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3 HOUSE URBAN AND RURAL DEVELOPMENT COMMITTEE SUBSTITUTE FOR
4 SB215, AS ENGROSSED

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9 SYNOPSIS: This bill would create the Alabama Digital
10 Expansion Authority to oversee the expansion and
11 availability of high-speed broadband services
12 throughout the state.

13 This bill would require the Alabama Digital
14 Expansion Division, created within ADECA and at the
15 direction and approval of the authority, to develop
16 and execute a statewide connectivity plan and
17 establish and administer a broadband accessibility
18 grant program.

19 This bill would also create the Alabama
20 Digital Finance Corporation to further support and
21 oversee funding to accomplish the objectives of the
22 authority and the division.

23
24 A BILL
25 TO BE ENTITLED
26 AN ACT
27

1 Relating to broadband; to create the Alabama Digital
2 Expansion Authority; to provide for the membership and duties
3 of the authority; to create the Alabama Digital Expansion
4 Division of ADECA; to provide for its duties; to provide for
5 the appointment of a director and employees of the division;
6 to create the Connect Alabama Fund for the deposit of
7 appropriations, gifts, grants, and other funds; to require
8 certain reports to the Legislature and the public; to provide
9 general rulemaking authority; to allow for the creation of a
10 statewide research and education network; to create the
11 Alabama Digital Finance Corporation; to provide for its
12 members and duties; to provide for bond authority; and to
13 provide for reporting to the Legislature.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. This act shall be known and may be cited
16 as the Connect Alabama Act of 2021.

17 Section 2. For the purposes of this act, the
18 following terms shall have the following meanings:

19 (1) ADECA. The Alabama Department of Economic and
20 Community Affairs.

21 (2) CONNECT ALABAMA FUND. A fund created within the
22 State Treasury to be administered by the Alabama Digital
23 Finance Corporation, with funds distributed by the corporation
24 to ADECA for use by the division for the implementation and
25 administration of the statewide connectivity plan.

26 (3) CORPORATION. The Alabama Digital Finance
27 Corporation.

1 (4) DIVISION. The Alabama Digital Expansion Division
2 of ADECA.

3 (5) END USER. A residential, business,
4 institutional, or government entity that uses broadband
5 services for its own purposes and does not resell the
6 broadband services to other entities.

7 (6) MIDDLE MILE PROJECT. A broadband infrastructure
8 project that does not provide broadband service to end users
9 or to end-user devices.

10 (7) MINIMUM SERVICE THRESHOLD. A connection to the
11 Internet that provides capacity for transmission at a minimum
12 speed per customer necessary to meet the definition of
13 advanced telecommunications capability for fixed broadband
14 services as set by the Federal Communications Commission.

15 (8) RURAL AREA. Any area within this state not
16 included within the boundaries of any incorporated city or
17 town having a population of more than 25,000 inhabitants,
18 according to the last federal census.

19 (9) UNSERVED AREA. Any area that is determined by
20 the division to not have at least one provider of terrestrial
21 broadband service that offers a connection to the Internet
22 that meets or exceeds the minimum service threshold.

23 Section 3. (a) The Alabama Digital Expansion
24 Authority shall advise, review, and approve the statewide
25 connectivity plan.

26 (b) The authority may recommend policies and
27 procedures for the expansion and availability of high-speed

1 broadband services throughout the state through review and
2 approval of the statewide connectivity plan.

3 (c) The authority shall direct the corporation
4 regarding the timing and quantity of funds required to support
5 the division's execution of the statewide connectivity plan as
6 provided in this act.

7 (d) The authority shall meet annually with the
8 Alabama Rural Broadband Oversight Committee, which was
9 established under Section 41-23-214, Code of Alabama 1975, for
10 the purpose of receiving a report from ADECA as provided in
11 Section 14 of this Act.

12 (e) The authority may create advisory committees to
13 assist and advise the authority in the performance and
14 administration of its objectives and duties, including the
15 hiring and retention of third-party consultants as determined
16 to be necessary by the authority.

17 (f) The authority shall consist of the Director of
18 ADECA, the Division Chief of the Digital Expansion Division,
19 who shall serve as a nonvoting member, and individuals who are
20 public officials or public employees, as defined by Section
21 36-25-1, Code of Alabama, 1975, designated by the following:

22 (1) One by the Governor.

23 (2) One by the Lieutenant Governor.

24 (3) Two by the President Pro Tempore of the Senate.

25 (4) Two by the Speaker of the House of
26 Representatives.

1 (5) One by the Secretary of the Department of
2 Commerce.

3 (6) One by the Secretary of Information Technology.

4 (7) One by the Director of Finance.

5 (g) The appointing authorities shall coordinate
6 their designations so that diversity of gender, race, and
7 geographical areas is reflective of the makeup of this state.

8 (h) Members of the authority shall serve without
9 compensation but shall be reimbursed for per diem and travel
10 expenses at the same rate and under the same circumstances as
11 are payable by law to state employees for each day they attend
12 business of the authority.

13 (i) Any designated members of the authority shall
14 serve at the pleasure of the appointing authority.

15 (j) The Governor's designee shall call the first
16 meeting of the authority not later than 30 days from the
17 effective date of this act. At the first meeting, the members
18 of the authority shall elect a chair and vice chair. Meetings
19 of the authority shall be called by the chair or by a majority
20 of its members.

21 (k) Members of the authority or any committee
22 established by the authority may participate in a meeting of
23 the authority or committee in person, by means of telephone
24 conference, video conference, or other similar communications
25 equipment so that all individuals participating in the meeting
26 may hear each other at the same time. Participation by any
27 such means shall constitute presence in person at a meeting

1 for all purposes, including for purposes of establishing a
2 quorum, and the affirmative vote of a majority of the members
3 then in office shall be necessary for any action of the
4 authority.

5 Section 4. (a) The Alabama Digital Expansion
6 Division is created as a subdivision of ADECA. The division
7 shall be run by a division chief, who shall be appointed by
8 the Director of ADECA, with the approval of the Governor. The
9 division chief shall report to, and be under the direct
10 supervision of, the Director of ADECA. The division chief
11 shall carry out the functions and duties of the division. The
12 division chief shall be knowledgeable in matters relating to
13 broadband and shall have no financial interest in any
14 broadband or related business or enterprise which would
15 conflict or be inconsistent with his or her duties as division
16 chief. The division chief may be a State Merit System
17 employee, and shall be entitled to insurance, retirement, and
18 other state employees' benefits. The salary of the division
19 chief shall be set in accordance with state law. Prior to the
20 appointment and approval of a division chief, the Director of
21 ADECA may appoint an acting division chief or may assume the
22 responsibilities of, and serve in the capacity as, division
23 chief until a division chief is selected.

24 (b) The division chief shall have the power and
25 authority necessary to carry out the functions and duties of
26 the division. All functions and duties of the division shall
27 be exercised by the division chief or through such employees

1 or other individuals the division chief may designate. In the
2 performance and exercise of such powers, authorities,
3 functions, and duties, the division chief and other employees
4 of the division shall be subject to all legal requirements,
5 restrictions, limitations, conditions, and penalties, whether
6 civil or criminal. These powers, authorities, functions, and
7 duties include but are not limited to, the following:

8 (1) Exercise duties as the chief executive of the
9 division and exercise, consistent with this act and other
10 applicable laws, all the powers, authority, and duties vested
11 by this act and any other applicable ADECA policies and
12 regulations or laws providing for the operation of the
13 division.

14 (2) Employ, with the approval of the Director of
15 ADECA, all individuals necessary for the efficient operation
16 of the division, including professional, technical, clerical,
17 and other staff, including attorneys, special counsel, and
18 such consultants as are necessary to accomplish the objectives
19 of this act.

20 Section 5. Upon approval by the Director of ADECA,
21 the division chief may establish technical and other advisory
22 committees to advise the division with respect to specific
23 objectives.

24 Section 6. The division, in collaboration with the
25 authority, shall have all of the following powers and duties:

26 (1) To promote the expansion and availability of
27 high-speed broadband networks, services, and technologies

1 throughout the state, including, but not limited to, rural
2 areas, underserved areas, and unserved areas of the state.

3 (2) To develop and begin executing a statewide
4 connectivity plan, as approved by the authority, to facilitate
5 the expansion and availability of high-speed broadband
6 networks, services, and technologies throughout the state,
7 including a timeline for implementation of the plan. The plan
8 must consider the need for broadband expansion in rural areas,
9 underserved areas, and unserved areas, as well as any other
10 obstacles to broadband adoption. It shall include
11 recommendations for funding, and plans for implementation of
12 the following objectives, including but not limited to:

13 a. Evaluate the existing long-haul and middle mile
14 projects for fiber network throughout the state.

15 b. The development and expansion of a secure,
16 reliable, and robust, multi-purpose, long-haul and middle mile
17 projects for fiber network throughout the state, which shall
18 be established in the most cost effective and efficient manner
19 for the state using existing, available infrastructure, and in
20 consultation with broadband service providers in the state,
21 where consistent with these parameters. The fiber network
22 shall not be owned by the state or ADECA.

23 c. Projects for providing last-mile infrastructure
24 and lit services for specific applications and use cases that
25 are determined by the division to be a priority supported by
26 the network or portions of the network funded under the
27 statewide connectivity plan.

1 d. Consideration of suggestions and recommendations
2 of the Alabama Supercomputer Authority.

3 (3) To implement the authority-approved statewide
4 connectivity plan and to enter into contracts and leases for
5 purposes consistent with the priorities of the plan. In
6 developing the statewide connectivity plan, the division may
7 seek input from incumbent Internet service providers, other
8 service providers, and other owners and operators of
9 infrastructure involved in providing high-speed broadband
10 service.

11 (4) To establish and administer a broadband
12 accessibility grant program, in collaboration with the
13 authority, and in coordination with the Alabama Broadband
14 Accessibility Act, Section 41-23-210, et seq., Code of Alabama
15 1975, where applicable, for the purpose of promoting the
16 deployment and adoption of high-speed broadband Internet
17 networks, services, and technologies throughout the state,
18 including, but not limited to, rural areas, underserved areas,
19 and unserved areas of the state consistent with the
20 requirements of this act. For three years following the
21 effective date of this act, 70 percent of the state funds
22 received by ADECA or the division for the Connect Alabama Fund
23 shall be expended by the division for the extension of
24 last-mile infrastructure in unserved rural areas at minimum
25 speeds of 100 megabits per second (Mbps) upstream and 100 Mbps
26 downstream. After this time, all funds received by the
27 corporation for the statewide connectivity plan shall be

1 expended according to the goals of the program and the
2 statewide connectivity plan, as identified by the division,
3 and subject to any applicable legal requirements. Federal and
4 other funds received by the corporation and the Connect
5 Alabama Fund shall be expended by the division in accordance
6 with the statewide connectivity plan and any legal
7 requirements applicable to those funds.

8 (5) To adopt rules and policies, as approved by
9 ADECA, within 90 days of establishing and receiving the
10 initial funding for the statewide connectivity plan, to
11 administer the program and to begin to accept applications for
12 grants, including any rules necessary to meet the future needs
13 of the grant program.

14 (6) To develop strategies and support efforts to
15 attract and leverage grant funds, federal resources, and
16 private investment in furtherance of this act.

17 (7) To accept and receive funds, gifts, grants,
18 property, labor, or other monetary or in-kind contributions of
19 any type or from any source, including, but not limited to,
20 federal and state grants, appropriations, loans, and loan
21 guarantees.

22 (8) To administer the distribution of funds, grants,
23 loans, loan guarantees, or other funds and resources received
24 by the division and to ensure that grant funds awarded under
25 this act are used for the purposes specified in this act.

26 (9) To promote and encourage private investments and
27 applications for available grants.

1 (10) To perform any other actions necessary or
2 convenient for the implementation and administration of this
3 act and in compliance with state and federal law.

4 Section 7. Members of the authority, the division
5 chief, and employees of the division shall be subject to
6 Chapter 25 of Title 36, Code of Alabama 1975.

7 Section 8. Meetings of the authority are subject to
8 the requirements of Chapter 25A of Title 36, Code of Alabama
9 1975.

10 Section 9. The division may enter into contracts for
11 any and all purposes that are in furtherance of this act or
12 consistent with these purposes. The division shall comply with
13 any competitive bid requirements in Article 2, Chapter 16,
14 Title 41, Code of Alabama 1975, and Chapter 2 of Title 39,
15 Code of Alabama 1975, and any requirements relating to the
16 procurement of professional service providers in Section
17 41-16-72, Code of Alabama 1975.

18 Section 10. (a) There is created within the State
19 Treasury the Connect Alabama Fund to be administered by the
20 corporation. Appropriations by the Legislature, federal funds,
21 gifts, grants, and other donations from any source that are
22 received by the corporation shall be deposited into the fund
23 to be distributed by the corporation to ADECA for use by the
24 division for the implementation and administration of the
25 statewide connectivity plan, including for the payment of the
26 salaries of the division chief and any other employees and for

1 the operating and administrative expenses of the authority and
2 ADECA for the division.

3 (b) Any funds received by the corporation that are
4 unspent at the end of a fiscal year shall be carried over for
5 use by the program in the next fiscal year. Any interest
6 earned from these funds shall be credited to the Connect
7 Alabama Fund.

8 Section 11. Upon a majority vote of its members, the
9 authority may create an entity that will assist the state's
10 universities, university health care systems, research
11 institutions, and the Alabama Community College System in the
12 development of a statewide research and education network and
13 other cooperative ventures of innovative technological
14 significance to advance higher education, research, health
15 care, and economic development within the state.

16 Section 12. (a) The Alabama Digital Expansion
17 Finance Corporation is hereby created as a public corporation
18 of the State of Alabama. The corporation shall have perpetual
19 existence, subject to the provisions for dissolution of the
20 corporation provided in this act. The corporation shall
21 consist of the following members:

22 (1) The Governor, who shall be the chair.

23 (2) The Lieutenant Governor, who shall be the vice
24 chair.

25 (3) The Director of Finance, who shall be the
26 secretary.

27 (4) The Speaker of the House of Representatives.

1 (5) The President Pro Tempore of the Senate.

2 (6) The Chair of the Senate Finance and Taxation
3 General Fund Committee.

4 (7) The Chair of the Senate Finance and Taxation
5 Education Committee.

6 (8) The Chair of the House Ways and Means General
7 Fund Committee.

8 (9) The Chair of the House Ways and Means Education
9 Committee.

10 (b) Attendance by any five corporation members shall
11 constitute a quorum to authorize the transaction of business.

12 (c) For purposes of this section, the following
13 words shall have the following meanings:

14 (1) BONDS. Includes bonds, notes, or other evidences
15 of indebtedness, except as otherwise provided in this act.

16 (2) CORPORATION. The Alabama Digital Expansion
17 Finance Corporation.

18 (3) ELIGIBLE PROJECT. Includes any project that the
19 corporation determines would expand, increase, or improve the
20 availability of high-speed broadband networks, services, or
21 technologies throughout the state and which qualify for
22 funding under the statewide connectivity plan and its
23 objectives as set forth by the division in Section 6(2).

24 (4) PERMITTED INVESTMENTS. Includes any of the
25 following:

1 a. Certificates of deposit, savings accounts,
2 deposit accounts, or money market deposit accounts that are
3 any of the following:

4 1. Secured as provided in Chapter 14A of Title 41,
5 Code of Alabama 1975.

6 2. Fully insured by the FDIC.

7 3. Made with a bank whose unsecured, long-term
8 obligations are rated by at least one nationally recognized
9 securities rating agency in one of the three highest rating
10 categories assigned by that rating agency.

11 b. Direct obligations of, or obligations the full
12 and timely payment of which is guaranteed by, the United
13 States of America, including unit investment trusts and mutual
14 funds that invest solely in such obligations.

15 c. Bonds, debentures, notes, pass through
16 securities, or other obligations issued or guaranteed by any
17 federal agency or corporation which has been or may hereafter
18 be created by or pursuant to an act of the Congress of the
19 United States of America as an agency or instrumentality
20 thereof if such obligations are either of the following:

21 1. Backed by the full faith and credit of the United
22 States of America.

23 2. Rated by at least one nationally recognized
24 securities rating agency in one of the three highest rating
25 categories assigned by the rating agency.

1 d. Commercial paper which is rated not less than
2 "P-1" by Moody's Investor Service or "A-1+" by Standard and
3 Poor's at the time of purchase.

4 e. Money market funds rated by at least one
5 nationally recognized securities rating agency in one of the
6 three highest rating categories assigned by that rating
7 agency.

8 f. Bonds, warrants, notes, or other obligations
9 issued by any state, county, or municipality that are rated by
10 at least one nationally recognized securities rating agency in
11 one of the three highest rating categories assigned by that
12 rating agency.

13 g. Investment agreements, including, without
14 limitation, guaranteed investment contracts, repurchase
15 agreements, and forward purchase agreements, provided that all
16 of the following are satisfied:

17 1. Any securities purchased or held pursuant to such
18 agreement are otherwise permitted investments.

19 2. The counterparty's long-term debt obligations are
20 rated by at least one nationally recognized securities rating
21 agency in one of the three highest rating categories assigned
22 by that rating agency.

23 3. The securities, if purchased, are owned by the
24 corporation or a paying agent or trustee for any of the
25 corporation's obligations and are held by the corporation, the
26 paying agent, the trustee, or a third-party custodian
27 acceptable to the corporation or, if held as collateral, are

1 held by the corporation, the paying agent, the trustee, or a
2 third-party custodian acceptable to the corporation with a
3 perfected first security interest in such collateral.

4 h. Investment or cash management agreements with a
5 commercial bank whose senior long-term debt obligations are,
6 at the time of the acquisition of any such investment or cash
7 management agreement for the account of the corporation, rated
8 by at least one nationally recognized securities rating agency
9 in one of the three highest rating categories assigned by that
10 rating agency, or with a commercial bank that is owned or
11 controlled by a bank holding company whose senior long-term
12 debt obligations are, at the time of the acquisition of any
13 such investment or cash management agreement for the account
14 of the corporation, rated by at least one nationally
15 recognized securities rating agency in one of the three
16 highest rating categories assigned by that rating agency.

17 (d) The corporation shall have all power necessary,
18 useful, or appropriate to fund, operate, and administer the
19 corporation, and to perform its other functions including, but
20 not limited to, the following powers:

21 (1) Adopt, amend, and repeal bylaws not inconsistent
22 with this act for the administration of the corporation's
23 affairs and the implementation of its functions.

24 (2) Sue and be sued.

25 (3) Have a seal and alter it at pleasure, although
26 the failure to affix the seal does not affect the validity of
27 an instrument executed on behalf of the corporation.

1 (4) Enter into contracts, arrangements, and
2 agreements with any persons or entities and execute and
3 deliver all contracts, agreements, and other instruments
4 necessary or convenient to the exercise of the powers granted
5 in this act.

6 (5) Enter into agreements with a department, agency,
7 or instrumentality of the United States or of this state or
8 another state for the purpose of planning and providing for
9 any eligible project.

10 (6) Acquire by purchase, lease, donation, or other
11 lawful means and sell, convey, pledge, lease, exchange,
12 transfer, and dispose of all or any part of its properties and
13 assets of every kind and character or any interest in it to
14 further the public purpose of the corporation.

15 (7) Collect or authorize the paying agent or trustee
16 under any resolution or trust indenture, as appropriate,
17 securing any bonds to collect amounts due under any loan or
18 funding obligations owned by the corporation, including taking
19 the action required to obtain payment of any sums in default.

20 (8) Borrow money through the issuance of bonds and
21 other forms of indebtedness as provided in this act.

22 (9) Expend funds to obtain accounting, management,
23 legal, financial consulting, technical, and other professional
24 services necessary to the operations of the corporation.

25 (10) Expend funds credited to the corporation as it
26 deems necessary for the costs of administering the operations
27 of the corporation.

1 (11) Apply for, receive, and accept from any source,
2 aid, grants, and contributions of money, property, labor, or
3 other things of value to be used to carry out the purposes of
4 this act subject to the conditions upon which the aid, grants,
5 or contributions are made.

6 (12) Appoint and employ attorneys, accountants,
7 financial advisors, underwriters, trustees, depositories,
8 registrars, fiscal agents, and other advisors, consultants,
9 agents, and independent contractors as may be necessary or
10 desirable.

11 (13) Do all other things necessary or convenient to
12 carry out the purposes and powers conferred by this act.

13 (e) The corporation shall manage and distribute
14 funds received for the authority and the division to achieve
15 the objectives of this act.

16 (f) The corporation shall comply with any
17 competitive bid requirements in Article 2, Chapter 16, Title
18 41, Code of Alabama 1975, and Chapter 2, Title 39, Code of
19 Alabama 1975, and any requirements relating to the procurement
20 of professional service providers in Section 41-16-72, Code of
21 Alabama 1975.

22 (g) The corporation is performing an essential
23 governmental function in the exercise of the powers conferred
24 upon it and is not required to pay any taxes or assessments,
25 whether state or local, upon its property or upon its
26 operations or the income from them, or taxes or assessments

1 upon property or loan obligations acquired or used by the
2 corporation or upon the income from them.

3 (h) Neither the members nor any officer, employee,
4 or committee of the corporation acting on behalf of it, while
5 acting within the scope of authority granted by this act, is
6 subject to any liability resulting from carrying out any of
7 the powers given in this act as provided in Section 36-1-12,
8 Code of Alabama 1975.

9 (i) Money in funds or accounts of the corporation
10 may be invested in permitted investments.

11 (j) (1) Whenever it shall become necessary that
12 monies be raised for eligible projects, including monies to be
13 used to refund any bonds then outstanding, the corporation may
14 issue bonds in an aggregate principal amount not to exceed two
15 hundred fifty million dollars (\$250,000,000) in any fiscal
16 year of the state, excluding bonds issued to refund other
17 outstanding bonds of the corporation, as provided in this act.

18 (2) The corporation may pledge any of its revenues
19 or funds, including, without limitation, revenues or funds
20 appropriated to the corporation by the Legislature, to the
21 payment of its bonds. Bonds may also be secured by a pledge of
22 any loan obligation or funding agreement owned by the
23 corporation, any grant, contribution, or guaranty from the
24 United States, the state, or any corporation, association,
25 institution, or person, any bond insurance, guarantees,
26 letters of credit, or other forms of credit enhancement
27 purchased or otherwise obtained by the corporation from any

1 public or private entity, any other property or assets of the
2 corporation, or a pledge of any money, income, or revenue of
3 the corporation from any source.

4 (3) Bonds, other financial assistance, and other
5 obligations issued by the corporation shall not constitute an
6 obligation or debt of this state, or any of its political
7 subdivisions, but shall be limited obligations of the
8 corporation payable solely from the revenue, money, or
9 property of the corporation pledged by the corporation for
10 such purpose as provided in this act. Bonds may not be general
11 obligations of the corporation. Any bonds, other financial
12 assistance, or other obligations of the corporation issued do
13 not constitute an indebtedness of the state or any of its
14 political subdivisions within the meaning of any
15 constitutional or statutory limitation, and neither the full
16 faith and credit nor the taxing power of the state, or any of
17 its political subdivisions, is pledged to the payment thereof.
18 No member of the corporation or any person executing bonds,
19 other financial assistance, or other obligations of the
20 corporation is liable personally thereon by reason of their
21 issuance or execution. Each bond, other financial assistance,
22 and other obligation issued under this act shall contain on
23 its face a statement to the effect of the following:

24 a. The instrument is not a general obligation of the
25 corporation, but is a limited obligation of the corporation
26 payable solely from the revenue, money, or property of the
27 corporation pledged therefor.

1 b. The instrument is not an obligation or debt of
2 the state, or any of its political subdivisions, and neither
3 the full faith and credit nor the taxing power of the state,
4 or any of its political subdivisions, is pledged to the
5 payment of the instrument.

6 c. The corporation does not have taxing power.

7 (4) The bonds of the corporation must be authorized
8 by a resolution of the corporation.

9 (5) The bonds shall bear the date and mature at the
10 time which the resolution provides, except that no bond may
11 mature more than 40 years from its date of issue.

12 (6) The bonds shall be in a form and shall be
13 executed in a manner prescribed by the corporation. If any of
14 the members or officers of the corporation cease to be members
15 or officers before the delivery of any bonds signed by them,
16 their signatures or authorized facsimile signatures are
17 nevertheless valid and sufficient for all purposes as if they
18 had remained in office until the delivery of the bonds. The
19 bonds may be in the denominations, be executed in the manner,
20 be payable in the medium of payment, be payable at the place
21 and at the time, and be subject to redemption or repurchase
22 and contain other provisions determined by the corporation
23 prior to their issuance.

24 (7) The bonds may bear interest payable at a time
25 and at a rate as determined by the corporation, including the
26 determination by agents designated by the corporation under
27 guidelines established by it.

1 (8) Bonds may be sold by the corporation at public
2 or private sale at the price it determines and approves.

3 (9) Bonds may be secured by the provisions of a
4 resolution or a trust indenture between the corporation and a
5 paying agent or corporate trustee, as appropriate, which may
6 be the State Treasurer or any bank having trust powers or any
7 trust company doing business in this state. A resolution or
8 trust indenture may contain provisions for protecting and
9 enforcing the rights and remedies of the bondholders which are
10 reasonable and proper, including covenants setting forth the
11 duties of the corporation in relation to the exercise of its
12 powers and the custody, safekeeping, and application of its
13 money. The corporation may provide by the resolution or trust
14 indenture for the payment of the proceeds of the bonds and all
15 or any part of the revenues of the corporation to the paying
16 agent or trustee under the resolution or trust indenture or to
17 some other depository, and for the method of its disbursement
18 with safeguards and restrictions prescribed by it.

19 (10) Any resolution or trust indenture pursuant to
20 which bonds are issued may contain provisions which are part
21 of the contract with the holders of the bonds and which
22 include the following:

23 a. Pledging specific revenues of the corporation to
24 secure the payment of the bonds.

25 b. Pledging specific assets of the corporation
26 including, without limitation, loan obligations owned by it to
27 secure the payment of the bonds.

1 c. The use and disposition of the gross income from,
2 and payment of the principal of, and interest on loan
3 obligations and funding agreements owned by the corporation.

4 d. The establishment of reserves, sinking funds, and
5 other funds and accounts, and their regulation and
6 disposition.

7 e. Limitations on the purposes to which the proceeds
8 from the sale of the bonds may be applied, and limitations on
9 pledging the proceeds to secure the payment of the bonds.

10 f. Limitations on the issuance of additional bonds,
11 the terms upon which additional bonds may be issued and
12 secured, and the refunding of outstanding bonds.

13 g. The procedure, if any, by which the terms of any
14 contract with bondholders may be amended or abrogated, the
15 amount of bonds, if any, the holders of which must consent
16 thereto, and the manner in which any consent may be given.

17 h. Vesting in a trustee property, rights, powers,
18 and duties as the corporation may determine, limiting or
19 abrogating the right of bondholders to appoint a trustee, and
20 limiting the rights, powers, and duties of the trustee.

21 i. Defining the acts or omissions which constitute a
22 default, the obligations or duties of the corporation to the
23 holders of the bonds, and the rights and remedies of the
24 holders of the bonds in the event of default.

25 j. Requiring the corporation or the trustee under
26 the trust indenture to take any and all other action to obtain
27 payment of all sums required to eliminate any default as to

1 any principal of and interest on loan obligations and funding
2 agreements owned by the corporation or held by a trustee,
3 which may be authorized by the laws of this state.

4 k. Any other matter relating to the terms of the
5 bonds or the security or protection of the holders of the
6 bonds which may be considered appropriate.

7 (11) Any pledge made by the corporation to secure
8 its obligations with respect to grants, bonds, or other
9 financial assistance is valid and binding from the time the
10 pledge is made. The revenue, money, or property pledged and
11 received by the corporation is immediately subject to the lien
12 of the pledge without any physical delivery or further act.
13 The lien of any pledge is valid and binding as against all
14 parties having claims of any kind in tort, contract, or
15 otherwise against the corporation, irrespective of whether the
16 parties have notice of the pledge.

17 (12) No recording or filing of the resolution
18 authorizing the grant, the issuance of bonds or other
19 financial assistance, the trust indenture or other financing
20 agreement securing the grant, bonds or other financial
21 assistance, or any other instrument including filings under
22 the Uniform Commercial Code is necessary to create or perfect
23 any pledge or security interest granted by the corporation to
24 secure any grants, bonds, or other financial assistance.

25 (13) Any bonds issued by the corporation, the
26 transfer of bonds, and the income from them, are free from
27 taxation and assessment of every kind by the state and by the

1 local governments and other political subdivisions of the
2 state.

3 (14) The bonds issued by the corporation are legal
4 investments in which all public officers or public bodies of
5 the state, its political subdivisions, all municipalities and
6 political subdivisions, all insurance companies and
7 associations, and other persons carrying on insurance
8 business, all banks, bankers, banking associations, trust
9 companies, savings banks, savings associations, including
10 savings and loan association investment companies, and other
11 persons carrying on a banking business, all administrators,
12 guardians, executors, trustees, and other fiduciaries, and all
13 other persons who are now or may be authorized in the future
14 to invest in bonds or other obligations of the state, may
15 invest funds in their control or belonging to them.

16 (15) The corporation shall be a nonprofit
17 corporation and no part of its net earnings remaining after
18 payment of its expenses shall inure to the benefit of any
19 individual, firm, or corporation, except that in the event its
20 members shall determine that sufficient provision has been
21 made for the full payment of the expenses, grants, bonds,
22 other financial assistance, and other obligations of the
23 corporation, then any net earnings of the corporation
24 thereafter accruing shall be paid to the Connect Alabama Fund.

25 (16) At any time when no bonds, other financial
26 assistance, or other obligations of the corporation are
27 outstanding, the corporation may be dissolved upon the filing

1 with the Secretary of State of an application for dissolution,
2 which shall be subscribed by each of the members of the
3 corporation and which shall be sworn to by each member before
4 an officer authorized to take acknowledgments to deeds. Upon
5 the filing of the application for dissolution, the corporation
6 shall cease and any property owned by it at the time of its
7 dissolution shall pass to the state. The Secretary of State
8 shall file and record the application for dissolution, in an
9 appropriate book of record in his or her office, and shall
10 make and issue, under the Great Seal of the State, a
11 certificate stating that the corporation is dissolved and
12 shall record the certificate with the application for
13 dissolution.

14 Section 13. (a) Beginning one year from the
15 effective date of this act, and in conjunction with the annual
16 meeting of the authority and the Alabama Rural Broadband
17 Oversight Committee, as provided for in Section 3(d), ADECA
18 shall provide a report to the Legislature on the status of
19 grants awarded under this act and other activities of the
20 division.

21 (b) ADECA shall publish the reports required under
22 subsection (a) on its public website.

23 Section 14. This act shall become effective
24 immediately following its passage and approval by the
25 Governor, or its otherwise becoming law.