

1 HB66
2 203761-2
3 By Representative McClammy
4 RFD: Ways and Means General Fund
5 First Read: 04-FEB-20
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8 SYNOPSIS: This bill would authorize a municipality or
9 county to establish a local redevelopment authority
10 for economic development, redevelopment, and
11 rehabilitation for property that is contiguous to
12 an active U.S. Air Force military installation
13 located within the corporate limits of the
14 municipality or the county where the municipality
15 is located. The bill would authorize the authority
16 to issue bonds for projects for the purposes of the
17 authority. The bill would provide for exemptions
18 from state, county, and municipal ad valorem taxes
19 and lodging taxes to the authority, any cooperative
20 district of which the authority is a member, and
21 any private user of a project owned by the
22 authority or the cooperative district.

24 A BILL
25 TO BE ENTITLED
26 AN ACT

1 Relating to economic development; to authorize the
2 incorporation in any municipality or county in this state of a
3 local redevelopment authority for the purpose of promoting
4 trade and commerce by inducing commercial enterprise to
5 upgrade, improve, modernize, and expand existing facilities
6 and to locate new facilities on land contiguous with an active
7 U.S. Air Force military installation within the corporate
8 limits of the municipality, or geographical boundaries of the
9 county; to provide for the formation, governance, power, and
10 duties of the authority; to provide for the issuance by the
11 authority of interest-bearing revenue bonds and other
12 interest-bearing securities, payable solely out of the
13 revenues and receipts derived from the leasing or sale of
14 properties owned by the authority; to provide that the
15 securities may be secured by a pledge of the revenues and
16 receipts from which they are payable; to authorize the
17 authority to finance, construct, acquire, purchase, renovate,
18 maintain, improve, sell, equip, operate, or manage projects;
19 to authorize the authority to receive the proceeds of
20 municipal taxes levied for the authority's purposes; to make
21 the securities issued by the authority eligible investments
22 for various governmental bodies and fiduciaries; to provide
23 procedures for the issuance of bonds by the authority; to
24 exempt the income of any authority, and all conveyances,
25 leases, mortgages, and deeds of trust to which the authority
26 is a party, from all taxation in the state; to exempt the
27 authority from all license and excise taxes and all charges of

1 judges of probate; to exempt the authority from all laws of
2 the state governing usury or prescribing or limiting interest
3 rates; to authorize political subdivisions, agencies,
4 instrumentalities, and public corporations of the state to aid
5 the authority with loans or grants of money, the furnishing of
6 services, or the transfer of property to the authority without
7 any public election; and to further provide for the
8 dissolution of certain county industrial development
9 authorities.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Legislative Intent.

12 The redevelopment, revitalization, and redevelopment
13 of land contiguous with a U.S. Air Force military installation
14 operating within any municipality or county in this state,
15 whether operational or formerly operational, promotes the
16 public good by encouraging the initial development,
17 redevelopment, and revitalization of such land, and the
18 retention of U.S. Air Force military installations within the
19 state. It is therefore in the public interest and is vital to
20 the public welfare of the people of Alabama, and it is hereby
21 declared to be the public purpose of this act, to develop,
22 revitalize, and redevelop land contiguous with United States
23 military installations throughout the State of Alabama.

24 Section 2. Definitions.

25 For the purposes of this act, the following words
26 have the following meanings:

1 (1) APPLICANT. A natural person who files a written
2 application with the governing body of any authorizing
3 subdivision in accordance with Section 3.

4 (2) AUTHORITY. Any local redevelopment authority
5 organized pursuant to this act.

6 (3) AUTHORIZING RESOLUTION. A resolution adopted by
7 the governing body of any authorizing subdivision in
8 accordance with Section 3, that authorizes the incorporation
9 of the authority.

10 (4) AUTHORIZING SUBDIVISION. Any county or
11 municipality that has adopted an authorizing resolution.

12 (5) BOARD. The board of directors of the authority.

13 (6) BONDS. Any bonds, notes, certificates, or any
14 other form of indebtedness representing an obligation to pay
15 money.

16 (7) CONTIGUOUS. Two or more tracts of land if
17 touching for a continuous distance of not less than 200 feet.
18 The term shall include tracts of land divided by bodies of
19 water, streets, railroads, or utility rights-of-way, or by
20 land owned by a governmental entity. In determining whether
21 land is contiguous with a U.S. Air Force military
22 installation, either of the following is contiguous:

23 a. Land which is separated by bodies of water,
24 streets, railroads, or utility rights-of-way shall be deemed
25 to be contiguous even though such bodies of water, streets,
26 railroads, or utility rights-of-way are outside of the

1 geographical area of the applicable U.S. Air Force military
2 installation.

3 b. Land which is separated by other land which is
4 owned by a governmental entity.

5 (8) COOPERATIVE DISTRICT. An incorporated capital
6 improvement cooperative district formed in accordance with and
7 for the purposes set forth in Chapter 99B of Article 2 of
8 Title 11 of the Code of Alabama 1975, as amended.

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

10 (10) DIRECTOR. A member of the board of the
11 authority.

12 (11) GOVERNING BODY. With respect to any
13 municipality, its city council or other governing body; with
14 respect to any county, its county commission or other
15 governing body.

16 (12) INCORPORATORS. The persons forming a public
17 corporation organized pursuant to this act.

18 (13) LOCAL REDEVELOPMENT AREA. Land contiguous with
19 an active U.S. Air Force military installation located and
20 operating within this state, totaling not more than 150 square
21 acres in geographical size, all as set forth in the
22 application required to be filed in accordance with Section 3.

23 (14) MILITARY INSTALLATION. A federal military
24 installation currently funded in whole or in part by the
25 United States Department of Defense and operated by the U.S.
26 Air Force. Military installation shall specifically exclude
27 from its definition any and all armories, buildings, target

1 ranges, and other necessary facilities for the proper housing,
2 instruction, training, and administration of all units and
3 headquarters of the National Guard and Naval Militia of
4 Alabama.

5 (15) MUNICIPALITY. Any incorporated city or town
6 within this state.

7 (16) PERSON. Unless limited to a natural person by
8 the context in which it is used, includes a public or private
9 corporation, a municipality, a county, the state, or an
10 agency, department, or instrumentality of the state, a county,
11 or a municipality.

12 (17) PRINCIPAL OFFICE. The place at which the
13 certificate of incorporation and amendments thereto, the
14 bylaws and the minutes of the proceedings of the board of the
15 authority are kept.

16 (18) PRIVATE USER. A lessee, manager,
17 non-governmental user, or any person relating to the planning,
18 development, construction, operation, management, or
19 maintenance of a project.

20 (19) PROJECT. Interests in land, buildings,
21 structures, facilities, or other improvements located or to be
22 located within the local redevelopment area, and any fixtures,
23 machinery, equipment, furniture, or other property of any
24 nature whatsoever used on, in, or in connection with any such
25 land, interest in land, building, structure, facility, or
26 other improvement, all for the essential public purpose of the
27 development of trade, entertainment, amusement, commerce,

1 industry, or employment opportunities in the local
2 redevelopment area. The term includes projects in the local
3 redevelopment area for any industrial, commercial,
4 entertainment or amusement, business, office, parking,
5 utility, residential (including, without limitation, homes,
6 apartments, town houses, condominiums, hotels, motels, or
7 assisted living facilities) or other use; provided:

8 a. Capital expenditures for development of the
9 project within the local redevelopment area equal or exceed
10 twenty-five million dollars (\$25,000,000)

11 b. A majority of the members of the authority
12 determine, by a resolution duly adopted, that the project and
13 use thereof would facilitate the retention, development, or
14 redevelopment of an active U.S. Air Force military
15 installation or the area contiguous to such military
16 installation as well as further the public purpose of this
17 act.

18 (20) STATE. The State of Alabama.

19 Section 3. Filing of Application; Authorization of
20 Incorporation by Governing Body of an Authorizing Subdivision.

21 (a) An authority may be organized pursuant to this
22 act. In order to incorporate a public corporation, any number
23 of natural persons, not less than three, who are duly
24 qualified electors of the authorizing subdivision, shall first
25 file a written application with the governing body of the
26 authorizing subdivision, which shall contain all of the
27 following:

1 (1) A statement that the applicants propose to
2 incorporate the authority pursuant to the provisions of this
3 act.

4 (2) A statement of the proposed location of the
5 principal office of the authority, which shall be within the
6 corporate limits of a municipality or geographical limits of a
7 county.

8 (3) A general description of the proposed project.

9 (4) A map or legal description or other description
10 of the proposed local redevelopment area.

11 (5) A statement that each of the applicants is a
12 duly qualified elector residing in the authorizing
13 subdivision.

14 (6) A request that the governing body of the
15 authorizing subdivision adopt a resolution declaring that it
16 is wise, expedient, and necessary that the proposed authority
17 be formed and authorizing the applicants to proceed to form
18 the proposed authority by the filing for record of a
19 certificate of incorporation in accordance with Section 4.

20 (7) A signed letter of authorization from the
21 Governor and the Chair of the Alabama Job Creation and
22 Military Stability Commission designating the project as a
23 project eligible for the benefits of this act.

24 (b) (1) Every application shall be accompanied by
25 supporting documents or evidence as the applicants may
26 consider appropriate. As promptly as may be practicable after
27 the filing of the application in accordance with the

1 provisions of this section, the governing body of the
2 authorizing subdivision shall review the contents of the
3 application, and shall adopt a resolution either:

4 a. Denying the application.

5 b. Declaring that its approval of the application
6 will benefit the authorizing subdivision, as applicable, and
7 will facilitate the retention, development, or redevelopment
8 of an existing military installation or area contiguous to the
9 military installation, and that the proposed authority be
10 formed and authorizing the applicants to proceed to form the
11 proposed authority by filing for record of a certificate of
12 incorporation in accordance with Section 4.

13 (2) The governing body with which the application is
14 filed shall also include a copy of the application in the
15 minutes of the meeting of the governing body at which final
16 action upon the application is taken.

17 Section 4. Procedure to Incorporate; Contents and
18 Execution of Certificate of Incorporation.

19 (a) Within 40 days following the adoption of the
20 authorizing resolution, the applicants shall proceed to
21 incorporate the authority by filing for record in the office
22 of the judge of probate of the county wherein the proposed
23 local redevelopment area is located a certificate of
24 incorporation which shall comply in form and substance with
25 the requirements of this section and which shall be in the
26 form and executed in the manner provided in this section.

1 (b) The certificate of incorporation of the
2 authority shall state all of the following:

3 (1) The names of the persons forming the authority,
4 and that each of them is a duly qualified elector residing in
5 the authorizing subdivision.

6 (2) The name of the authority, which shall include
7 the local redevelopment authority.

8 (3) A general description of the proposed project.

9 (4) The period for the duration of the authority, if
10 the duration is to be perpetual, subject to Section 19, that
11 fact shall be stated.

12 (5) The name of the authorizing subdivision,
13 together with the date on which the governing body thereof
14 adopted the authorizing resolution.

15 (6) The location of the principal office of the
16 authority, which shall be within the corporate limits of the
17 municipality or within the geographical limits of the county,
18 as applicable.

19 (7) That the authority is organized pursuant to the
20 provisions of this act.

21 (8) A map, legal description, or other description
22 describing the geographical area of the local redevelopment
23 area.

24 (9) Any other matters relating to the authority that
25 the incorporators may choose to insert and that are not
26 inconsistent with this act or with the laws of this state.

1 (c) The certificate of incorporation shall be signed
2 and acknowledged by the incorporators before an officer
3 authorized by the laws of this state to take acknowledgments
4 to deeds. When the certificate of incorporation is filed for
5 record, there shall be attached to it the following:

6 (1) A copy of the application as filed with the
7 governing body of the authorizing subdivision in accordance
8 with Section 3.

9 (2) A certified copy of the authorizing resolution
10 adopted by the governing body of the authorizing subdivision.

11 (3) A certificate by the Secretary of State that the
12 name proposed for the authority is not identical to that of
13 any other corporation organized under the laws of this state
14 or so nearly similar thereto as to lead to confusion and
15 uncertainty.

16 (d) Upon the filing for record of the certificate of
17 incorporation and the documents required by subsection (c),
18 the authority shall come into existence and shall constitute a
19 public corporation under the name set forth in the certificate
20 of incorporation. The judge of probate shall send notice to
21 the Secretary of State that the certificate of incorporation
22 of the authority has been filed for record.

23 Section 5. Amendments to Certificate of
24 Incorporation.

25 (a) The certificate of incorporation of the
26 authority incorporated under this act may at any time and from
27 time to time be amended in the manner provided in this

1 section. The board shall first adopt a resolution proposing an
2 amendment to the certificate of incorporation which shall set
3 forth in full in the resolution, and which amendment may
4 include any matters which might have been included in the
5 original certificate of incorporation.

6 (b) After the adoption by the board of a resolution
7 proposing an amendment to the certificate of incorporation of
8 the authority, the chair of the board and the secretary of the
9 authority shall sign and file a written application in the
10 name of and on behalf of the authority, under its seal, with
11 the governing body of the authorizing subdivision, requesting
12 the governing body to adopt a resolution approving the
13 proposed amendment, and accompanied by a certified copy of the
14 resolution adopted by the board proposing the amendment to the
15 certificate of incorporation, together with documents in
16 support of the application as the chair may consider
17 appropriate. As promptly as may be practicable after the
18 filing of the application with the governing body of the
19 authorizing subdivision pursuant to the foregoing provisions
20 of this section, the governing body shall review the
21 application and shall adopt a resolution either denying the
22 application or authorizing the proposed amendment. The
23 governing body shall also cause to be made a part of the
24 minutes of the meeting of the governing body at which final
25 action upon the application is taken.

26 (c) Within 40 days following the adoption by the
27 governing body of the authorizing subdivision of a resolution

1 approving the proposed amendment the chair of the board of the
2 authority and the secretary of the authority shall sign, and
3 file a certificate for record in the office of the judge of
4 probate of the county of incorporation in the name of and on
5 behalf of the authority under its seal reciting the adoption
6 of the respective resolutions by the board and by the
7 governing body and setting forth the proposed amendment. The
8 judge of probate for the county shall record the certificate
9 in an appropriate book in his or her office. When the
10 certificate has been filed and recorded, the amendment shall
11 become effective and the certificate of incorporation shall be
12 amended to the extent provided in the amendment. No
13 certificate of incorporation of the authority shall be amended
14 except in the manner provided in this section.

15 Section 6. Each authority shall be Governed by a
16 Board of Directors.

17 (a) All powers of the authority shall be exercised
18 by the board or pursuant to its authorization. The board shall
19 consist of any number of directors, not less than three, who
20 shall be elected by the governing body of the authorizing
21 subdivision for staggered terms as provided in this section.

22 (b) At the time of the election of the first board,
23 the governing body of the authorizing subdivision shall divide
24 the directors into three groups containing as nearly equal
25 whole numbers as may be possible. The governing body of the
26 authorizing subdivision shall specify for which term each
27 director is elected. The initial term of office of the first

1 group shall be two years. The initial terms of office of the
2 second group shall be four years. The initial term of office
3 of the third group shall be six years.

4 (c) Thereafter, the term of office of each director
5 shall be six years. If at the expiration of any term of office
6 of any director, a successor has not been elected, the
7 director whose term of office has expired shall continue to
8 hold office until his or her successor has been elected. If at
9 any time there is be a vacancy on the board, a successor
10 director shall be elected by the governing body of the
11 authorizing subdivision to serve for the unexpired term
12 applicable to the vacancy.

13 (d) Each director shall be a duly qualified elector
14 residing in the authorizing subdivision. Directors shall be
15 eligible for reelection. Each director shall be reimbursed for
16 expenses actually incurred by him or her in and about the
17 performance of his or her duties. Except as provided in the
18 preceding sentence, no director shall be compensated for
19 serving as a director of the authority.

20 (e) Any director of the authority may be impeached
21 and removed from office in the same manner and on the same
22 grounds provided in Section 175 of the Constitution of Alabama
23 of 1901, and the general laws of the state for impeachment and
24 removal of the officers provided in Section 175 of the
25 Constitution of Alabama of 1901.

26 Section 7. Officers of the Authority.

1 The officers of the authority shall consist of a
2 chair, vice chair, secretary, treasurer, and other officers as
3 its board shall deem necessary or appropriate. The offices of
4 secretary and treasurer may, but need not, be held by the same
5 person. The chair and vice chair of the authority shall be
6 elected by the board from the membership thereof; the
7 secretary, the treasurer, and any other officers of the
8 authority may, but need not, be members of the board and shall
9 also be elected by the board. The chair, vice chair,
10 secretary, and treasurer of the authority shall also be the
11 chair, vice chair, secretary, and treasurer of the board,
12 respectively.

13 Section 8. Powers of Authority.

14 The authority shall have the following powers,
15 together with all powers incidental thereto or necessary to
16 the discharge thereof in corporate form:

17 (1) To have succession by its corporate name for the
18 duration of time, which may be in perpetuity, subject to
19 Section 19, specified in its certificate of incorporation.

20 (2) To sue and be sued in its own name and to
21 prosecute and defend civil actions in any court having
22 jurisdiction of the subject matter and of the parties;
23 provided that the authority shall be deemed to be a
24 governmental entity as defined in Chapter 93 of Title 11, Code
25 of Alabama 1975, for the purpose of limiting the damages for
26 which the authority may be liable.

1 (3) To adopt and make use of a corporate seal and to
2 alter the seal at its pleasure.

3 (4) To adopt and alter bylaws for the regulation and
4 conduct of its affairs and business.

5 (5) To acquire, whether by purchase, construction,
6 exchange, gift, lease, or otherwise, and to refinance existing
7 indebtedness on, improve, maintain, equip, and furnish one or
8 more projects, including all real and personal properties
9 which the board of the authority may deem necessary in
10 connection therewith, regardless of whether or not such
11 projects shall then be in existence.

12 (6) To lease to others any or all of its projects
13 and to share and collect rent thereof, and to terminate any
14 lease upon the failure of the lessee to comply with any of the
15 obligations thereof.

16 (7) To sell, exchange, donate, or convey and to
17 grant options to any lessee to acquire any of its projects and
18 any or all of its properties if the board finds that action is
19 in furtherance of the purposes for which the authority was
20 organized.

21 (8) To issue its bonds for the purpose of carrying
22 out any of its powers.

23 (9) To mortgage and pledge any or all of its
24 projects or any part or parts thereof, as security for the
25 payment of the principal of and interest on any bonds so
26 issued and any agreements made in connection therewith,

1 whether then owned or thereafter acquired, and to pledge the
2 revenues and receipts therefrom or from any thereof.

3 (10) To execute and deliver, in accordance with the
4 provisions of this section and Section 9, mortgages and deeds
5 of trust and trust indentures, or either.

6 (11) To finance, by loan, bond, grant, lease, or
7 otherwise, construct, erect, assemble, purchase, acquire, own,
8 repair, remodel, renovate, rehabilitate, modify, maintain,
9 extend, improve, install, sell, equip, expand, add to,
10 operate, or manage projects and to pay the costs of any
11 project from the proceeds of bonds, or any other funds of the
12 authority, or from any contributions or loans by persons,
13 corporations, partnerships, either general or limited, or
14 other entities, all of which the authority is hereby
15 authorized to receive, accept, and use.

16 (12) To issue and use the proceeds of any bonds or
17 other indebtedness thereof for the purpose of paying or
18 loaning the proceeds thereof to pay all or any part of the
19 cost of any project and otherwise to further or carry out the
20 public purpose of the authority and to pay all costs of the
21 authority incident to, or necessary and appropriate to,
22 furthering or carrying out such purpose.

23 (13) To make application directly or indirectly to
24 any federal, state, county, or municipal government or agency
25 or to any other source, public or private, for loans, grants,
26 guarantees, or other financial assistance in furtherance of
27 the authority's public purpose and to accept and use the same

1 upon the terms and conditions as are prescribed by the
2 federal, state, county, or municipal government or agency or
3 other source.

4 (14) To enter into agreements with the federal
5 government or any agency thereof to use facilities or the
6 services of the federal government or any agency thereof in
7 order to further carry out the purposes of the authority.

8 (15) To contract for any period with this state,
9 state institutions, or any city, town, municipality, or county
10 of the state for the use by the authority of any facilities or
11 services of the state or any state institution, city, town,
12 municipality, or county, or for the use by any state
13 institution or any city, town, municipality, or county of any
14 facilities or services of the authority, provided such
15 contracts shall deal with activities and transactions as the
16 authority and any political subdivision with which the
17 authority contracts are by law authorized to undertake.

18 (16) To extend credit or make loans to any person,
19 corporation, partnership, either general or limited, or other
20 entity for the costs of any project or any part of the costs
21 of any project, which credit or loans may be evidenced or
22 secured by loan agreements, notes, mortgages, deeds to secure
23 debt, trust deeds, security agreements, assignments, or other
24 instruments, or by rentals, revenues, fees, or charges, upon
25 the terms and conditions as the authority shall determine to
26 be reasonable in connection with such extension of credit or
27 loans, including provision for the establishment and

1 maintenance of reserve funds, and, in the exercise of powers
2 granted hereby in connection with any project, the authority
3 may require the inclusion in any loan agreement, note,
4 mortgage, deed to secure debt, trust deed, security agreement,
5 assignment, or other instrument of the provisions or
6 requirements for guaranty of any obligations, insurance,
7 construction, use, operation, maintenance, and financing of a
8 project, and other terms and conditions, as the authority may
9 deem necessary or desirable.

10 (17) To acquire, accept, or retain equitable
11 interests, security interests, or other interests in any real
12 property, personal property, or fixtures by loan agreement,
13 note, mortgage, deed to secure debt, trust deed, security
14 agreement, assignment, pledge, conveyance, contract, lien,
15 loan agreement, or other consensual transfer in order to
16 secure the repayment of any moneys loaned or credit extended
17 by the authority.

18 (18) To appoint, employ, contract with, and provide
19 for the compensation of, officers, employees, and agents,
20 including, without limitation, engineers, attorneys,
21 contractors, consultants, and fiscal advisors, as the board
22 shall deem necessary for the conduct of the business of the
23 authority.

24 (19) To provide the insurance as the board may deem
25 advisable.

26 (20) To make, enter into, and execute contracts,
27 agreements, leases, and other instruments and to take other

1 actions as may be necessary or convenient to accomplish any
2 purpose for which the authority was organized or to exercise
3 any power expressly granted in this act.

4 (21) To require payments in lieu of tax, to be
5 administered in a parallel manner to state ad valorem, income,
6 sales, and use taxes, to be made by any private user of the
7 project to the authority, a cooperative district of which the
8 authority is a member, any municipality, or any county, as the
9 case may be. To enter into any agreements requiring any person
10 to make a payment in lieu of taxes and to enforce the payment
11 in lieu of taxes with all rights of a tax assessor or tax
12 collector within this state collecting ad valorem taxes, sales
13 taxes, or income taxes due to the governing body establishing
14 the authority.

15 (22) To receive and use the proceeds of any tax,
16 fee, charge, or payment in lieu of tax to pay the costs of any
17 project or for any other purpose for which the authority may
18 use its own funds pursuant to this act.

19 (23) To encourage and promote the retention,
20 development and redevelopment of any military installation, or
21 the improvement and revitalization of the local redevelopment
22 area and to make, contract for, or otherwise cause to be made
23 long-range plans or proposals for the local redevelopment area
24 in cooperation with the authorizing subdivision.

25 (24) To exercise any power granted by the laws of
26 this state to public or private corporations, not to include

1 the power of eminent domain, which is not in conflict with the
2 public purpose of the authority.

3 (25) To do all things necessary or convenient to
4 carry out the powers conferred by this act. Nothing in this
5 act shall affect any right, title, or interest in real or
6 personal property, whether recorded or unrecorded, that is
7 held by any person or entity engaged in providing utility
8 services.

9 (26) To enter into agreements with a private user.

10 (27) To pursue any tax liens relating to the failure
11 of any person to make any payments in lieu of tax.

12 (28) To acquire, receive, and take, by purchase,
13 gift, lease, devise, or otherwise, and to hold property of
14 every description, whether located in one or more counties or
15 municipalities.

16 (29) To make, enter into, and execute licenses,
17 contracts, agreements, leases, and other instruments and to
18 take other actions as may be necessary or convenient to
19 accomplish any purpose for which the authority was organized
20 or to exercise any power expressly granted under this section.

21 (30) To plan, establish, develop, acquire, purchase,
22 lease, construct, reconstruct, enlarge, improve, maintain,
23 equip, and operate a project or projects or any part or
24 combination of any thereof, whether located in one or more
25 counties or municipalities, and to acquire franchises and
26 easements deemed necessary or desirable in connection
27 therewith.

1 (31) To assume obligations secured by a lien on or
2 payable out of or secured by a pledge of the revenues from any
3 project or any part of any thereof that may be acquired by the
4 authority, any obligation so assumed to be payable by the
5 authority solely out of the revenues derived from the
6 operation of any project or any thereof of the authority, or
7 any other sources of revenue, taxes, fees, or payments in lieu
8 of tax.

9 (32) To pledge for payment of any bonds issued or
10 obligations assumed by the authority any revenues from which
11 those bonds or obligations are made payable as provided in
12 this act.

13 (33) To execute and deliver trust indentures in
14 accordance with the provisions of this act.

15 (34) To appoint, employ, contract with, and provide
16 for the compensation of officers, employees, and agents,
17 including, but without limitation to, engineers, attorneys,
18 accountants, architects, management consultants, and fiscal
19 advisers as the business of the authority may require.

20 (35) To make and enforce reasonable rules governing
21 the use of any project managed, leased, owned, or controlled
22 by the authority, a cooperative district of which the
23 authority is a member, or any private users.

24 (36) To cooperate with the United States of America,
25 any agency or instrumentality thereof, this state, any county,
26 municipality, or other political subdivision of the state and
27 any public corporation, and to make contracts with them or any

1 of them, as the board may deem advisable to accomplish the
2 purpose for which the authority was established.

3 (37) To sell and convey any of its properties that
4 may have become obsolete or worn out or that may no longer be
5 needed or useful as a part of any project of the authority.

6 (38) To sell and convey, with or without valuable
7 consideration, any of its projects or any portion thereof to
8 any one or more counties, municipalities, or public
9 corporations which have the corporate power to operate the
10 project or portions thereof so conveyed and the property and
11 income of which are not subject to taxation.

12 (39) To enter into a management agreement or
13 agreements with any person for the management by the authority
14 of any project or any part thereof upon such terms and
15 conditions as may be mutually agreeable.

16 (40) To fix and revise from time to time reasonable
17 rentals, licenses, rates, fees, and other charges for the use
18 of any project or portion thereof owned, managed, leased, or
19 operated by the authority, a cooperative district of which the
20 authority is a member, or any private users, and to collect
21 all charges imposed by the foregoing.

22 (41) To require any users of any of its projects any
23 part thereof to make a reasonable deposit with the authority
24 in advance to insure the payment of rentals, licenses, rates,
25 fees or charges, or costs of repair to any damage to the
26 project and to be subject to the application to the payment
27 thereof if and when delinquent.

1 (42) All projects of the authority shall be located
2 wholly within the local redevelopment area.

3 Section 9. Bonds of Authority.

4 (a) Source of Payment. All bonds issued by the
5 authority shall be payable solely out of the revenues and
6 receipts derived from the leasing or sale by the board of its
7 projects, or from any other source as may be designated in the
8 proceedings of the board under which the bonds are authorized
9 to be issued.

10 (b) Pledge of Revenues, Receipts, and Other
11 Security. The principal and interest on any bonds issued by
12 the authority shall be secured by a pledge of the revenues and
13 receipts out of which the principal and interest may be
14 payable and may be secured by a mortgage and deed of trust or
15 trust indenture conveying as security for the bonds all or any
16 part of the property of the authority from which the revenues
17 or receipts so pledged may be derived.

18 (c) Resolutions. The resolution under which the
19 bonds are authorized to be issued and any mortgage and deed of
20 trust or trust indenture may contain any agreements and
21 provisions respecting the operation, maintenance, and
22 insurance of the property covered by the mortgage and deed of
23 trust or trust indenture, the use of the revenues and receipts
24 subject to the mortgage and deed of trust or trust indenture,
25 the creation and maintenance of special funds from the
26 revenues and receipts, the rights, duties, and remedies of the
27 parties to any instrument and the parties for the benefit of

1 whom the instrument is made and the rights and remedies
2 available in the event of default as the board shall deem
3 advisable and which are not in conflict with the provisions of
4 this act. Each pledge, agreement, mortgage, and deed of trust
5 or trust indenture made for the benefit or security of any of
6 the bonds of the authority shall continue effective until the
7 principal of and interest on the bonds for the benefit of
8 which the same were made shall have been fully paid.

9 (d) Defaults. In the event of default in payment or
10 in any agreements of the authority made as a part of the
11 contract under which the bonds were issued, whether contained
12 in the proceedings authorizing the bonds or in any mortgage
13 and deed of trust or trust indenture executed as security
14 therefor, the rights of any holder of the bonds may be
15 enforced by mandamus, the appointment of a receiver, or either
16 of the remedies, and, if provided in the instrument, the
17 mortgage, and the deed of trust, or trust indenture, may be
18 foreclosed.

19 (e) Execution. All bonds issued by the authority
20 shall be signed by the chair of its board and attested by its
21 secretary, and the seal of the authority shall be affixed
22 thereto, and any interest coupons applicable to the bonds of
23 the authority shall be signed by the chair of its board;
24 provided, that as long as the registrar of the bonds has
25 manually signed an authentication certificate for the bonds,
26 facsimile signatures of both of the officers may be printed or
27 otherwise reproduced on any bonds in lieu of each manually

1 signing the same, a facsimile of the seal of the authority may
2 be printed or otherwise reproduced on any bonds in lieu of
3 being manually affixed thereto, and a facsimile of the
4 signature of the chair of the board may be printed or
5 otherwise reproduced on any such interest coupons in lieu of
6 his or her manually signing the same.

7 (f) General provisions respecting form, interest
8 rate, maturities, sale, and negotiability. Any bonds may be
9 executed and delivered by the authority at any time and from
10 time to time, shall be in the form and denominations and of
11 the tenor and maturities, shall contain provisions not
12 inconsistent with the provisions of this act, and shall bear
13 the rate or rates of interest, payable and evidenced in the
14 manner, as may be provided by resolution of its board. Bonds
15 of the authority may be sold at either public or private sale
16 in the manner and at the price or prices and at such time or
17 times as may be determined by the board to be most
18 advantageous. The authority may pay all expenses, premiums,
19 and commissions in connection with any financing performed by
20 it. All bonds, except bonds registered as to principal or as
21 to both principal and interest, and any interest coupons
22 applicable thereto issued by the authority shall be construed
23 to be negotiable instruments although payable solely from a
24 specified source.

25 (g) Nature of obligation and source of payment. All
26 obligations created or assumed and all bonds issued or assumed
27 by the authority shall be solely an obligation of the

1 authority and shall not create an obligation or debt of the
2 state or of any county or of any city; provided that this
3 sentence shall not be construed to release the original
4 obligor from liability on any bond or other obligation assumed
5 by the authority. Any bonds issued by the authority shall be
6 limited or special obligations of the authority payable solely
7 out of its revenues and receipts of the authority specified in
8 the proceedings authorizing those bonds.

9 (h) Eligibility for investment. Bonds of the
10 authority are made legal investments for executors,
11 administrators, trustees, and other fiduciaries, unless
12 otherwise directed by the court having jurisdiction of the
13 fiduciary relation or by the document that is the source of
14 the fiduciary's authority, and for savings banks and insurance
15 companies organized under the laws of the state.

16 (i) Contracts to secure payment of principal and
17 interest. As security for payment of the principal of and the
18 interest on bonds issued or obligations assumed by it, the
19 authority may enter into a contract or contracts binding
20 itself for the proper application of the proceeds of bonds and
21 other funds, for the continued operation and maintenance of
22 any project owned by it or any part or parts thereof, for the
23 imposition and collection of reasonable rates, licenses,
24 rentals, fees, and charges for and the promulgation of
25 reasonable regulations respecting any project, for the
26 disposition and application of its gross revenues or any part
27 thereof, and for any other act or series of acts not

1 inconsistent with the provisions of this act for the
2 protection of the bonds and other obligations being secured
3 and the assurance that the revenues from the project will be
4 sufficient to operate the project, maintain the same in good
5 repair and in good operating condition, pay the principal of
6 and the interest on any bonds payable from the revenues and
7 maintain the reserves as may be deemed appropriate for the
8 protection of the bonds, the efficient operation of the
9 project, and the making of replacements thereof and capital
10 improvements thereto. Any contract pursuant to the provisions
11 of this section may be set forth in any resolution of the
12 board authorizing the issuance of bonds or the assumption of
13 obligations or in any trust indenture made by the authority
14 under this act.

15 Section 10. Proceeds from the Sale of Bonds.

16 All moneys derived from the sale of any bonds issued
17 by the authority shall be used solely for the purpose or
18 purposes for which the same are authorized, including, but
19 limited to, the use of bond proceeds to establish reserve
20 funds as security for the payment of the principal, premium,
21 as applicable, and interest on the bonds, and any costs and
22 expenses incidental thereto. The costs and expenses may
23 include, but shall not be limited to the following:

24 (1) The underwriting, fiscal, engineering, legal,
25 and other expenses incurred in connection with the issuance of
26 the bonds.

1 (2) Except in the case of refunding bonds, interest
2 to accrue on the bonds for a period ending not later than two
3 years from their date.

4 Section 11. Refunding Bonds.

5 Any bonds issued by the authority may from time to
6 time be refunded by the issuance, by sale or exchange, of
7 refunding bonds payable from the same or different sources for
8 the purpose of paying all or any part of the principal of the
9 bonds to be refunded, any redemption premium required to be
10 paid as a condition to the redemption prior to maturity of any
11 bonds that are to be so redeemed in connection with refunding,
12 any accrued and unpaid interest on the bonds to be refunded,
13 any interest to accrue on each bond to be refunded to the date
14 on which it is to be paid, whether at maturity or by
15 redemption prior to maturity, and the expenses incurred in
16 connection with refunding; provided, that unless duly called
17 for redemption pursuant to provisions contained therein; the
18 holders of any bonds then outstanding and proposed to be
19 refunded shall not be compelled without their consent to
20 surrender their outstanding bonds for refunding. Any refunding
21 bonds may be sold by the authority at public or private sale
22 at the price or prices as may be determined by its board to be
23 most advantageous, or may be exchanged for the bonds or other
24 obligations to be refunded. Any refunding bonds may be
25 executed and delivered by the authority at any time and from
26 time to time, shall be in the form and denominations and have
27 the tenor and maturities, shall contain provisions not

1 inconsistent with this act, and shall bear the rate or rates
2 of interest, payable and evidenced in the manner, as may be
3 provided by resolution of its board. Any refunding bonds
4 issued by the authority shall be issued and may be secured in
5 accordance with Section 9.

6 Section 12. Notice of Bond Resolution.

7 (a) Upon the adoption by the board of the authority
8 of any resolution providing for the issuance of bonds, the
9 authority may cause to be published once a week for two
10 consecutive weeks, in a newspaper published and having general
11 circulation in the geographical area of the authorizing
12 subdivision, a notice in substantially the following form (the
13 blanks being properly filled in) at the end of which shall be
14 printed the name and title of either the chair or secretary of
15 the authority.

16 "The _____ Local Redevelopment authority, a public
17 corporation under the laws of the State of Alabama, on the
18 _____ day of _____ authorized the issuance of \$_____ principal
19 amount of bonds of the public corporation for purposes
20 authorized in the act of the Legislature of Alabama under
21 which the public corporation was organized. Any action or
22 proceeding questioning the validity of the bonds, or the
23 pledge and the mortgage and deed of trust or trust indenture
24 to secure the same, or the proceedings authorizing the same,
25 must be commenced within 30 days after the first publication
26 of this notice."

1 (b) A newspaper shall be deemed to be published in
2 the geographical area of the authorizing subdivision, within
3 the meaning of this section, if its principal editorial office
4 is located in the geographical area of the authorizing
5 subdivision.

6 (c) Any action or proceeding in any court to set
7 aside or question the proceedings for the issuance of the
8 bonds referred to in the notice or to contest the validity of
9 any bonds, or the validity of any agreements relating to any
10 payment in lieu of taxes, fees, charges, and any pledge and
11 mortgage and deed of trust or trust indenture made therefor,
12 must be commenced within 30 days after the first publication
13 of the notice. After the expiration of that period, no right
14 of action or defense questioning or attacking the validity of
15 the proceedings or of the bonds or the pledge or mortgage and
16 deed of trust or trust indenture shall be asserted, nor shall
17 the validity of the proceedings, bonds, pledge, mortgage, and
18 deed of trust or trust indenture be open to question in any
19 court on any ground whatsoever except in an action commenced
20 within that period.

21 Section 13. Exemption from Taxation.

22 (a) Any authority formed under this act, a
23 cooperative district of which the authority is a constituent
24 member, the sales, property, and income of the authority or
25 cooperative district, whether used by it or leased to others,
26 all bonds issued by the authority or cooperative district, the
27 income from the bonds or from other sources, the interest and

1 other profits from the bonds inuring to and received by the
2 holders thereof, conveyances by and to the authority or
3 cooperative district of which the authority is a member, and
4 leases, mortgages, and deeds of trust by and to the authority
5 or the cooperative district shall be exempt from all taxation
6 in the state, inclusive of any ad valorem taxes or lodgings
7 taxes imposed by the State of Alabama, a municipality, or
8 county. The authority shall be exempt from the payment of any
9 fees, taxes, or costs to the judge of probate of any county in
10 connection with its incorporation or with any amendment to its
11 certificate of incorporation or otherwise or to any judge of
12 probate of any county in connection with the recording by it
13 of any document or otherwise. No license or excise tax may be
14 imposed by any authority with respect to the privilege of
15 engaging in any of the activities authorized by this article.

16 (b) An authority, any cooperative district of which
17 an authority is a member, and any private user is exempt from
18 the payment of all state, county, and municipal sales and use
19 taxes relating in any way to the construction, operation, and
20 maintenance of the project. The exemption set forth in this
21 section may be conditioned (1) by the authorizing subdivision
22 on a payment by the exempt party of a payment in lieu of tax,
23 or (2) by the authority on a payment by the private user of a
24 payment in lieu of tax pursuant to subdivision (21) of Section
25 8, or by both subdivisions (1) and (2) which shall be subject
26 to enforcement and collection like any sales and use taxes and
27 which shall constitute a first lien on the project and shall

1 be foreclosable in the same manner as a past due assessment
2 pursuant to Section 15. The exemption provided in this
3 subsection shall apply to any cooperative district of which
4 the authority is a constituent member, and any private user
5 which leases, operates, or manages a project owned by the
6 authority or cooperative district of which the authority is a
7 member.

8 (c) Notwithstanding subsections (a) and (b), an
9 authority or a cooperative district of which an authority is a
10 member shall be subject to sales and use taxes, income tax,
11 and ad valorem tax after all bonds financing or refinancing
12 the projects have been paid.

13 (d) Any payments in lieu of tax received by the
14 authority, as set forth in this section, shall be dedicated to
15 the payment of bonds financing or refinancing the projects of
16 the authority, including, but not limited to, accelerated
17 payments and reserve payments. Any funds from the in-lieu-of
18 tax payments remaining with the authority after all bonds
19 financing or refinancing the projects are fully paid, in
20 excess of the amounts necessary to fully repay the bonds,
21 shall be transferred to the governmental entity or entities
22 that would have received the tax revenue if not for the tax
23 exemption and corresponding in lieu of tax payment.

24 Section 14. Liability of the Authorizing
25 Subdivision.

26 The authorizing subdivision shall not in any event
27 be liable for the payment of the principal of, or interest on,

1 any bonds of the authority or for the performance of any
2 pledge, mortgage, obligation, or agreement of any kind
3 whatsoever which may be undertaken by the authority, and none
4 of the bonds of the authority or any of its agreements or
5 obligations shall be construed to constitute indebtedness of
6 the authorizing subdivision within the meaning of any
7 constitutional or statutory provision.

8 Section 15. Failure to Pay Past Due Assessments.

9 If any user, lessee, or owner of the project fails
10 to pay when due, with time being of the essence, any
11 assessments or fees due under this act, including, but without
12 limitation, any payments in lieu of taxes, collectively the
13 "past due assessment," then the authorizing subdivision or
14 authority, or their designated agents, hereinafter
15 collectively referred to as the "fee collector," may commence
16 proceedings to foreclose on the land and improvements of the
17 user, lessee, or owner of the project having land within the
18 State of Alabama, subject to the terms of any executed
19 agreement between the fee collector and the user, lessee, or
20 owner of the project, as follows:

21 (1) The fee collector shall send a letter by means
22 of United States certified mail, return receipt requested, to
23 the last known address of the user, owner, or lessee of the
24 project. The address of the user, owner, or lessee as shown in
25 the tax assessment records of the tax assessor or revenue
26 commissioner for the county in which land of the user, owner,
27 or lessee is located shall be sufficient.

1 (2) The letter shall specify that if payment of the
2 past due assessment is not made within 10 days of the date of
3 the letter, foreclosure proceedings may be commenced against
4 the land of the user, owner, or lessee.

5 (3) Any late payment received within the 10-day
6 period will accrue a late fee of the greater of five percent
7 of the payment or fifty dollars (\$50).

8 (4) If payment is not made within the 10-day period,
9 the entire past due assessment shall become immediately due
10 and payable, and the fee collector may do either of the
11 following:

12 a. File a complaint in the circuit court for the
13 county in which the property of the user, owner, or lessee is
14 located requesting that the property be foreclosed. Thirty
15 days following service of process, unless the past due
16 assessment is paid in the meantime, the court shall enter a
17 decree declaring that the property shall be sold to the
18 highest bidder.

19 b. Proceed to sell the property of the user, owner,
20 or lessee against which the past due assessment is made to the
21 highest bidder for cash.

22 c. In either case, the property of the user, owner,
23 or lessee shall be sold in the same manner and upon the same
24 notice as provided by law for the sale of lands or property by
25 foreclosure by power of sale for mortgages. The proceeds from
26 the sale shall first be applied to the amount of the past due
27 assessment and all accrued interest thereon, plus penalties

1 specified in subdivision (3), plus the attorneys' fees and
2 other expenses incurred by the fee collector in the
3 foreclosure and suit.

4 (5) If the fee collector concludes that no bidders
5 are present or that all bids are insufficient, the fee
6 collector may announce that the sale shall be continued to a
7 later date to be announced by public notice.

8 (6) Upon declaring the highest bidder and receipt of
9 the purchase price, the fee collector shall deliver a
10 foreclosure deed to the highest bidder which shall vest
11 therein legal title to the property sold by this foreclosure,
12 subject to easement or other rights in such property of
13 persons other than the user, owner or lessee that has failed
14 to pay the past due assessment. The user, owner, or lessee of
15 the property shall have no right of redemption unless
16 otherwise provided in the certificate of incorporation of the
17 authority with respect to the past due assessment.

18 (7) The purchase price shall be used first for the
19 payment of the past due assessment, then for the cost of
20 collection, suit, foreclosure, and deed preparation, then for
21 penalties, then for accrued interest and interest until the
22 next principal payment date of bonds as provided in any
23 agreement relating to the payments in lieu of tax or as set
24 forth in this act with respect to prepayments of potentially
25 past due assessments, and then as a reserve fund until any
26 bonds are fully paid, and only then any remaining portion
27 shall be paid to the user, owner, or lessee of the land at

1 user's, owner's, or lessee's last known address as shown in
2 the records of the tax assessor or revenue commissioner with
3 respect to the tract of land.

4 (8) The fee collector may bid on any sale the same
5 as any other person, and may credit any portion of the past
6 due assessment and other costs as a part of its bid.

7 (9) If the highest amount bid and accepted is
8 insufficient to pay the entire past due assessment and to fund
9 a reserve to fully pay any bonds of the authority, the fee
10 collector and holders of the bonds shall have no further claim
11 against the user, owner, or lessee of the land assessed by
12 virtue of the past due assessment.

13 (10) Any foreclosure deed shall make no warranty
14 with respect to the title to the land other than as expressly
15 stated therein.

16 (11) At any point in the foreclosure proceedings,
17 until a bid is accepted, the fee collector may waive the
18 default on the past due assessment on terms as the fee
19 collector may consider proper and reinstate the past due
20 assessment, subject to any contrary terms of the fee
21 collector's proceedings with respect to any bonds.

22 (12) No suit may be brought or maintained to enjoin
23 the collection of any past due assessments under this act.

24 Section 16. Exemption from Usury Laws.

25 The authority shall be exempt from the laws of the
26 State of Alabama governing usury or prescribing or limiting
27 interest rates, including, but without limitation to, the

1 provisions of Chapter 8 of Title 8 of the Code of Alabama
2 1975, as it may at any time be amended.

3 Section 17. Exemption from Competitive Bid Laws.

4 The authority, cooperative district of which the
5 authority is a member, and any private user, and all contracts
6 made by them shall be exempt from the laws of the State of
7 Alabama requiring competitive bids for any contract to be
8 entered into by municipalities or public corporations
9 authorized by them or any public works, including, but without
10 limitation to, the provisions of Article 3 of Chapter 16 of
11 Title 41, commencing at Section 41-16-50, of the Code of
12 Alabama 1975, as amended from time to time, and Chapter 2 of
13 Title 39, commencing at Section 39-2-1 of the Code of Alabama
14 1975, as amended from time to time.

15 Section 18. Freedom of Authority from State
16 Supervision and Control.

17 This act is intended to aid the state through the
18 furtherance of the purposes of this act by providing an
19 appropriate and independent instrumentality of the state with
20 full and adequate powers to fulfill its functions. Except as
21 expressly provided in this act, no proceeding, notice, or
22 approval shall be required for the incorporation of the
23 authority or the amendment of its certificate of
24 incorporation, the issuance of any bonds, the execution of any
25 mortgage and deed of trust or trust indenture, or the exercise
26 of any other of its powers. Neither a public hearing nor the

1 consent of the State Department of Finance shall be a
2 prerequisite to the issuance of bonds by the authority.

3 Section 19. Earnings of the Authority.

4 The authority shall be a nonprofit corporation and
5 no part of its net earnings remaining after payment of its
6 expenses shall inure to the benefit of any individual, firm,
7 or corporation, except that in the event the board shall
8 determine that sufficient provision has been made for the full
9 payment of the expenses, bonds, and other obligations of the
10 authority, then any net earnings of the authority thereafter
11 accruing shall be paid to the authorizing subdivision or
12 private user for the creation and maintenance of the project.

13 Section 20. Dissolution of Corporation and Vesting
14 of Title to Property.

15 At any time when the authority has no bonds or other
16 obligations outstanding, its board may adopt a resolution,
17 which shall be duly entered upon its minutes, declaring that
18 the authority shall be dissolved. Upon filing for record of a
19 certified copy of the resolution in the office of the judge of
20 probate of the county in which the authority was formed
21 pursuant to Section 4, the authority shall thereupon stand
22 dissolved and in the event it owned any property at the time
23 of its dissolution, the title to all its properties shall
24 thereupon pass to the authorizing subdivision or private user
25 as required by any agreement with any private user.

26 Section 21. Existence of Authority Not to Prevent
27 Subsequent Incorporation of Another Authority.

1 The existence of one or more authorities
2 incorporated under this act shall not prevent the subsequent
3 incorporation under this act of another authority or the
4 amendment of the certificate of incorporation of another
5 authority pursuant to authority granted by the same county,
6 counties, municipality or municipalities, public corporation
7 or public corporations, or by the same combination thereof,
8 even though the project described in the certificate of
9 incorporation, as originally filed or amended, of any existing
10 authority may include a project proposed by an authority that
11 is proposed to be incorporated under this act or that proposes
12 to amend its certificate of incorporation under this act.

13 Section 22. Establishment and Revision of Rentals,
14 Licenses, Rates, Fees, and Charges for Services or Facilities
15 Rendered by Authority.

16 Rates, fees, charges, rentals, and licenses for
17 services rendered by the authority, a cooperative district of
18 which the authority is a member, or a private user or
19 facilities provided by the authority, a cooperative district
20 of which the authority is a member, or a private user from any
21 of their projects shall be so fixed and, from time to time,
22 revised as at all times to provide funds at least sufficient,
23 taking into account other sources for the payment thereof, to:

24 (1) Pay the cost of operating, maintaining,
25 repairing, replacing, extending, and improving the project or
26 projects of the authority, a cooperative district of which the
27 authority is a member, or any private user.

1 (2) Pay the principal of and the interest on all
2 bonds issued and obligations assumed by the authority, a
3 cooperative district of which the authority is a member, or
4 any private user that are payable out of the revenues derived
5 from operation of the project or projects of the authority, a
6 cooperative district of which the authority is a member, or
7 any private user as the principal and interest become due and
8 payable.

9 (3) Create and maintain such reserves for the
10 foregoing purposes or any of them as may be provided in any
11 trust indenture executed by the authority, a cooperative
12 district of which the authority is a member, or any private
13 user under this act or in any resolutions or agreements of the
14 board authorizing the issuance of bonds, the assumption of any
15 obligation, or the acquisition of the project.

16 (4) Make annual payments, if any, to the United
17 States of America or any agency or instrumentality thereof,
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, a cooperative district of which the authority
22 is a member, or any private user may have contracted to make.

23 Section 23. Loans, sales, grants, guarantees,
24 contractual or lease obligations of money or property, to an
25 authority, a cooperative district of which the authority is a
26 member, or any private user by counties, municipalities, and
27 public corporations.

1 (a) For the purpose of securing services of or the
2 right to use or the use by its citizens or customers of one or
3 more projects of an authority, a cooperative district of which
4 the authority is a member, or any private user, or aiding or
5 cooperating with the authority, a cooperative district of
6 which the authority is a member, or any private user in the
7 planning, development, undertaking, acquisition, construction,
8 extension, improvement, financing, operation, or protection of
9 a project, any county, municipality, or other political
10 subdivision, public corporation, agency, or instrumentality of
11 this state, upon such terms and with or without consideration,
12 as it determines, may do all of the following:

13 (1) Lend or donate money to, guarantee all or any
14 part of the indebtedness or operating expense of, or perform
15 services for the benefit of, the authority, a cooperative
16 district of which the authority is a member, or any private
17 user.

18 (2) Donate, sell, convey, transfer, lease, or grant
19 to the authority, a cooperative district of which the
20 authority is a member, or any private user, without the
21 necessity of authorization at any election of qualified
22 voters, any property of any kind, including, but without
23 limitation, any project, any interest in any thereof, and any
24 franchise.

25 (3) Contract with the authority, a cooperative
26 district of which the authority is a member, or any private
27 user, or enter into a lease or management agreement under

1 terms as may be mutually agreeable, including a contract
2 obligating it to purchase a certain service or product from
3 the authority, a cooperative district of which the authority
4 is a member, or any private user for a stipulated price in a
5 stipulated period of time, to pay for the service or product
6 whether or not it receives it, to lease all or a part of a
7 project for a stipulated rental for a stipulated period of
8 time, to pay the rental whether or not the leased facilities
9 are available to it, or to make a management fee payment.

10 (4) Do any and all things, whether or not
11 specifically authorized in this section, not otherwise
12 prohibited by law, that are necessary or convenient to aid and
13 cooperate with the authority, a cooperative district of which
14 the authority is a member, or any private user in the
15 planning, undertaking, acquisition, construction, financing,
16 or operation of its projects.

17 (5) Pay, or provide for the payment of, the
18 principal of or interest on any then outstanding bonds
19 theretofore issued by the authority, a cooperative district of
20 which the authority is a member, or any private user, whether
21 or not the principal and interest shall have then matured or
22 become due, and any premium that may be payable upon
23 redemption prior to maturity.

24 (6) Issue its bonds, warrants, or other evidences of
25 indebtedness in order to provide moneys to make any loan,
26 donation, or payment authorized in this subsection.

1 (7) Provide for payment of the bonds of the
2 authority, a cooperative district of which the authority is a
3 member, or any private user by an irrevocable trust fund
4 created by agreement with a bank or trust company.

5 (b) Any bonds, warrants, or other evidences of
6 indebtedness issued by an authorizing subdivision pursuant to
7 authorization in this section may be either general
8 obligations or special obligations payable solely from a
9 specified source or sources, which source or sources may
10 include any public revenues, or portions thereof, which the
11 authorizing subdivision may lawfully use for the purpose. The
12 county or municipality may pledge for payment of the principal
13 of and interest on any bonds that are general obligations any
14 public revenues that may lawfully be used for that purpose and
15 may pledge for the benefit of any special obligations issued
16 by it so much as may be necessary for the payment of the
17 public revenues from which the special obligations are made
18 payable.

19 (c) The proceeds of any bonds issued by an
20 authorizing subdivision for the purpose referred to in this
21 section may be applied for payment of principal, interest, and
22 redemption premium with respect to the authority's bonds to be
23 paid from the proceeds and the expenses of issuing the bonds
24 of the authorizing subdivision.

25 Section 24. In addition to the requirements for
26 dissolution under Section 11-92A-22, Code of Alabama 1975,
27 prior to the dissolution of an authority organized under

1 Chapter 92A of Title 11, Code of Alabama 1975, the authority
2 shall provide notice to the Legislature of the authority's
3 intent to dissolve, as adopted by its board of directors in
4 accordance with Section 11-92A-22, Code of Alabama 1975. The
5 articles of dissolution, as required by Section 11-92A-22,
6 Code of Alabama 1975, may not be effective prior to the 15th
7 legislative day of the regular session of the Legislature that
8 commences no sooner than six weeks after the notice of
9 dissolution is provided to the Legislature as required in this
10 section.

11 Section 25. The provisions of this act are
12 severable. If any part of this act is declared invalid or
13 unconstitutional, that declaration shall not affect the part
14 which remains.

15 Section 26. This act shall become effective
16 immediately following its passage and approval by the
17 Governor, or its otherwise becoming law.