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3 CONFERENCE COMMITTEE SUBSTITUTE FOR SB215
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8 SYNOPSIS: This bill would create the Alabama Digital
9 Expansion Authority to oversee the expansion and
10 availability of high-speed broadband services
11 throughout the state.

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

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

23 A BILL
24 TO BE ENTITLED
25 AN ACT
26

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 division chief and employees of the
6 division; to create the Connect Alabama Fund for the deposit
7 of 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 Expansion Finance Corporation; to provide for
12 its 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) AUTHORITY. The Alabama Digital Expansion
22 Authority.

23 (3) CONNECT ALABAMA FUND. A fund created within the
24 State Treasury to be administered by the Alabama Digital
25 Expansion Finance Corporation, with funds distributed by the
26 corporation to ADECA for use by the division for the

1 implementation and administration of the statewide
2 connectivity plan.

3 (4) CORPORATION. The Alabama Digital Expansion
4 Finance Corporation.

5 (5) DIVISION. The Alabama Digital Expansion Division
6 of ADECA.

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

11 (7) MIDDLE MILE PROJECT. A broadband infrastructure
12 project that does not provide broadband service to end users
13 or to end-user devices.

14 (8) MINIMUM SERVICE THRESHOLD. A connection to the
15 Internet that provides capacity for transmission at a minimum
16 speed per customer necessary to meet the definition of
17 advanced telecommunications capability for fixed broadband
18 services as set by the Federal Communications Commission.

19 (9) RURAL AREA. Any area within this state not
20 included within the boundaries of any incorporated city or
21 town having a population of more than 25,000 inhabitants,
22 according to the last federal census.

23 (10) UNSERVED AREA. Any area that is determined by
24 the division to not have at least one provider of terrestrial
25 broadband service that offers a connection to the Internet
26 that meets or exceeds the minimum service threshold.

1 Section 3. (a) The authority is created to advise,
2 review, and approve the statewide connectivity plan.

3 (b) (1) The authority shall be comprised of the
4 following members:

5 a. Three individuals designated by the Governor, who
6 may be members of the private sector or public officials or
7 public employees.

8 b. One individual designated by the President Pro
9 Tempore of the Senate, who shall be a member of the private
10 sector.

11 c. One individual designated by the Speaker of the
12 House of Representatives, who shall be a member of the private
13 sector.

14 d. The Director of ADECA.

15 e. The Division Chief of the Division, who shall
16 serve as a nonvoting member.

17 f. Individuals who are public officials or public
18 employees, as defined by Section 36-25-1, Code of Alabama
19 1975, and designated by the following:

20 1. One by the Lieutenant Governor.

21 2. Two by the President Pro Tempore of the Senate,
22 one of whom shall be recommended by the Minority Caucus of the
23 Senate.

24 3. Two by the Speaker of the House of
25 Representatives, one of whom shall be recommended by the
26 Minority Caucus of the House of Representatives.

27 4. One by the Director of Finance.

1 (2) Any private sector designee under subdivision
2 (1) shall not be an employee or consultant of an Internet
3 service provider or have a financial interest in the
4 provisions of this act.

5 (3) 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 (c) The authority may recommend policies and
9 procedures for the expansion and availability of high-speed
10 broadband services throughout the state through review and
11 approval of the statewide connectivity plan.

12 (d) The authority shall direct the corporation
13 regarding the timing and quantity of funds required to support
14 the division's execution of the statewide connectivity plan as
15 provided in this act.

16 (e) The authority shall meet annually with the
17 Alabama Rural Broadband Oversight Committee, which was
18 established under Section 41-23-214, Code of Alabama 1975, for
19 the purpose of receiving a report from ADECA as provided in
20 Section 12.

21 (f) The authority may create advisory committees to
22 assist and advise the authority in the performance and
23 administration of its objectives and duties, including the
24 hiring and retention of third-party consultants as determined
25 to be necessary by the authority.

26 (g) (1) Public employee members of the authority
27 shall serve without compensation, but shall be reimbursed for

1 per diem and travel expenses at the same rate and under the
2 same circumstances as are payable by law to state employees
3 for each day they attend business of the authority.

4 (2) Legislative members of the authority shall serve
5 without compensation, but shall receive his or her legislative
6 per diem and travel expenses for each day the member attends a
7 meeting of the authority or any related committees in
8 accordance with Amendment 871 to the Constitution of Alabama
9 of 1901, now appearing as Section 49.01 of the Official
10 Recompilation of the Constitution of Alabama of 1901, as
11 amended.

12 (h) Any designated members of the authority shall
13 serve at the pleasure of the appointing authority.

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

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

1 for all purposes, including for purposes of establishing a
2 quorum.

3 (k) Seven members of the authority shall constitute
4 a quorum, and the affirmative vote of a majority of the
5 members then in office shall be necessary for any action of
6 the authority.

7 Section 4. (a) The Alabama Digital Expansion
8 Division is created as a division of ADECA. The division shall
9 be run by a division chief, who shall be appointed by the
10 Director of ADECA, with the approval of the Governor, from a
11 list of three nominees submitted by the authority. The
12 division chief shall report to, and be under the direct
13 supervision of, the Director of ADECA. The division chief
14 shall carry out the functions and duties of the division. The
15 division chief shall be knowledgeable in matters relating to
16 broadband and shall have no financial interest in any
17 broadband or related business or enterprise which would
18 conflict or be inconsistent with his or her duties as division
19 chief. The division chief shall be employed in the exempt
20 service.

21 (b) The division chief shall have the power and
22 authority necessary to carry out the functions and duties of
23 the division. All functions and duties of the division shall
24 be exercised by the division chief or through such employees
25 or other individuals the division chief may designate. In the
26 performance and exercise of such powers, authorities,
27 functions, and duties, the division chief and other employees

1 of the division shall be subject to all legal requirements,
2 restrictions, limitations, conditions, and penalties, whether
3 civil or criminal. These powers, authorities, functions, and
4 duties include but are not limited to, the following:

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

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

17 (c) Upon approval by the Director of ADECA, the
18 division chief may establish technical and other advisory
19 committees to advise the division with respect to specific
20 objectives.

21 Section 5. The division, in collaboration with the
22 authority, shall have all of the following powers and duties:

23 (1) To promote the expansion and availability of
24 high-speed broadband networks, services, and technologies
25 throughout the state, including, but not limited to, rural
26 areas, underserved areas, and unserved areas of the state.

1 (2) To develop and begin executing a statewide
2 connectivity plan, as approved by the authority, to facilitate
3 the expansion and availability of high-speed broadband
4 networks, services, and technologies throughout the state,
5 including a timeline for implementation of the plan. The
6 Director of ADECA shall submit the proposed plan to the
7 authority for approval on or before July 1, 2022. 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. Evaluation of the state's existing long-haul and
14 middle mile network.

15 b. Projects for the development and expansion of a
16 secure, reliable, robust, multi-purpose, and high-quality
17 long-haul and middle mile fiber network throughout the state.
18 Projects shall be implemented in the most cost effective and
19 efficient manner for the state and should utilize existing,
20 available infrastructure where it is consistent with the plan
21 and meets the speeds, service quality, and other priorities
22 established by this act, the plan, or the authority.

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, for the purpose of promoting the deployment and
14 adoption of high-speed broadband Internet networks, services,
15 and technologies throughout the state, including, but not
16 limited to, rural areas, underserved areas, and unserved areas
17 of the state consistent with the requirements of this act. For
18 three years following the effective date of this act, 70
19 percent of the state funds received by the Connect Alabama
20 Fund shall be expended by the division for the extension of
21 last-mile infrastructure in unserved areas at minimum speeds
22 as determined by the statewide connectivity plan. After this
23 time, all funds received for the statewide connectivity plan
24 shall be expended according to the goals of the program and
25 the statewide connectivity plan, as identified by the
26 division, and subject to any applicable legal requirements.
27 Federal and other funds received by the Connect Alabama Fund

1 shall be expended by the division in accordance with the
2 statewide connectivity plan and any legal requirements
3 applicable to those funds.

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

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

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

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

22 (9) To promote and encourage private investments and
23 applications for available grants.

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

1 Section 6. Members of the authority, the division
2 chief, and employees of the division shall be subject to
3 Chapter 25 of Title 36, Code of Alabama 1975.

4 Section 7. Meetings of the authority are subject to
5 the requirements of Chapter 25A of Title 36, Code of Alabama
6 1975.

7 Section 8. The division may enter into contracts and
8 leases for any and all purposes that are in furtherance of
9 this act or consistent with these purposes. The division shall
10 comply with any competitive bid requirements in Article 2,
11 Chapter 16, Title 41, Code of Alabama 1975, and Chapter 2,
12 Title 39, Code of Alabama 1975, and any requirements relating
13 to the procurement of professional service providers in
14 Section 41-16-72, Code of Alabama 1975.

15 Section 9. (a) There is created within the State
16 Treasury the Connect Alabama Fund to be administered by the
17 corporation. Appropriations by the Legislature, federal funds,
18 gifts, grants, and other donations from any source that are
19 received by the corporation shall be deposited into the
20 Connect Alabama Fund to be distributed by the corporation to
21 ADECA for use by the division for the implementation and
22 administration of the statewide connectivity plan, including
23 for the payment of the salaries of the division chief and any
24 other employees and for the operating and administrative
25 expenses of the authority and ADECA for the division.

26 (b) Any funds that are unspent at the end of a
27 fiscal year shall be carried over for use by the division in

1 the next fiscal year. Any interest earned from these funds
2 shall be credited to the Connect Alabama Fund.

3 Section 10. The authority shall make it a priority
4 to consider the need for a statewide research and education
5 network and may engage a third party consultant to develop
6 recommendations for such a network. Upon a majority vote of
7 its members, the authority may create an entity that will
8 assist the state in the development of a statewide research
9 and education network and other cooperative ventures of
10 innovative technological significance to advance higher
11 education, research, health care, and economic development for
12 the state's universities, university health care systems,
13 research institutions, and the Alabama Community College
14 System. The authority shall prioritize a higher education
15 research network and consult with all two-year and four-year
16 institutions and the Alabama Community College System on the
17 development of the network.

18 Section 11. (a) The Alabama Digital Expansion
19 Finance Corporation is hereby created as a public corporation
20 of the State of Alabama. The corporation shall have perpetual
21 existence, subject to the provisions for dissolution of the
22 corporation provided in this act. The corporation shall
23 consist of the following members:

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

25 (2) The Lieutenant Governor, who shall be the vice
26 chair.

1 (3) The Director of Finance, who shall be the
2 secretary.

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

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

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

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

9 (8) The Chair of the House Ways and Means General
10 Fund Committee.

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

13 (10) The ranking minority member of one of the
14 following committees, who is jointly appointed by the Minority
15 Leader of the House of Representatives and the Minority Leader
16 of the Senate: the Senate Finance and Taxation General Fund
17 Committee, the Senate Finance and Taxation Education
18 committee, the House Ways and Means General Fund Committee, or
19 the House Ways and Means Education Committee.

20 (b) Attendance by any six corporation members shall
21 constitute a quorum to authorize the transaction of business.

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

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

26 (2) CORPORATION. The Alabama Digital Expansion
27 Finance Corporation.

1 (3) ELIGIBLE PROJECT. Includes any project that the
2 corporation determines would expand, increase, or improve the
3 availability of high-speed broadband networks, services, or
4 technologies throughout the state and which qualify for
5 funding under the statewide connectivity plan and its
6 objectives as set forth by the division in Section 5(2).

7 (4) PERMITTED INVESTMENTS. Includes any of the
8 following:

9 a. Certificates of deposit, savings accounts,
10 deposit accounts, or money market deposit accounts that are
11 any of the following:

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

14 2. Fully insured by the FDIC.

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

19 b. Direct obligations of, or obligations the full
20 and timely payment of which is guaranteed by, the United
21 States of America, including unit investment trusts and mutual
22 funds that invest solely in such obligations.

23 c. Bonds, debentures, notes, pass through
24 securities, or other obligations issued or guaranteed by any
25 federal agency or corporation which has been or may hereafter
26 be created by or pursuant to an act of the Congress of the

1 United States of America as an agency or instrumentality
2 thereof if such obligations are either of the following:

3 1. Backed by the full faith and credit of the United
4 States of America.

5 2. Rated by at least one nationally recognized
6 securities rating agency in one of the three highest rating
7 categories assigned by the rating agency.

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

11 e. Money market funds rated by at least one
12 nationally recognized securities rating agency in one of the
13 three highest rating categories assigned by that rating
14 agency.

15 f. Bonds, warrants, notes, or other obligations
16 issued by any state, county, or municipality that are rated by
17 at least one nationally recognized securities rating agency in
18 one of the three highest rating categories assigned by that
19 rating agency.

20 g. Investment agreements, including, without
21 limitation, guaranteed investment contracts, repurchase
22 agreements, and forward purchase agreements, provided that all
23 of the following are satisfied:

24 1. Any securities purchased or held pursuant to such
25 agreement are otherwise permitted investments.

26 2. The counterparty's long-term debt obligations are
27 rated by at least one nationally recognized securities rating

1 agency in one of the three highest rating categories assigned
2 by that rating agency.

3 3. The securities, if purchased, are owned by the
4 corporation or a paying agent or trustee for any of the
5 corporation's obligations and are held by the corporation, the
6 paying agent, the trustee, or a third-party custodian
7 acceptable to the corporation or, if held as collateral, are
8 held by the corporation, the paying agent, the trustee, or a
9 third-party custodian acceptable to the corporation with a
10 perfected first security interest in such collateral.

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

24 (d) The corporation shall have all power necessary,
25 useful, or appropriate to fund, operate, and administer the
26 corporation, and to perform its other functions including, but
27 not limited to, the following powers:

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

4 (2) Sue and be sued.

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

8 (4) Enter into contracts, arrangements, and
9 agreements with any persons or entities and execute and
10 deliver all contracts, agreements, and other instruments
11 necessary or convenient to the exercise of the powers granted
12 in this act.

13 (5) Enter into agreements with a department, agency,
14 or instrumentality of the United States or of this state or
15 another state for the purpose of planning and providing for
16 any eligible project.

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

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

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

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

6 (10) Expend funds credited to the corporation as it
7 deems necessary for the costs of administering the operations
8 of the corporation.

9 (11) Apply for, receive, and accept from any source,
10 aid, grants, contributions of money, appropriations, property,
11 labor, or other things of value to be used to carry out the
12 purposes of this act subject to the conditions upon which the
13 aid, grants, or contributions are made.

14 (12) Appoint and employ attorneys, accountants,
15 financial advisors, underwriters, trustees, depositories,
16 registrars, fiscal agents, and other advisors, consultants,
17 agents, and independent contractors as may be necessary or
18 desirable.

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

21 (e) The corporation shall distribute funds received
22 for the authority and the division to achieve the objectives
23 of this act.

24 (f) The corporation shall comply with any
25 competitive bid requirements in Article 2, Chapter 16, Title
26 41, Code of Alabama 1975, and Chapter 2, Title 39, Code of
27 Alabama 1975, and any requirements relating to the procurement

1 of professional service providers in Section 41-16-72, Code of
2 Alabama 1975.

3 (g) The corporation is performing an essential
4 governmental function in the exercise of the powers conferred
5 upon it and is not required to pay any taxes or assessments,
6 whether state or local, upon its property or upon its
7 operations or the income from them, or taxes or assessments
8 upon property or loan obligations acquired or used by the
9 corporation or upon the income from them.

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

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

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

25 (2) The corporation may pledge any of its revenues
26 or funds, including, without limitation, revenues or funds
27 appropriated to the corporation by the Legislature, to the

1 payment of its bonds. Bonds may also be secured by a pledge of
2 any loan obligation or funding agreement owned by the
3 corporation, any grant, contribution, or guaranty from the
4 United States, the state, or any corporation, association,
5 institution, or person, any bond insurance, guarantees,
6 letters of credit, or other forms of credit enhancement
7 purchased or otherwise obtained by the corporation from any
8 public or private entity, any other property or assets of the
9 corporation, or a pledge of any money, income, or revenue of
10 the corporation from any source.

11 (3) Bonds, other financial assistance, and other
12 obligations issued by the corporation shall not constitute an
13 obligation or debt of this state, or any of its political
14 subdivisions, but shall be limited obligations of the
15 corporation payable solely from the revenue, money, or
16 property of the corporation pledged by the corporation for
17 such purpose as provided in this act. Bonds may not be general
18 obligations of the corporation. Any bonds, other financial
19 assistance, or other obligations of the corporation issued do
20 not constitute an indebtedness of the state or any of its
21 political subdivisions within the meaning of any
22 constitutional or statutory limitation, and neither the full
23 faith and credit nor the taxing power of the state, or any of
24 its political subdivisions, is pledged to the payment thereof.
25 No member of the corporation or any person executing bonds,
26 other financial assistance, or other obligations of the
27 corporation is liable personally thereon by reason of their

1 issuance or execution. Each bond, other financial assistance,
2 and other obligation issued under this act shall contain on
3 its face a statement to the effect of the following:

4 a. The instrument is not a general obligation of the
5 corporation, but is a limited obligation of the corporation
6 payable solely from the revenue, money, or property of the
7 corporation pledged therefor.

8 b. The instrument is not an obligation or debt of
9 the state, or any of its political subdivisions, and neither
10 the full faith and credit nor the taxing power of the state,
11 or any of its political subdivisions, is pledged to the
12 payment of the instrument.

13 c. The corporation does not have taxing power.

14 (4) The bonds of the corporation must be authorized
15 by a resolution of the corporation.

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

19 (6) The bonds shall be in a form and shall be
20 executed in a manner prescribed by the corporation. If any of
21 the members or officers of the corporation cease to be members
22 or officers before the delivery of any bonds signed by them,
23 their signatures or authorized facsimile signatures are
24 nevertheless valid and sufficient for all purposes as if they
25 had remained in office until the delivery of the bonds. The
26 bonds may be in the denominations, be executed in the manner,
27 be payable in the medium of payment, be payable at the place

1 and at the time, and be subject to redemption or repurchase
2 and contain other provisions determined by the corporation
3 prior to their issuance.

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

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

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

26 (10) Any resolution or trust indenture pursuant to
27 which bonds are issued may contain provisions which are part

1 of the contract with the holders of the bonds and which
2 include the following:

3 a. Pledging specific revenues of the corporation to
4 secure the payment of the bonds.

5 b. Pledging specific assets of the corporation
6 including, without limitation, loan obligations owned by it to
7 secure the payment of the bonds.

8 c. The use and disposition of the gross income from,
9 and payment of the principal of, and interest on loan
10 obligations and funding agreements owned by the corporation.

11 d. The establishment of reserves, sinking funds, and
12 other funds and accounts, and their regulation and
13 disposition.

14 e. Limitations on the purposes to which the proceeds
15 from the sale of the bonds may be applied, and limitations on
16 pledging the proceeds to secure the payment of the bonds.

17 f. Limitations on the issuance of additional bonds,
18 the terms upon which additional bonds may be issued and
19 secured, and the refunding of outstanding bonds.

20 g. The procedure, if any, by which the terms of any
21 contract with bondholders may be amended or abrogated, the
22 amount of bonds, if any, the holders of which must consent
23 thereto, and the manner in which any consent may be given.

24 h. Vesting in a trustee property, rights, powers,
25 and duties as the corporation may determine, limiting or
26 abrogating the right of bondholders to appoint a trustee, and
27 limiting the rights, powers, and duties of the trustee.

1 i. Defining the acts or omissions which constitute a
2 default, the obligations or duties of the corporation to the
3 holders of the bonds, and the rights and remedies of the
4 holders of the bonds in the event of default.

5 j. Requiring the corporation or the trustee under
6 the trust indenture to take any and all other action to obtain
7 payment of all sums required to eliminate any default as to
8 any principal of and interest on loan obligations and funding
9 agreements owned by the corporation or held by a trustee,
10 which may be authorized by the laws of this state.

11 k. Any other matter relating to the terms of the
12 bonds or the security or protection of the holders of the
13 bonds which may be considered appropriate.

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

24 (12) No recording or filing of the resolution
25 authorizing the grant, the issuance of bonds or other
26 financial assistance, the trust indenture or other financing
27 agreement securing the grant, bonds or other financial

1 assistance, or any other instrument including filings under
2 the Uniform Commercial Code is necessary to create or perfect
3 any pledge or security interest granted by the corporation to
4 secure any grants, bonds, or other financial assistance.

5 (13) Any bonds issued by the corporation, the
6 transfer of bonds, and the income from them, are free from
7 taxation and assessment of every kind by the state and by the
8 local governments and other political subdivisions of the
9 state.

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

23 (15) The corporation shall be a nonprofit
24 corporation and no part of its net earnings remaining after
25 payment of its expenses shall inure to the benefit of any
26 individual, firm, or corporation, except that in the event its
27 members shall determine that sufficient provision has been

1 made for the full payment of the expenses, grants, bonds,
2 other financial assistance, and other obligations of the
3 corporation, then any net earnings of the corporation
4 thereafter accruing shall be paid to the Connect Alabama Fund.

5 (16) At any time when no bonds, other financial
6 assistance, or other obligations of the corporation are
7 outstanding, the corporation may be dissolved upon the filing
8 with the Secretary of State of an application for dissolution,
9 which shall be subscribed by each of the members of the
10 corporation and which shall be sworn to by each member before
11 an officer authorized to take acknowledgments to deeds. Upon
12 the filing of the application for dissolution, the corporation
13 shall cease and any property owned by it at the time of its
14 dissolution shall pass to the state. The Secretary of State
15 shall file and record the application for dissolution, in an
16 appropriate book of record in his or her office, and shall
17 make and issue, under the Great Seal of the State, a
18 certificate stating that the corporation is dissolved and
19 shall record the certificate with the application for
20 dissolution.

21 Section 12. (a) Beginning one year from the
22 effective date of this act, and in conjunction with the annual
23 meeting of the authority and the Alabama Rural Broadband
24 Oversight Committee, as provided for in Section 3(e), ADECA
25 shall provide a report to the Legislature on all of the
26 following:

1 (1) A summary of the goals and objectives relating
2 to the statewide connectivity plan and progress made toward
3 achievement of those goals and objectives.

4 (2) The amount and source of funds received and the
5 participation and status of grants awarded under this act.

6 (3) A summary of all other related activities of the
7 division as required under this act.

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

10 Section 13. This act shall become effective
11 immediately following its passage and approval by the
12 Governor, or its otherwise becoming law.