves for the foregoing  
11 purposes or any of them as may be provided in any mortgage,  
12 deed of trust, or trust indenture executed by the authority or  
13 in any resolutions of the board authorizing the issuance of  
14 bonds, the assumption of any obligation, or the acquisition of  
15 any system.

16 (4) Make any annual payments to the United States of  
17 America or any agency or instrumentality the United States,  
18 the state, municipalities, counties, departments, authorities,  
19 agencies, and political subdivisions of the state and any  
20 public corporations organized under the laws of the state as  
21 the authority may have contracted to make.

22 (b) A change in rates, fees, and charges made after  
23 the effective date of this act shall take effect only if  
24 approved by the principal municipality.

25 Section 9. (a) All bonds issued by the authority  
26 shall be signed by the chair, vice chair, or executive  
27 director and attested by its secretary or assistant secretary,

1 and the seal of the authority shall be affixed thereto except  
2 that a facsimile of the signature of the officers may be  
3 printed or otherwise reproduced on any of the bonds in lieu of  
4 being manually subscribed on the bonds, a facsimile of the  
5 seal of the authority may be printed or otherwise produced on  
6 the bonds in lieu of being manually affixed thereto, if the  
7 bonds have been manually authenticated by a transfer agent of  
8 the bond issue. Delivery of executed bonds shall be valid  
9 notwithstanding any changes in officers or in the seal of the  
10 authority after the signing and sealing of the bonds. The  
11 bonds may be executed and delivered by the authority at any  
12 time and from time to time, shall be in the form and  
13 denominations and of the tenor and maturities, shall contain  
14 the provisions not inconsistent with the provisions of this  
15 act, and shall bear the fixed or variable rate or rates of  
16 interest, payable and evidenced in the manner, as may be  
17 provided by resolution of its board. The bonds of the  
18 authority may be sold at either public or private sale in the  
19 manner and at the price or prices and at the time or times as  
20 may be determined by the board to be most advantageous. The  
21 principal of and interest on any bonds may thereafter at any  
22 time and from time to time be refunded by the issuance of  
23 refunding bonds of the authority, which may be sold by the  
24 authority at public or private sale at the price or prices as  
25 may be determined by its board to be most advantageous, or  
26 which may be exchanged for the bonds or other obligations to  
27 be refunded. The authority may pay all expenses, premiums, and

1 commissions which its board may deem necessary and  
2 advantageous in connection with any financing done by it. All  
3 bonds issued by the authority shall be construed to be  
4 negotiable instruments although payable solely from a  
5 specified source. All obligations created or assumed and all  
6 bonds issued or assumed by the authority shall be solely and  
7 exclusively an obligation of the authority and shall not  
8 create an obligation or debt of any county or municipality  
9 except as provided in Section 13. Any bonds issued by the  
10 authority shall be limited or special obligations of the  
11 authority payable solely out of the revenues of the authority  
12 specified in the proceedings authorizing those bonds, except  
13 as provided under Section 13. The proceedings may provide that  
14 the bonds shall be payable solely from one or a combination of  
15 the following sources as set forth in a resolution of the  
16 board authorizing the issuance of the bonds which shall be  
17 subject to the following:

18 (1) Any tax proceeds appropriated, allocated, or  
19 made payable in whole or in part to the authority by or  
20 pursuant to any act of the Legislature or pursuant to an  
21 ordinance, resolution, or order of the county in which the  
22 authority is authorized to furnish public transportation  
23 service or any municipality located in the county.

24 (2) The revenues derived from the operation of all  
25 transit systems owned by the authority solely out of the  
26 revenues from the operation of any one or more of the systems  
27 or parts of the transit system, regardless of the fact that

1 those bonds may have been issued with respect to or for the  
2 benefit of only certain particular systems of the authority.

3 (3) The authority may pledge for the payment of any  
4 of its bonds the revenues from which the bonds are payable,  
5 and may execute and deliver a trust indenture evidencing any  
6 pledge or a mortgage and deed of trust conveying as security  
7 for the bonds the transit systems, or any part of any thereof,  
8 the revenues or any part of the revenues from which are so  
9 pledged. A mortgage and deed of trust or trust indenture made  
10 by the authority may contain the agreements as the board may  
11 deem advisable respecting the operation and maintenance of the  
12 property, and the use of the revenues subject to the mortgage  
13 and deed of trust or affected by the trust indenture, and  
14 respecting the rights, duties, and remedies of the parties to  
15 any instrument and the parties for the benefit of whom the  
16 instrument is made; except, that the instrument shall not be  
17 subject to foreclosure.

18 (b) (1) Upon the adoption by the board of any  
19 resolution providing for the issuance of bonds, the authority  
20 may cause to be published once a week for two consecutive  
21 weeks, in a newspaper published or having general circulation  
22 in the principal municipality, a notice in substantially the  
23 following form, the blanks being properly filled in, at the  
24 end of which shall be printed the name and title of either the  
25 chair, vice chair, executive director, secretary, or assistant  
26 secretary of the authority: "The \_\_\_\_\_ County Transit  
27 authority, a public corporation under the laws of the State of



1 Alabama, on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ authorized the  
2 issuance of \$\_\_\_\_\_ principal amount of bonds of the public  
3 corporation for purposes authorized in the act of the  
4 Legislature under which the public corporation was organized.  
5 Any action or proceeding questioning the validity of the  
6 bonds, or the pledge and the mortgage, deed of trust, trust  
7 indenture or resolution to secure the same, or the proceedings  
8 authorizing the same, shall be commenced within 30 days after  
9 the first publication of this notice."

10 (2) A newspaper shall be deemed to be published in  
11 the principal municipality, within the meaning of this  
12 section, if its principal editorial office is located in the  
13 principal municipality.

14 (3) Any action or proceeding in any court to set  
15 aside or question the proceedings for the issuance of the  
16 bonds referred to in the notice or to contest the validity of  
17 any of the bonds, or the validity of any pledge and mortgage,  
18 deed of trust, trust indenture, or resolution made for the  
19 bonds, shall be commenced within 30 days after the first  
20 publication of the notice. After the expiration of that  
21 period, no right of action or defense questioning or attacking  
22 the validity of the proceedings or of the bonds or the pledge  
23 or mortgage, deed of trust, trust indenture, or resolution  
24 shall be asserted, nor shall the validity of the proceedings,  
25 bonds, pledge, mortgage, deed of trust, trust indenture, or  
26 resolution be open to question in any court on any ground  
27 whatsoever except in an action commenced within the period.

1           Section 10. (a) As security for payment of the  
2           principal of and the interest on bonds issued or obligations  
3           assumed by it, the authority may enter into one or more  
4           contracts binding itself for the following:

5           (1) The proper application of the proceeds of bonds  
6           and other funds, for the continued operation and maintenance  
7           of any transit system owned by it, or any part or parts of a  
8           transit system.

9           (2) The imposition and collection of reasonable  
10          rates for and the promulgation of reasonable regulations  
11          respecting any service furnished from a transit system.

12          (3) The disposition and application of its gross  
13          revenues or any part of a transit system.

14          (4) For any other act or series of acts not  
15          inconsistent with this act for the protection of the bonds and  
16          other obligations being secured and the assurance that the  
17          revenues from the transit system, when added to all other  
18          moneys of the authority available for the transit system, will  
19          be sufficient to operate the system, maintain the system in  
20          good repair and in good operating condition, pay the principal  
21          of and the interest on any bonds payable from the revenues,  
22          and maintain the reserve deemed appropriate for the protection  
23          of the bonds, the efficient operation of the system, and the  
24          making of replacements for the system and capital improvements  
25          of the system.

26          (b) Any contract entered into pursuant to this  
27          section may be set forth in any resolution of the board

1 authorizing the issuance of bonds or the assumption of  
2 obligations or in any mortgage and deed of trust, or trust  
3 indenture made by the authority.

4           Section 11. A resolution of the board or trust  
5 indenture under which bonds may be issued pursuant to this act  
6 may contain provisions creating a statutory mortgage lien, in  
7 favor of the holders of the bonds, on the transit systems, or  
8 including any after-acquired property out of the revenues from  
9 which the bonds are made payable. The resolution of the board  
10 or the trust indenture may provide for the filing for record  
11 in the office of the judge of probate of each county in which  
12 a part of the transit system may be located of a notice  
13 containing a brief description of the systems, a brief  
14 description of the bonds, and a declaration that the statutory  
15 mortgage lien has been created for the benefit of the holders  
16 of the bonds, upon the systems, including any additions to a  
17 system and extensions of a system. Each judge of probate shall  
18 receive, record, and index any notice filed for record in his  
19 or her office. The recording of the notice shall operate as  
20 constructive notice of the contents of the notice.

21           Section 12. All moneys derived from the sale of any  
22 bonds issued by the authority shall be used solely for the  
23 purposes for which the moneys are authorized and any costs and  
24 expenses incidental thereto. The costs and expenses may  
25 include, but shall not be limited to, the following:

1           (1) The fiscal, engineering, legal, and other  
2 expenses incurred in connection with the issuance of the  
3 bonds.

4           (2) In the case of bonds issued to pay costs of  
5 acquiring or constructing all or any part of a transit system  
6 interest on the bonds or, if a part only of any series of  
7 bonds is issued for acquisition or construction purposes,  
8 interest on that portion of the bonds of that series that is  
9 issued to pay the acquisition or construction costs prior to  
10 and during the acquisition or construction and not exceeding  
11 one year after completion of the acquisition or construction.

12           (3) In the case of refunding bonds, any premium that  
13 it may be necessary to pay in order to redeem or retire the  
14 bonds to be refunded.

15           Section 13. For the purpose of securing public  
16 transportation or aiding or cooperating with the authority in  
17 the planning, development, undertaking, construction,  
18 acquisition, extension, improvement, operation, or protection  
19 of transit systems, any county, municipality or other  
20 political subdivision, public corporation, agency, or  
21 instrumentality of this state, upon the terms and with or  
22 without consideration, as it determines, may do the any of the  
23 following:

24           (1) Lend or donate money to, or perform services for  
25 the authority.

26           (2) Donate, sell, convey, transfer, lease, or grant  
27 to the authority, without the necessity of authorization at

1 any election of qualified voters, any property of any kind,  
2 including, but without limitation, any transportation systems,  
3 any interest in any system, and any franchise.

4 (3) Provide that all or a portion of the taxes or  
5 funds available or to become available to, or required by law  
6 to be used by it for public transportation service or for the  
7 support of a public transportation system, be transferred or  
8 paid directly to the authority as the funds become available.

9 (4) Do any and all things, whether or not  
10 specifically authorized in this section, not otherwise  
11 prohibited by law, that may be necessary or convenient to aid  
12 and cooperate with the authority in the planning, undertaking,  
13 construction, acquisition, or operation of systems for the  
14 provision of public transportation services.

15 Section 14. The property and income of the  
16 authority, all bonds issued by the authority, the income from  
17 the bonds, conveyances by or to the authority, and leases,  
18 mortgages, and deeds of trust by or to the authority shall be  
19 exempt from all taxation in the State of Alabama. The  
20 authority shall be exempt from all taxes levied by any county,  
21 municipality, or other political subdivision of the state,  
22 including, but without limitation to, license and excise taxes  
23 imposed in respect of the privilege of engaging in any of the  
24 activities that an authority may engage in. The authority may  
25 not be obligated to pay or allow any fees, taxes, or costs to  
26 the judge of probate of any county in respect of its

1 incorporation, the amendment of its certificate of  
2 incorporation, or the recording of any document.

3 Section 15. ~~The existence of an authority~~  
4 ~~incorporated under, or governed by, the provisions of this act~~  
5 ~~in a county shall prevent the subsequent incorporation of~~  
6 ~~another authority under this act in the same county.~~

7 Section 16. This act is intended to aid the state in  
8 the execution of its duties by providing appropriate and  
9 independent instrumentalities of the state with full and  
10 adequate powers to fulfill their functions. Except as in this  
11 act expressly otherwise provided, no proceeding, notice, or  
12 approval shall be required for the incorporation of any  
13 authority or the amendment of its certificate of  
14 incorporation, the acquisition of any property or transit  
15 system, or the issuance of any bonds, mortgage and deed of  
16 trust, or trust indenture. The authority, every transit system  
17 of the authority, any public transportation service provided  
18 by the authority, and the rates and charges of the authority  
19 shall be exempt from all jurisdiction of, and all regulation  
20 and supervision by, the Public Service Commission. Neither a  
21 public hearing nor the consent of the state Department of  
22 Finance shall be prerequisite to the issuance of bonds by the  
23 authority.

24 Section 17. Any authority may use the rights-of-way  
25 of all public roads in the authorizing county without securing  
26 the prior approval of the state or of its agencies or  
27 departments or the governing body of a county and subject only

1 to the necessity of obtaining the municipal consent required  
2 by Section 220 of the Official ReCompilation of the  
3 Constitution of Alabama of 1901, except that nothing herein  
4 shall be construed to exempt any authority from the  
5 requirements of Section 23-1-4, Code of Alabama 1975. The  
6 authority shall have the duty to restore at its expense all  
7 roads, highways, and public rights-of-way in which it may have  
8 made excavations or done other work in constructing a transit  
9 system or performing any of its other corporate functions.

10 Section 18. Within 30 days following the close of  
11 each fiscal year the authority shall cause an audit of its  
12 books and records to be made for the fiscal year by an  
13 independent certified public accountant. Within 90 days  
14 following the close of each fiscal year the authority shall  
15 furnish a copy of the audit to the governing bodies of the  
16 authorizing county, the principal municipality, and each  
17 participating municipality.

18 Section 19. Each employee of the authority may join  
19 or participate in a labor union. No employee of the authority  
20 shall be subject to the provisions of any civil service or  
21 merit system or to the rules or regulations of any personnel  
22 board that might otherwise be applicable.

23 Section 20. The authority shall be a nonprofit  
24 corporation, and no part of its net earnings remaining after  
25 payment of its expenses shall inure to the benefit of any  
26 individual, firm, or corporation except as provided in this  
27 section. At any time when the authority has no bonds or

1 outstanding obligations, the board may adopt a resolution,  
2 which shall be duly entered upon its minutes, declaring that  
3 the authority shall be dissolved. Upon the filing for record  
4 of a certified copy of the resolution in the office of the  
5 judge of probate of the authorizing county, the authority  
6 shall be dissolved and in the event it owned any property at  
7 the time of its dissolution, the title to its properties shall  
8 pass to, and vest equally in, the principal municipality and  
9 the authorizing county, as tenants in common.

10 Section 21. (a) The rights, benefits, and other  
11 employee protective conditions and remedies of Section 13(c)  
12 of the Urban Mass Transportation Act of 1964, as amended, 49  
13 U.S.C. 1609(c), as determined by the Secretary of Labor, shall  
14 apply to the operation by the authority of any public  
15 transportation service and to any contract or other  
16 arrangement for the operation of such service. If the  
17 authority acquires an existing transit system, the authority  
18 shall assume and observe all existing labor contracts and  
19 pension obligations. All employees of the system except  
20 executive and administrative officers shall be transferred to  
21 and appointed as employees of the authority, subject to all  
22 rights and benefits of this section. These employees shall be  
23 given seniority credit and sick leave, vacation, insurance,  
24 and pension credits in accordance with the records or labor  
25 agreements from the acquired transit system. The authority  
26 shall assume the obligations of any transit system acquired by  
27 it with regard to wages, salaries, hours, working conditions,



1 sick leave, health and welfare, and pension or retirement  
2 provisions for employees. The authority and the employees,  
3 through their representatives for collective bargaining  
4 purposes, shall take whatever action may be necessary to have  
5 pension trust funds, presently under the joint control of the  
6 acquired transit system and the participating employees  
7 through their representatives, transferred to a trust fund to  
8 be established, maintained, and administered jointly by the  
9 authority and the participating employees through their  
10 representatives. An employee of any acquired transit system  
11 who is transferred to a position with the authority may not,  
12 by reason of the transfer, be placed in any worse position  
13 with respect to worker's compensation, unemployment  
14 compensation, pension, seniority, wages, sick leave, vacation,  
15 health and welfare insurance, or any other benefits than he or  
16 she enjoyed as an employee of the acquired transportation  
17 system.

18 (b) Prior to commencing to operate any public  
19 transportation service, or entering into any contractual or  
20 other arrangement for any operation of the service, the  
21 authority shall take the action as may be necessary to extend  
22 to the employees of the transit system, in accordance with  
23 seniority, the first opportunity for reasonable comparable  
24 employment in any new jobs in respect to the operations for  
25 which they can qualify after a reasonable training period. The  
26 wages, hours, and working conditions for employees assigned to  
27 the new operations shall be a proper subject of negotiation

1 with the labor organizations representing the employees of the  
2 transit system. Whenever any labor dispute arises in the  
3 operation of any public transportation service operated by or  
4 for the authority, and collective bargaining does not result  
5 in an agreement, the authority shall offer to submit the  
6 dispute to final and binding arbitration by a board composed  
7 of three persons, one appointed by the authority, one  
8 appointed by the representative of the employees, and a third  
9 member, who shall serve as chair, to be selected from a  
10 current listing of the membership of the National Academy of  
11 Arbitrators by agreement of the parties, or in the absence of  
12 such agreement, by obtaining a listing of seven of the members  
13 of the National Academy from the American Arbitration  
14 Association and by alternately striking a name from the list  
15 so supplied until only one name remains. The representative of  
16 the employees and the authority shall determine by lot who  
17 shall first strike from the list. The decision of a majority  
18 of the arbitration board shall be final and binding upon the  
19 parties thereto. The expenses of arbitration shall be borne  
20 equally by the parties. Each party shall bear his or her own  
21 cost.

22 (c) Notwithstanding any other provision of law, the  
23 authority shall make deductions from wages and salaries of its  
24 employees upon receipt of authorization therefor for the  
25 payment of union dues, fees, or assessments, for the payment  
26 of contributions pursuant to any health and welfare plan or  
27 pension plan, or for any other purpose for which deductions

1 may be authorized by employees of any private employer, where  
2 the deductions are pursuant to a collective bargaining  
3 agreement entered into or assumed by the authority.

4 Section 22. (a) The provisions of this act shall  
5 apply to the Birmingham-Jefferson County Transit Authority and  
6 to any other authority organized pursuant to Act 993 of the  
7 1971 Regular Session (Acts 1971, p. 1787), as amended.

8 (b) The certificate of incorporation filed for the  
9 Birmingham-Jefferson County Transit Authority on or about  
10 April 3, 1972, as amended, is confirmed as a validly filed and  
11 amended certificate of incorporation for an authority  
12 organized under this act, except that any provisions of the  
13 certificate of incorporation are repealed or amended to the  
14 extent of a conflict with this act. In the event that the  
15 certificate of incorporation of the Birmingham-Jefferson  
16 County Transit Authority is amended after the effective date  
17 of this act, it shall not be required that the amendment  
18 correct any conflicts with this act. As to the  
19 Birmingham-Jefferson County Transit Authority, Jefferson  
20 County is the authorizing county, and the City of Birmingham  
21 is the authorizing municipality.

22 (c) All actions taken by the board of the  
23 Birmingham-Jefferson County Transit Authority prior to the  
24 effective date of this act are confirmed.

25 (d) The rates, fees, and charges imposed by the  
26 Birmingham-Jefferson County Transit Authority prior to and as  
27 of the effective date of this act are confirmed.

1 (e) The fact that this act is enacted and that Act  
2 993 of the 1971 Regular Session (Acts 1971, p. 1787), Act 204  
3 of the 1971 Third Special Session (Acts 1971, p. 4472), Act  
4 329 of the 1973 Regular Session (Acts 1973, p. 459), Act 508  
5 of the 1973 Regular Session (Acts 1973, p. 748), and Act  
6 87-449 of the 1987 Regular Session (Acts 1987, p. 663) are  
7 repealed shall not result in any of the following:

8 (1) An underpayment or overpayment to the  
9 Birmingham-Jefferson County Transit Authority by the  
10 authorizing county, the principal municipality, or any  
11 participating municipality, except as the same may be caused  
12 by a change in fiscal years or the change in payment  
13 procedures with the principal municipality.

14 (2) A disruption of the services provided by the  
15 transit system.

16 (3) A declaration that any outstanding contracts  
17 with the authority are void or invalid.

18 (4) A shortening in the current term of any director  
19 of the authority as of the effective date of this act.

20 Section 23. The governing body of the authorizing  
21 county, principal municipality, and each participating  
22 municipality shall pay to the authority during each fiscal  
23 year a sum to be determined in accordance with Sections 24,  
24 25, and 30.

25 Section 24. The annual amount to be paid to the  
26 authority by the authorizing county is to be ascertained by  
27 first determining the amount of ad valorem taxes collected for

1 the county from within the city limits of each municipality  
2 served by the authority. The authorizing county shall pay to  
3 the authority each year out of its general funds an amount  
4 equal to five and one-half percent (5.5%) of the first  
5 eighteen million, one hundred eighty-one thousand, eight  
6 hundred nineteen dollars (\$18,181,819) of ad valorem taxes  
7 collected within the city limits of all municipalities served  
8 by the authority plus and two and one-half percent (2.5%) of  
9 the ad valorem tax collected within the city limits of all  
10 municipalities served by the authority in excess of eighteen  
11 million, one hundred eighty-one thousand, eight hundred  
12 nineteen dollars (\$18,181,819). In addition, the governing  
13 body of the authorizing county shall, at its sole discretion,  
14 make a determination prior to the end of each fiscal year as  
15 to the number of residents of the county residing in the  
16 unincorporated area thereof having access to services by the  
17 authority within reasonable walking distances of their  
18 residences, but said number shall not be less than in any  
19 preceding year, unless there is a reduction of routes serving  
20 the unincorporated area or the annexation of a portion of the  
21 unincorporated area served by the authority by a municipality.  
22 Such residents shall be deemed to be served by the authority  
23 and there shall be paid annually out of the general funds of  
24 the authorizing county a sum equal to one dollar (\$1.00) per  
25 capita of the residents thus deemed to be served.

26 Section 25. The amount to be paid to the authority  
27 by the principal municipality during each fiscal year shall be

1       ascertained by determining the amount of ad valorem tax  
2       collected for the authorizing county within the city limits of  
3       the principal municipality, in addition to the amount  
4       determined in Section 30. The principal municipality shall pay  
5       to the authority annually from its general funds an amount  
6       equal to 10 percent of the ad valorem tax collected by the  
7       authorizing county within the city limits of the principal  
8       municipality each year.

9               Section 26. On or prior to the beginning of the  
10       seventh month before the start of each fiscal year, the  
11       principal municipality and each municipality located in the  
12       authorizing county which desires to be served by the authority  
13       during the forthcoming fiscal year shall file a written  
14       request with the authority for the service, which request  
15       shall set forth the routes and frequency of service requested.

16              Section 27. On or prior to the beginning of the  
17       fifth month before the start of each fiscal year, the  
18       authority shall prepare and submit to the authorizing county,  
19       the principal municipality, and each municipality which has  
20       requested to be served by the authority pursuant to Section  
21       26, a written budget for the authority for the forthcoming  
22       fiscal year. The budget shall be prepared by the authority and  
23       shall set forth the number of hours of operation and the  
24       anticipated cost per hour of operation for the forthcoming  
25       fiscal year for the service requested by each municipality  
26       pursuant to Section 26, exclusive of anticipated fare box  
27       revenue, federal operating subsidies and funds received by the

1 authority pursuant to Sections 24 and 25; if the cost per hour  
2 of operation shall include all costs for the provision of  
3 public transportation service, including, but not limited to,  
4 the costs of operation, maintenance, administration, and  
5 capital costs of the authority. If a municipality requests  
6 service which requires that vehicles travel through a  
7 municipality which is not served by the authority or on a  
8 limited access roadway where there is no pick-up or discharge  
9 of passengers, the municipality requesting the service shall  
10 assume and be responsible for the operating time of the  
11 vehicles from the point of their last scheduled pick-up of  
12 passengers until the vehicles reach the city limits of the  
13 requesting municipality. The principal municipality shall be  
14 authorized to review such budget, and by written notice to the  
15 authority given on or prior to the fifteenth day of the fifth  
16 month before the start of each fiscal year, reduce such budget  
17 in any area in which it deems the budget to be excessive.  
18 Neither the authorizing county, principal municipality, nor a  
19 participating municipality shall have any further power to  
20 approve or disapprove expenditures of the authority.

21 Section 28. On or prior to the beginning of the  
22 fourth month before the start of each fiscal year, the  
23 principal municipality and each municipality in the  
24 authorizing county which elects to be served by the authority  
25 shall certify in writing to the authority the routes to be  
26 operated in the municipality during the forthcoming fiscal  
27 year and agree to make the payments to the authority provided

1 in Section 29. The routes that are certified shall constitute  
2 the routes to be operated by the authority in the municipality  
3 during the forthcoming fiscal year, subject to equipment  
4 availability and to the adjustments as reasonably deemed  
5 necessary by the authority in order to provide for the  
6 efficient operation of transit service in the municipality and  
7 in the authorizing county as a whole. Any change in the routes  
8 during the fiscal year shall be undertaken only with the  
9 approval of the municipality, if the authority may suspend,  
10 reduce, or terminate the route, routes, or services within a  
11 municipality without the approval of the municipality if the  
12 municipality fails timely to pay for the services.

13 Section 29. All of the municipalities served by any  
14 route operated by the authority may by written agreement filed  
15 with the authority agree to allocate the costs of operation of  
16 the route on a basis different from that otherwise provided by  
17 this act.

18 Section 30. Subject to any agreement filed with the  
19 authority pursuant to Section 29, the annual amount to be paid  
20 to the authority by the principal municipality and each  
21 municipality in the authorizing county which elects to be  
22 served by the authority is to be ascertained by multiplying  
23 the total projected hours of operation in the municipality for  
24 the forthcoming fiscal year based upon the routes certified by  
25 the municipality pursuant to Section 28, as adjusted by the  
26 authority as provided in Section 28, in order to provide for  
27 the efficient operation of transit service, times the cost per



1 hour of operation set forth by the authority in the budget  
2 submitted by the authority pursuant to the provisions of  
3 Section 27. The amounts shall be certified to the authorizing  
4 county tax collector, revenue commissioner, or director of  
5 revenue of the authorizing county, if any, by the authority on  
6 or prior to September 15 of each year.

7 Section 31. (a) The amounts required to be paid to  
8 the authority under this act shall be paid by the authorizing  
9 county tax collector for the authorizing county, the principal  
10 municipality, and participating municipalities upon the  
11 payment schedule established pursuant to the terms of this  
12 act.

13 (b) If the authorizing county tax collector does not  
14 have ad valorem taxes due the authorizing county, the  
15 principal municipality, or any participating municipality  
16 sufficient to pay the amounts due under the provisions of this  
17 act, then the balance due as to any payment under this act  
18 shall be paid to the authority by the director of revenue of  
19 the authorizing county, if any, from any tax monies in his or  
20 her possession for distribution to the authorizing county,  
21 principal municipality, or participating municipality.

22 (c) If as to any payment due under this act, neither  
23 the authorizing county tax collector nor the revenue  
24 commissioner of the authorizing county, if any, shall have  
25 sufficient tax monies for distribution to the authorizing  
26 county, principal municipality, or a participating  
27 municipality in an amount sufficient to make the payment, then

1 the balance of the payment shall be a priority claim subject,  
2 however, to any claims having a priority under or pursuant to  
3 any provision of the Official ReCompilation of the  
4 Constitution of Alabama of 1901, as amended, or the  
5 Constitution of the United States, against any and all other  
6 funds of the authorizing county, or the participating  
7 municipality, and shall be paid directly by the authorizing  
8 county, principal municipality, or participating municipality  
9 to the authority.

10 (d) It is expressly provided that neither the  
11 authorizing county tax collector, revenue commissioner, nor  
12 the director of revenue of the authorizing county, if any,  
13 shall pay to the authority any monies, the payment of which  
14 would impair the obligation under any contract entered into by  
15 the authorizing county, the principal municipality, or any  
16 participating municipality prior to the effective date of this  
17 act, or any tax monies from levies made for a specific purpose  
18 under the Official ReCompilation of the Constitution of  
19 Alabama of 1901, as amended.

20 Section 32. (a) The payments required hereby for the  
21 authorizing county, principal municipality, and each  
22 participating municipality shall be made on a monthly basis or  
23 upon other payment schedule of the authorizing county, the  
24 principal municipality, or such participating municipality  
25 hereby shall agree to with the authority.

26 (b) If payments are made for the principal  
27 municipality and the authorizing county on a monthly basis,

1 each payment shall be one-twelfth of the annual amount which  
2 would have been due based upon ad valorem tax collections for  
3 the preceding fiscal year with any deficit in the amount thus  
4 paid on such basis computed after ad valorem tax collections  
5 for the fiscal year in question are known, to be made up by  
6 the principal municipality and the authorizing county during  
7 the month of January next following the end of each fiscal  
8 year.

9 (c) If payments are made for participating  
10 municipalities on a monthly basis, each payment shall be  
11 one-twelfth of the annual amount due determined in accordance  
12 with the provisions of Section 29.

13 Section 33. The authorizing county, principal  
14 municipality, and each participating municipality shall have  
15 the right to examine and audit, at their expense, the books  
16 and records of the authority at any time during its regular  
17 business hours.

18 Section 34. Act 2004-500 of the 2004 Regular Session  
19 (Acts 2004, p. 939), Act 993 of the 1971 Regular Session (Acts  
20 1971, p. 1787), Act 204 of the 1971 Third Special Session  
21 (Acts 1971, p. 4472), Act 329 of the 1973 Regular Session  
22 (Acts 1973, p. 459), Act 508 of the 1973 Regular Session (Acts  
23 1973, p. 748), and Act 87-449 of the 1987 Regular Session  
24 (Acts 1987, p. 663) are repealed.

25 Section 35. All laws, parts of laws, certificates of  
26 incorporation or bylaws which conflict with this act are

1 repealed or amended so as to comply and be consistent with,  
2 and to give full effect to, this act.

3 Section 36. This act shall become effective  
4 immediately upon its passage and approval by the Governor, or  
5 upon its otherwise becoming a law.

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House of Representatives

Read for the first time and re-  
ferred to the House of Representa-  
tives committee on Jefferson County  
Legislation..... . . . . 16-APR-13

Read for the second time and placed  
on the calendar 1 amendment ..... 24-APR-13

Read for the third time and passed  
as amended..... . . . . 25-APR-13

Yeas 47, Nays 0, Abstains 40

Jeff Woodard  
Clerk