

1 HB463  
2 210435-2  
3 By Representatives England, Wingo, Poole, Sullivan, South and  
4 McCampbell  
5 RFD: Transportation, Utilities and Infrastructure  
6 First Read: 25-FEB-21

1 ENGROSSED

2  
3  
4 A BILL  
5 TO BE ENTITLED  
6 AN ACT  
7

8 Providing for the creation of joint road improvement  
9 authorities for counties and participating municipalities;  
10 providing a procedure for incorporation; providing for the  
11 qualifications, procedure for election, and terms of the  
12 officers and directors of an authority; providing for the  
13 procedure for reincorporating and ratifying the existence of  
14 previously created road improvement commissions in counties  
15 containing a Class 4 municipality incorporated under Chapter  
16 44B of Title 11, Code of Alabama 1975; providing for the  
17 issuance, sale, and execution of bonds; providing for the  
18 disposition of proceeds from sale of bonds and refunding  
19 bonds; providing for the making of grants and the amendment of  
20 articles; providing for powers of an authority; providing for  
21 certain exemptions from taxation; providing for limited  
22 liability; providing a procedure for validating bond issues;  
23 authorizing other governmental bodies to appropriate funds and  
24 donate property to an authority; providing for the dissolution  
25 of authorities and transfer of funds and assets upon  
26 dissolution; allowing municipalities, counties, the state, the  
27 Teachers' Retirement System of Alabama, the Employees'

1 Retirement System of Alabama, the State Insurance Fund, and  
2 fiduciaries to invest in bonds issued by an authority; and  
3 authorizing bonds to be pledged as security.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. Definitions.

6 When used in this act, the following terms shall  
7 have the following meanings:

8 (1) ARTICLES. The articles of incorporation or  
9 articles of reincorporation of an authority.

10 (2) AUTHORITY. A public corporation incorporated or  
11 reincorporated pursuant to the provisions of this act.

12 (3) BOARD of DIRECTORS. The board of directors of an  
13 authority.

14 (4) BOND or BONDS. A bond or bonds issued under this  
15 act.

16 (5) COUNTY OF INCORPORATION. The county in which an  
17 authority has been or is proposed to be incorporated or  
18 reincorporated.

19 (6) DIRECTORS. The members of the board of  
20 directors.

21 (7) INCORPORATORS. The natural persons filing a  
22 written application for the incorporation or reincorporation  
23 of an authority pursuant to this act.

24 (8) MUNICIPALITY. Any municipal corporation wholly  
25 or partially within the county of incorporation.

1 (9) PARTICIPATING MUNICIPALITY. Any municipality  
2 named in the articles that elects to participate in the  
3 incorporation or reincorporation of the authority.

4 (10) PERSON. Unless limited to a natural person by  
5 the context in which it is used, any person, including,  
6 without limitation, a private firm, a private association, a  
7 corporation, and a public person.

8 (11) PROBATE JUDGE. The judge of probate of the  
9 county of incorporation of an authority.

10 (12) PROJECT. Any land and any buildings or other  
11 improvements thereon, and all real, personal, and mixed  
12 properties deemed by an authority to be necessary or  
13 appropriate in connection therewith, whether or not now in  
14 existence, which shall be suitable for road improvement  
15 purposes. The determination of an authority that a proposed  
16 use is within this definition shall be conclusive.

17 (13) PUBLIC PERSON. The state and any county,  
18 municipal corporation, ~~public corporation~~, agency, subdivision  
19 thereof, instrumentality thereof, or similar person.

20 Section 2. Legislative findings of fact and  
21 declaration of intent; construction of article.

22 The Legislature hereby makes the following findings  
23 of fact and declares its intent to be as follows:

24 (1) The Legislature acknowledges the key role of  
25 public corporations in the state in promoting public interest  
26 through acquiring, enlarging, improving, expanding, owning,  
27 operating, leasing, and disposing of road improvement related

1 properties. It has come to the attention of the Legislature  
2 that questions have been raised as to the status of certain  
3 road improvement commissions located in certain counties. It  
4 is the intent of the Legislature to promote the public health  
5 and general welfare by exercising its police power to  
6 authorize the formation of independent public corporations  
7 created jointly by counties and municipalities, and the  
8 reincorporation of existing road improvement commissions  
9 located in counties containing a Class 4 municipality, as  
10 defined by Section 11-40-12, Code of Alabama 1975,  
11 incorporated under Chapter 44B of Title 11, Code of Alabama  
12 1975, having as their general purposes the promotion of road  
13 improvement purposes, facilities and activities and having the  
14 power to issue bonds, among certain other powers.

15 (2) This act shall be liberally construed in  
16 accordance with the findings of fact and declaration of intent  
17 in this section.

18 Section 3. Authorization and procedure for  
19 incorporation generally.

20 Any number of natural persons, not less than three,  
21 residing in the county of incorporation may incorporate an  
22 authority as provided in this act. The incorporators shall  
23 file a written application in accordance with Section 4.

24 Section 4. Filing of application for incorporation  
25 with probate judge; contents thereof; recordation of  
26 application by probate judge; approval or disapproval by

1 governing body of county of incorporation and each  
2 participating municipality.

3 (a) The written application of the incorporators  
4 shall be filed with the probate judge, which application  
5 shall:

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

8 (2) State that each of the incorporators is a  
9 resident of the county of incorporation.

10 (3) Request that the governing body of the county of  
11 incorporation and each participating municipality adopt a  
12 resolution declaring that it is expedient that the proposed  
13 authority be formed, approving the written application, and  
14 authorizing the incorporators to proceed to form the proposed  
15 authority by filing for record articles in accordance with  
16 this act.

17 (b) The application shall include the form of  
18 articles of the proposed authority.

19 (c) The governing body of the county of  
20 incorporation and of each participating municipality shall  
21 review the contents of the application and the accompanying  
22 form of articles and shall adopt a resolution to deny the  
23 application or to declare that it is expedient that the  
24 proposed authority be formed, approving the form of the  
25 articles, and authorizing the incorporators to proceed to form  
26 the proposed authority by filing for record pursuant to  
27 subsection (c) of Section 5.

1 (d) It shall not be necessary that a resolution be  
2 published in any newspaper or posted or be offered for more  
3 than one reading.

4 (e) No authority may be formed until the application  
5 and the resolution have been adopted.

6 Section 5. Contents, signing, and filing of  
7 articles.

8 (a) The articles of an authority shall state all of  
9 the following:

10 (1) The names of the incorporators and that each is  
11 a resident of the county of incorporation.

12 (2) The name of the authority, which may be a name  
13 indicating in a general way the geographic area proposed to be  
14 served by the authority and include the words "Road  
15 Improvement Authority" (e.g., "The \_\_\_\_\_ Road  
16 Improvement Authority" or "The Road Improvement Authority of  
17 \_\_\_\_\_," the blank space to be filled in with a  
18 geographically descriptive word or words, but the descriptive  
19 word or words shall not preclude the authority from exercising  
20 its powers in other geographic areas).

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

23 (4) The location of the principal office of the  
24 authority, located within the boundaries of the county of  
25 incorporation.

26 (5) That the authority is organized pursuant to this  
27 act.

1           (6) The prohibitions, limitations, or conditions of  
2 the authority.

3           (7) A minimum of three directors and the duration of  
4 their respective terms of office which may not be in excess of  
5 six years.

6           ~~(8) The manner of appointing directors. Except as  
7 provided in Section 6, the articles may specify that the  
8 directors are to be appointed by any of the following:~~

9           ~~a. The governing body of the county of  
10 incorporation.~~

11           ~~b. The governing bodies of the participating  
12 municipalities.~~

13           ~~c. The individual members of the governing bodies,  
14 based upon districts, precincts, place numbers, or another  
15 method.~~

16           ~~d. The legislative delegation of the county of  
17 incorporation.~~

18           ~~e. Any combination of paragraphs a. to d. as the  
19 articles prescribe.~~

20           (8)a. The manner of appointing directors. Except as  
21 provided in Section 6, the articles may specify that the  
22 directors are to be appointed by any of the following:

23           1. The governing body of the county of  
24 incorporation.

25           2. The governing bodies of the participating  
26 municipalities.



1                   3. The individual members of the governing bodies,  
2 based upon districts, precincts, place numbers, or another  
3 method.

4                   4. The legislative delegation of the county of  
5 incorporation.

6                   5. Any combination of subparagraphs 1. to 4. as the  
7 articles prescribe.

8                   b. All persons making appointments to a board of  
9 directors of a joint road improvement authority shall  
10 coordinate their appointments so that diversity of gender,  
11 race, and geographical areas is reflective of the makeup of  
12 the county of incorporation.

13                   (9) Any provisions not inconsistent with this act  
14 relating to the dissolution of the authority and the vesting  
15 of title to its assets and properties upon dissolution.

16                   (10) Any other matters relating to the authority  
17 that the incorporators may choose to insert and that are not  
18 inconsistent with this act or with the laws of the state.

19                   (b) The articles shall be signed by each of the  
20 incorporators.

21                   (c) The authority shall constitute a public  
22 corporation under the name set forth in its articles upon the  
23 filing of record of the article with the probate judge. The  
24 recording of the articles by the probate judge shall be  
25 conclusive evidence of the due, legal, and valid incorporation  
26 of the authority. The probate judge shall record the articles  
27 in an appropriate book in his or her office. There shall be no

1 filing fees or recording taxes due or payable on account of  
2 the filing for record of the articles.

3 Section 6. Authorization and procedure for  
4 reincorporation of existing road improvement commissions;  
5 continuation in office of directors; effect of  
6 reincorporation.

7 (a) In any county containing a Class 4 municipality  
8 incorporated under Chapter 44B of Title 11, Code of Alabama  
9 1975, where there has been an attempt to create a road  
10 improvement commission by general or local legislation, but  
11 the attempted creation or incorporation is or may be invalid  
12 because of an irregularity in the procedure followed or  
13 invalidity of or defect in the statute under which the  
14 attempted creation or incorporation of the authority or board  
15 was made, a minimum of four natural persons who reside in the  
16 county in which the authority is to be incorporated and who  
17 are members of the road improvement commission may file a  
18 written application with the probate judge of the county in  
19 which the road improvement commission has been attempted to be  
20 created. The application shall:

21 (1) Contain a statement that the incorporators  
22 propose to reincorporate the commission into an authority  
23 pursuant to this act.

24 (2) State that each of the applicants is a resident  
25 of the county of incorporation and a member of the commission.

26 (3) Request that the county commission of the county  
27 of incorporation and of each participating municipality adopt

1 a resolution declaring that it is expedient that the road  
2 improvement commission be reincorporated as a road improvement  
3 authority, approving the written application, and authorizing  
4 the incorporators to proceed to reincorporate the road  
5 improvement commission by filing for record articles in  
6 accordance with this act.

7 (b) (1) An application shall be accompanied by the  
8 form of articles of the road improvement commission proposed  
9 to be reincorporated.

10 (2) The articles shall specify that the manner of  
11 appointment of the board of directors shall be the same as  
12 provided for in the general or local legislation creating or  
13 attempting to create the road improvement commission.

14 (c) The governing body of the county of  
15 incorporation and of each participating municipality shall  
16 review the contents of the application and the accompanying  
17 form of articles and shall adopt a resolution either to deny  
18 the application or declare that it is expedient that the  
19 proposed reincorporation occur, approving the form of  
20 articles, and authorizing the incorporators to proceed to  
21 reincorporate the road improvement commission by filing for  
22 record the articles in accordance with the provisions of  
23 Section 5, except that the articles shall specify the name of  
24 the road improvement commission being reincorporated.

25 (d) It shall not be necessary that any resolution be  
26 published in any newspaper or posted or be offered for more  
27 than one reading.

1           (e) (1) Upon the filing for record of the articles of  
2 the authority with the probate judge, the commission shall be  
3 reincorporated and the existence and validity of the authority  
4 validated and ratified retroactive to the initial creation or  
5 attempted creation of the commission, with all authorities and  
6 powers granted to an authority under this act. All actions  
7 taken, policies observed, contracts, obligations, agreements  
8 and understandings entered, property owned, acquired,  
9 received, or conveyed, any civil actions pending or concluded,  
10 any employee rights or benefits granted, and all other matters  
11 with respect to the road improvement commission occurring or  
12 existing prior to the date of reincorporation shall be deemed  
13 transferred, assigned, and conveyed to, and received,  
14 accepted, and adopted by, the authority as of the date of  
15 reincorporation, and shall be deemed valid, binding,  
16 effective, legal, and constitutional with respect to the  
17 authority after the date of reincorporation if those matters  
18 would have been valid, binding, legal, effective, or  
19 constitutional if occurring after the date of reincorporation  
20 under the terms of this act.

21           (2) Upon the filing for record of the articles of  
22 the authority with the probate judge, the proceeds of any  
23 taxes that are directed by law to be paid to the road  
24 improvement commission, including, but not limited to, those  
25 taxes directed to be paid to the road improvement commission  
26 under Act 56 of the 1953 Regular Session, as amended, shall

1 thereafter be paid to the reincorporated road improvement  
2 authority.

3 (f) Upon reincorporation, the directors of the  
4 authority shall consist of those natural persons who were  
5 members of the road improvement commission prior to  
6 reincorporation, until new appointments are made under the  
7 articles of the authority.

8 Section 7. Further authorization and procedure for  
9 reincorporation of existing road improvement commissions.

10 A road improvement commission created or attempted  
11 to be created prior to the effective date of this act in a  
12 county containing a Class 4 municipality incorporated under  
13 Chapter 44B of Title 11, Code of Alabama 1975, may seek  
14 authority to reincorporate pursuant to the procedure  
15 established in Section 6 if a majority of the commission  
16 adopts a resolution determining that it would be expedient for  
17 the commission to reincorporate and a group of at least four  
18 members of the commission files an application in accordance  
19 with Section 6.

20 Section 8. Recordation of articles by probate judge;  
21 probate judge to receive no fees in connection with  
22 incorporation, reincorporation, dissolution, etc., of  
23 authority.

24 (a) The articles shall be filed with the probate  
25 judge. The proposed authority shall constitute a de jure  
26 corporation upon acceptance of filing. The acceptance of the  
27 articles for filing by the probate judge shall be conclusive

1 of the valid incorporation of a proposed authority or  
2 reincorporation of a road improvement commission.

3 (b) There shall be no fees or taxes paid to or  
4 collected by the probate judge for any service rendered or  
5 work performed in connection with an authority, its  
6 incorporation, reincorporation, amendment, dissolution, or  
7 records.

8 Section 9. Powers of authority vested in board of  
9 directors; officers and directors of authority; proceedings of  
10 board of directors to be reduced to writing and signed by two  
11 directors; admissibility of evidence of proceedings of board  
12 of directors; adoption of bylaws; notice of meetings;  
13 attendance at meetings; qualifications.

14 (a) All powers of an authority shall be vested in  
15 its board of directors.

16 (b) The initial board of directors of an authority  
17 shall be specified in the articles, or as provided in Section  
18 6.

19 (c) The board shall elect from its own membership a  
20 chair, vice-chair, and secretary. A majority of the directors  
21 shall constitute a quorum for the transaction of business. The  
22 officers and directors shall serve for the terms provided for  
23 in the articles. A director may not receive any salary for  
24 service rendered or for any duty performed as a director. The  
25 chair, vice-chair, and secretary shall perform the duties  
26 customarily performed by the officers and as may be prescribed  
27 by the board of directors.

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

8 (e) A board of directors may adopt bylaws not  
9 inconsistent with this act.

10 (f) Notice of any meeting of the members of the  
11 board of directors shall be as provided in the bylaws or as  
12 determined by the chair of the board of directors. Notice of  
13 any meeting may be waived by any director before, at, or after  
14 the meeting and may be communicated by letter, telegraph,  
15 telex, telecopy, internet posting, or similar means.  
16 Attendance at any meeting for any purpose other than to  
17 protest the holding of the meeting shall constitute a waiver  
18 of notice. The board of directors may conduct a meeting by  
19 teleconference; provided, the authority otherwise complies  
20 with the notice requirements of this act, and provides public  
21 access by allowing access to the teleconferencing technology.

22 (g) The board of directors may act by a written  
23 consent, signed by all directors, which consent shall have the  
24 same effect as unanimous action taken at a duly held meeting  
25 of the board of directors, a quorum being present.

26 (h) The board of directors shall create a Finance  
27 Committee and a Contract Review Committee, and may create one

1 or more additional committees, and may appoint members of the  
2 board of directors to serve on each. Each committee shall have  
3 one or more members, who serve at the pleasure of the board of  
4 directors. A committee may exercise the authority of the board  
5 of directors as specified by the board of directors, or in the  
6 articles or bylaws, but may not amend the articles or adopt,  
7 amend, or repeal bylaws. Notice of any committee meeting shall  
8 be given in the same manner as provided for meetings of the  
9 board of directors. A committee may conduct a meeting by  
10 teleconference; provided, the committee provides public access  
11 by allowing access to the teleconferencing technology.

12 (i) A director shall be a resident of the county of  
13 incorporation. If a director ceases to be a resident of the  
14 county of incorporation, he or she shall cease to be a  
15 director, and the position shall remain vacant until a  
16 successor is appointed in accordance with the articles and  
17 this act.

18 Section 10. Members of the board of directors;  
19 terms; meetings; removal from office.

20 (a) Except as provided in Section 6, the board of  
21 directors shall be composed of the number of directors  
22 provided for in the articles, appointed as provided in the  
23 articles for the terms designated therein.

24 (b) All directors shall serve until their successors  
25 are appointed or until they cease to be qualified. Vacancies  
26 on the board of directors shall be filled as provided for in  
27 the articles, but any person appointed to fill a vacancy shall



1 serve only for the unexpired portion of the term. In the event  
2 any uncertainty arises as to the terms of office of a  
3 director, the governing body or person authorized to appoint a  
4 director to the board of directors may clarify the term by  
5 adoption of an appropriate resolution or by execution of an  
6 appropriate certificate.

7 (c) A majority of the directors shall constitute a  
8 quorum for the transaction of business, but any meeting of the  
9 board of directors may be adjourned by a majority of the  
10 directors present, or may be adjourned by a single director if  
11 the director is the only director present at the meeting. A  
12 vacancy in the membership of the board of directors may not  
13 impair the right of a quorum to exercise all the powers and  
14 perform all the duties of the board. The board shall hold  
15 regular meetings at such times as may be provided in the  
16 bylaws of the authority and may hold other meetings at any  
17 time upon notice as may be required by the bylaws of the  
18 authority or if the bylaws make no provision for notice as  
19 determined by the chair of the board of directors. The board  
20 of directors may hold a special meeting upon call of the chair  
21 or by a majority of the directors. Any matter on which the  
22 board of directors is authorized to act may be acted upon at  
23 any regular, special, or called meeting. At the request of a  
24 director, the vote on any question before the board of  
25 directors may be taken by yeas and nays and entered upon the  
26 record. All resolutions adopted by the board of directors  
27 shall constitute actions of the authority.

1           (d) A director may be impeached and removed from  
2 office only in the same manner and on the same grounds  
3 provided in Section 175 of the Constitution of Alabama of  
4 1901, and the general laws of the state for impeachment and  
5 removal of the officers mentioned in Section 175.

6           Section 11. Amendment of articles.

7           (a) The articles of a authority may be amended in  
8 the manner provided in this section. The board of directors  
9 shall adopt a resolution proposing an amendment to the  
10 articles. The amendment shall be fully set forth in the  
11 resolution and may include any matters that might have been  
12 included in the original articles.

13           (b) After the adoption by the board of directors of  
14 a resolution proposing an amendment to the articles, the chair  
15 and the secretary of the authority shall sign and file with  
16 the governing body of the county of incorporation and of each  
17 participating municipality a written application in the name  
18 and on behalf of the authority, under its seal, requesting the  
19 county and each participating municipality to adopt a  
20 resolution approving the proposed amendment, and accompanied  
21 by a copy of the resolution adopted by the board of directors  
22 proposing the amendment to the articles. The county and each  
23 participating municipality shall therein review the  
24 application and adopt a resolution either denying the  
25 application or approving and authorizing the proposed  
26 amendment. A resolution need not be published or posted or  
27 offered for more than one reading.

1 (c) Following the adoption of a resolution approving  
2 the proposed amendment by the county commission of the county  
3 of incorporation and of each participating municipality, the  
4 chair and the secretary of the authority shall sign and file  
5 in the office of the probate judge a certificate in the name  
6 and on behalf of the authority, under its seal, reciting the  
7 adoption of resolutions by the board and by the governing body  
8 of the county of incorporation and of each participating  
9 municipality and setting forth the proposed amendment. The  
10 probate judge shall record the certificate. The amendment  
11 shall become effective upon recordation.

12 Section 12. Powers of authority generally.

13 An authority shall have the following powers:

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

16 ~~(2) To institute and defend legal proceedings in any~~  
17 ~~court of competent jurisdiction and proper venue; provided,~~  
18 ~~however, that an authority may not be sued in any court other~~  
19 ~~than the courts of the county of incorporation; provided,~~  
20 ~~further, that the officers, directors, agents, and employees~~  
21 ~~of an authority may not be sued for their actions on behalf of~~  
22 ~~the authority except for actions that are known by a person to~~  
23 ~~be unlawful or are performed with reckless disregard for the~~  
24 ~~lawfulness of the actions.~~

25 (2) To institute and defend legal proceedings in any  
26 court of competent jurisdiction and proper venue; provided  
27 further, that the officers and directors of an authority may

1 not be sued except for acts that are willful, malicious,  
2 fraudulent, in bad faith, beyond his or her authority, or  
3 under a mistaken interpretation of law.

4 (3) To have and to use a corporate seal and to alter  
5 the seal at its pleasure.

6 (4) To establish a fiscal year.

7 (5) To anticipate by the issuance of its bonds the  
8 receipt of any revenues that may be appropriated by or to the  
9 authority and to pledge the proceeds of the appropriations as  
10 security for the payment of the principal of and interest on  
11 its bonds.

12 (6) To mortgage and pledge any or all of its  
13 property or facilities or any part or parts thereof, whether  
14 then owned or thereafter acquired, and to pledge the revenues  
15 and receipts therefrom or from any thereof as security for the  
16 payment of the principal of and interest on its bonds.

17 (7) To make surveys and other analyses to determine  
18 suitable locations for road improvement projects and necessary  
19 facilities.

20 (8) To make grants of money for road improvement  
21 purposes to other public persons and to any organization which  
22 is described in Section 501(c)(3) of the Internal Revenue Code  
23 of 1986, as in effect from time to time, or as recodified, or  
24 any corresponding provision of any future revenue law.

25 (9) To accept gifts, grants, bequests, or devises.

1           (10) To accept grants of money from public persons  
2 and to enter into binding agreements with those entities, with  
3 or without consideration.

4           (11) To accept donations of money or real or  
5 personal or mixed property.

6           (12) To invest in bank deposits, United States  
7 Treasury obligations, instruments, real, personal, or mixed  
8 property, and other investments as the board of directors may  
9 determine to be appropriate and convenient to accomplish any  
10 purpose for which an authority is organized, including works  
11 of internal improvement.

12           (13) To appoint, contract with, and employ officers,  
13 employees, and agents including, but not limited to,  
14 engineers, accountants, attorneys, architects, construction  
15 contractors, consultants, fiscal agents, underwriters, issuers  
16 of letters of credit, depositories, banks, trustees, paying  
17 agents, transfer agents, remarketing agents, marketing agents,  
18 rating agencies, insurers of its securities, guarantors of its  
19 securities, or providers of other forms of credit enhancement  
20 for its securities as an authority may require or deem  
21 appropriate for the carrying out of its corporate purposes and  
22 the exercise of its powers.

23           (14) To acquire, whether by purchase, exchange,  
24 gift, lease, or otherwise, all real and personal property that  
25 the board of directors deems necessary for the purpose of the  
26 authority; to improve roads and road maintenance facilities,  
27 including the improvement of roads by the construction of

1 buildings, facilities, roads, curbing, gutters, drainage,  
2 sewerage, utilities, or grading.

3 ~~(15) To maintain, equip, furnish, own, and operate~~  
4 ~~one or more than one road improvement facility.~~

5 ~~(16) To fix, prescribe, and collect rates, fees,~~  
6 ~~tolls, charges, lease payments, or rentals for the use or~~  
7 ~~lease of any of its facilities for services, facilities, and~~  
8 ~~accommodations furnished by it or any of its facilities.~~

9 ~~(17) To adopt and enforce rules and regulations~~  
10 ~~relative to the use or occupancy of any of its facilities or~~  
11 ~~services.~~

12 ~~(18) To sell, exchange, and convey, to contract, to~~  
13 ~~sell, exchange, and convey and to grant options to acquire any~~  
14 ~~or all of its properties whenever its board of directors find~~  
15 ~~any action to be in furtherance of the purposes for which the~~  
16 ~~authority was organized.~~

17 ~~(19)~~ (15) To enter into leases of real or personal  
18 property with a person.

19 ~~(20)~~ (16) To provide for insurance as the board of  
20 directors may deem advisable.

21 ~~(21)~~ (17) To enter into a management agreement or  
22 agreements with a person for the management of any road  
23 improvement facilities.

24 ~~(22)~~ (18) To grant privileges, licenses, or permits  
25 for the operation of any public accommodation facilities.

26 ~~(23)~~ (19) To assume obligations secured by a lien  
27 on, or payable out of, or secured by a pledge of, the revenues

1 and receipts from projects, or any part thereof that may be  
2 acquired, and obligation assumed to be payable solely out of  
3 the revenues and receipts from any projects, or part thereof.

4 ~~(24)~~ (20) To enter into contracts, agreements,  
5 options, leases, deeds, mortgages, and other instruments, and  
6 to take other actions as may be necessary or convenient to  
7 accomplish any purpose for which an authority is organized or  
8 to exercise any power expressly granted under this act.

9 Section 13. Issuance and sale of bonds.

10 An authority may sell at public or private sale and  
11 issue bonds as provided in Section 14 for the purposes  
12 authorized in Section 12.

13 Section 14. Execution of bonds and interest coupons;  
14 form, terms, denominations, etc., of bonds; validation of  
15 bonds; sale; refunding bonds.

16 (a) Bonds of an authority shall be signed by the  
17 chair and attested by the secretary, the seal of the authority  
18 shall be affixed thereto, and any interest coupons applicable  
19 to the bonds shall be signed by the chair; provided that a  
20 facsimile of the signature of the officers may be printed or  
21 otherwise reproduced on any bonds in lieu of being manually  
22 subscribed. A facsimile of the seal of the authority may be  
23 printed or otherwise produced on any bonds in lieu of being  
24 manually affixed thereto, and a facsimile of the chair's  
25 signature may be printed or otherwise reproduced on any  
26 interest coupons in lieu of being manually subscribed,  
27 provided, that the bonds have been manually authenticated by a

1 transfer agent of the bond issue. Delivery of the bonds  
2 executed shall be valid notwithstanding any changes in  
3 officers or in the seal of the authority after the signing and  
4 sealing of the bonds.

5 (b) Any bonds may be executed and delivered by the  
6 authority and may be in such form and denominations, of the  
7 tenor and maturities, bear rate or rates of interest, be  
8 payable at the times and evidenced in a manner, and may  
9 contain other provisions not inconsistent with this act as may  
10 be provided by the resolution or resolutions of the board of  
11 directors under which the bonds are authorized to be issued. A  
12 bond may not have a specified maturity date later than 40  
13 years after its date of execution. A bond may be made subject  
14 to redemption at the option of an authority at such times and  
15 after notice and on conditions and at redemption price or  
16 prices as may be provided in the resolution or resolutions  
17 under which it is authorized to be issued. The bonds may bear  
18 interest at a fixed rate, at a rate that adjusts in accordance  
19 with an independent standard, such as the prime or base  
20 lending rate of a bank or published rates for other  
21 securities, or may bear interest at rates which may be  
22 adjusted to a rate sufficient, in the opinion of any  
23 remarketing agent appointed by the authority, to make the  
24 bonds have a fair market value or funding value not less than  
25 the principal amount of the bonds or other amount as may be  
26 specified in the proceedings authorizing the issuance of  
27 bonds. The authority may issue "tender" bonds or similar bonds



1 and may enter into appropriate remarketing agreements with  
2 respect to any bonds and the determination of the rate of  
3 interest borne by the bonds.

4 (c) Upon the adoption by the board of directors of a  
5 resolution providing for the issuance of bonds, an authority  
6 may publish once a week for two consecutive weeks, in a  
7 newspaper of general circulation published in the county of  
8 incorporation a notice in substantially the following form  
9 (the blanks being properly filled in) at the end of which  
10 shall be printed the name and title of either the chair or  
11 secretary of the authority: "\_\_\_\_\_, a public  
12 corporation organized under the laws of the State of Alabama,  
13 on the \_\_\_\_ day of \_\_\_\_\_, authorized the issuance of  
14 not more than \$\_\_\_\_\_ principal amount of [revenue],  
15 [general obligation], or [other appropriate designation] bonds  
16 of the authority for purposes authorized in the act of the  
17 Legislature of Alabama under which the authority was  
18 organized. Any action or proceeding questioning the validity  
19 of the bonds, any pledge or mortgage to secure, any lease or  
20 sale of any project to be financed by the bonds, or the  
21 proceedings authorizing the bonds shall be commenced within 20  
22 days after the first publication of this notice." Any action  
23 or proceeding in any court to set aside or question the  
24 proceedings for the issuance of the bonds referred to in the  
25 notice or to contest the validity of the bonds or the validity  
26 of any pledge or mortgage made therefor shall be commenced  
27 within 20 days after the first publication of the notice.

1 After the expiration of the period, no action, counterclaim,  
2 setoff, or defense questioning or attacking the validity of  
3 the proceeding or of the bonds shall be asserted, nor shall  
4 the validity of the proceedings of the bonds be open to  
5 question in any court on any ground whatsoever, except in an  
6 action or proceeding commenced within the period.

7 (d) Subject to the provisions and limitations  
8 contained in this act, an authority may sell and issue  
9 refunding bonds for the purpose of refunding any outstanding  
10 matured or unmatured bonds. Refunding bonds may be subrogated  
11 and entitled to all priorities, rights, and pledges to which  
12 the bonds refunded were entitled.

13 (e) An authority may pay out of the proceeds of the  
14 sale of its bonds attorneys' fees and the other expenses of  
15 issuance which a board of directors may deem necessary and  
16 advantageous in connection with the issuance of bonds.

17 Section 15. Security for bonds.

18 (a) In the discretion of the board of directors of  
19 an authority, any bonds may be secured by an indenture between  
20 an authority and a trustee, which may be a trust company or  
21 bank having trust powers, whether the trust company or bank is  
22 located within or outside of the state. In any indenture or  
23 resolution providing for the issuance of bonds, an authority  
24 may pledge, for payment of the principal of and the interest  
25 on such bonds, any of its revenues to which its rights exist  
26 or may thereafter come into existence, and may assign, as  
27 security for payment, any of its leases, franchises, permits,

1 and contracts. In any indenture, an authority may mortgage any  
2 properties, including any that may be thereafter acquired by  
3 it, and may provide that in the event of a default in payment  
4 of the bonds secured thereby or in the event of default with  
5 respect to any agreement contained therein, the mortgage may  
6 be foreclosed either by sale at public outcry or by judicial  
7 proceedings. Any pledge of revenues shall be valid and binding  
8 from the time it is made, and the revenues pledged and  
9 thereafter received by the authority shall immediately become  
10 subject to the lien of the pledge without any physical  
11 delivery thereof or further act. The lien of such a pledge  
12 shall be valid and binding against all parties having claims  
13 of any kind in tort, contract, or otherwise against the  
14 authority, irrespective of whether the parties have actual  
15 notice thereof, provided any indenture has been recorded in  
16 the office of the probate judge, regardless of compliance with  
17 the Alabama Uniform Commercial Code. In any indenture or  
18 resolution authorizing the issuance of bonds and pledging for  
19 the benefit thereof revenues from any one or more projects,  
20 the authority may include provisions customarily contained in  
21 instruments securing evidences of indebtedness, including,  
22 without limiting the generality of the foregoing, provisions  
23 respecting the collection, segregation, and application of any  
24 rental or other revenue due or to become due to the authority,  
25 the terms to be incorporated in any lease agreement respecting  
26 any property of the authority, the maintenance and insurance  
27 of any building, structure, or other property owned by the

1 authority, the creation and maintenance of special funds from  
2 any revenue of the authority, and the rights and remedies  
3 available in the event of default to the holder of the bonds  
4 or the trustee under the indenture, all as the board of  
5 directors deem advisable and which are not in conflict with  
6 this section.

7 (b) If an authority defaults in payment of the  
8 principal of or the interest on the bonds or in any of the  
9 agreements on the part of an authority that may properly be  
10 included in any indenture securing the bonds or in any  
11 resolution authorizing their issuance, a holder of the bonds  
12 or any of the coupons, or the trustee under any indenture if  
13 authorized in indenture, may, in addition to any other  
14 remedies herein provided or otherwise available, by suit,  
15 action, mandamus, or other proceedings, enforce payment of the  
16 principal or interest and compel performance of all duties of  
17 the authority, and shall be entitled to the appointment of a  
18 receiver possessing all the powers of a receiver necessary or  
19 appropriate for the operation and maintenance of the property  
20 of the authority covered by the indenture or resolution, and  
21 the collection, segregation, and application of revenues  
22 therefrom. The indenture or any resolution may contain  
23 provisions restricting the individual rights of action of the  
24 holders of the bonds and coupons.

25 Section 16. Application of proceeds from the sale of  
26 bonds; source of payment; pledge of county's or municipality's  
27 credit; negotiability; exemption from taxation; pledge as

1 security for funds belonging to a public person; investment in  
2 bonds by fiduciaries; no public hearing required; investment  
3 in bonds by Teachers' Retirement System of Alabama, the  
4 Employees' Retirement System of Alabama, and the State  
5 Insurance Fund; investment in bonds by public persons.

6 (a) The proceeds from the sale of any bonds shall be  
7 applied as provided in the proceedings in which the bonds are  
8 authorized to be issued, including, without limitation, the  
9 payment of all legal, fiscal, and recording fees and expenses  
10 incurred in connection with the authorization, sale, and  
11 issuance of the bonds and, if provided in the proceedings  
12 authorizing their issuance, interest on the bonds; or, if only  
13 a part of any issue of bonds is issued for acquisition  
14 purposes, interest on that portion of the bonds of that issue  
15 that is issued to pay acquisition costs, for a reasonable  
16 period prior to and during the time required for the  
17 acquisition, construction, and equipping of road improvement  
18 facilities. An authority may provide in the proceedings  
19 authorizing the issuance of bonds for the funding of a debt  
20 service reserve or a replacement and extension reserve from  
21 the proceeds of its bonds.

22 (b) All contracts made by an authority and all bonds  
23 shall be solely and exclusively obligations of an authority  
24 and shall not constitute or create an obligation or debt of  
25 any other public person except as provided in subsection (c).

26 (c) A county or municipality may pledge its full  
27 faith and credit toward the retirement of any bonds or other

1 evidences of indebtedness issued by an authority under this  
2 act.

3 (d) Bonds shall be construed to be negotiable  
4 instruments even if payable solely from only a specified  
5 source.

6 (e) Bonds issued by an authority and the income  
7 therefrom shall be exempt from all taxation in the state.

8 (f) Bonds issued by an authority may be used by the  
9 holder thereof as security for any funds belonging to any  
10 public person in any instance where security for such deposits  
11 may be required by law.

12 (g) Unless otherwise directed by a court having  
13 jurisdiction thereof or the document that is the source of its  
14 authority, a trustee, executor, administrator, custodian,  
15 guardian, or one acting in any other fiduciary capacity may,  
16 in addition to any other investment powers now or hereafter  
17 conferred by law and with the exercise of reasonable business  
18 prudence, invest trust or fiduciary funds in bonds.

19 (h) Neither a public hearing nor consent of any  
20 other public person may be a prerequisite to the issuance of  
21 bonds by an authority.

22 (i) The bonds shall be legal investments for funds  
23 of the Teachers' Retirement System of Alabama, the Employees'  
24 Retirement System of Alabama, and the State Insurance Fund.

25 (j) Public persons may invest in any bond issued by  
26 an authority.

27 Section 17. Exemption from usury and interest laws.

1           An authority shall be exempt from all laws of the  
2 state now or hereafter governing usury or prescribing or  
3 limiting interest rates, including without limitation the  
4 provisions of Chapter 8 of Title 8, Code of Alabama 1975.

5           Section 18. Exemptions from taxation.

6           All properties of an authority, whether real,  
7 personal or mixed, and the income therefrom, all bonds and  
8 other securities issued by an authority and the coupons  
9 applicable thereto and the income therefrom, and all  
10 indentures and other instruments executed as security  
11 therefor, all leases made pursuant to this act and all  
12 revenues derived from any such leases, and all deeds and other  
13 documents executed by or delivered to an authority shall be  
14 exempt from any and all taxation by any public person,  
15 including, without limitation, license and excise taxes  
16 imposed in respect of the privilege of engaging in any of the  
17 activities in which an authority may engage. An authority  
18 shall not be obligated to pay or allow any fees, taxes, or  
19 costs to the probate judge in connection with the amendment of  
20 its articles or the recording of any document. The gross  
21 proceeds of the sale of any property used in a road  
22 improvement project or the construction and equipping of any  
23 road improvement facility for an authority, regardless of  
24 whether or not the sale is to an authority or any contractor  
25 or agent thereof, shall be exempt from the sales tax imposed  
26 by Article 1 of Chapter 23 of Title 40, Code of Alabama 1975,  
27 and from all other sales and similar excise taxes now or

1 hereafter levied on or with respect to the gross proceeds of  
2 any such sale by a public person; and any property used in a  
3 road improvement project or the construction and equipping of  
4 any road improvement facility for an authority, regardless of  
5 whether the property has been purchased by an authority or any  
6 contractor or agent thereof, shall be exempt from the use tax  
7 imposed by Article 2 of Chapter 23 of Title 40, Code of  
8 Alabama 1975, and all other use and similar excise taxes now  
9 or hereafter levied on or with respect to property by a public  
10 person.

11 Section 19. ~~Limited liability.~~

12 ~~The recovery of damages under any judgment against~~  
13 ~~an authority or an officer, agent, or employee acting within~~  
14 ~~the line and scope of his or her duties with the authority~~  
15 ~~shall be limited to one hundred thousand dollars (\$100,000)~~  
16 ~~for bodily injury or death for one person in any single~~  
17 ~~occurrence. Recovery of damages under any judgment against an~~  
18 ~~authority shall be limited to three hundred thousand dollars~~  
19 ~~(\$300,000) in the aggregate where more than two persons have~~  
20 ~~claims or judgments on account of bodily injury or death~~  
21 ~~arising out of any single occurrence. Recovery of damages~~  
22 ~~under any judgment against an authority shall be limited to~~  
23 ~~one hundred thousand dollars (\$100,000) for damage or loss of~~  
24 ~~property arising out of any single occurrence. No authority~~  
25 ~~shall settle or compromise any claim for bodily injury, death,~~  
26 ~~or property damage for an amount in excess of the amounts~~  
27 ~~hereinabove set forth.~~



1           Section 20. Transfer of funds and assets to  
2 authority.

3           Any public person may transfer and convey to an  
4 authority, with or without consideration any properties, real,  
5 personal, or mixed, and all funds and assets, tangible or  
6 intangible, that may be owned by a public person or that may  
7 be jointly owned by any two or more thereof, and any funds  
8 owned or controlled by a public person or jointly by any two  
9 or more thereof, whether or not the property or funds are  
10 considered necessary for the conduct of the governmental or  
11 public functions, if any, of a public person. The transfer or  
12 conveyance shall be authorized by an ordinance or resolution  
13 duly adopted by the governing body of a public person. Any  
14 such ordinance or resolution need not be published or posted  
15 and need not be offered for more than one reading.

16           Section 21. Dissolution of authority; title to  
17 property of authority to vest in county of incorporation upon  
18 dissolution of authority unless otherwise provided.

19           (a) At any time when no bonds of an authority are  
20 outstanding, the authority may be dissolved by the adoption of  
21 a resolution by the board of directors recommending  
22 dissolution and by the approval of the dissolution by the  
23 governing body of the county of incorporation and each  
24 participating municipality and the adoption of a resolution to  
25 the effect that the county and each participating municipality  
26 concur. The resolution need not be published or posted and  
27 need not be offered for more than one reading. Upon the

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

6 (b) Upon dissolution of an authority, title to all  
7 its property shall be vested in the public persons in its  
8 articles, or if no specification exists, in the county of  
9 incorporation.

10 Section 22. The provisions of this act are  
11 severable. If any part of this act is declared invalid or  
12 unconstitutional, such declaration shall not affect the part  
13 which remains.

14 Section 23. All laws or parts of laws which conflict  
15 with this act are hereby repealed.

16 Section 24. This act shall become effective June 1,  
17 2021, upon its passage and approval by the Governor, or upon  
18 its otherwise becoming a law.

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House of Representatives

Read for the first time and re-  
ferred to the House of Representa-  
tives committee on Transportation,  
Utilities and Infrastructure ..... 25-FEB-21

Read for the second time and placed  
on the calendar 1 amendment ..... 03-MAR-21

Read for the third time and passed  
as amended..... 11-MAR-21

Yeas 97, Nays 0, Abstains 0

Jeff Woodard  
Clerk