

1 HB463
2 210435-3
3 By Representatives England, Wingo, Poole, Sullivan, South and
4 McCampbell
5 RFD: Transportation, Utilities and Infrastructure
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ENROLLED, An Act,

Providing for the creation of joint road improvement authorities for counties and participating municipalities; providing a procedure for incorporation; providing for the qualifications, procedure for election, and terms of the officers and directors of an authority; providing for the procedure for reincorporating and ratifying the existence of previously created road improvement commissions in counties containing a Class 4 municipality incorporated under Chapter 44B of Title 11, Code of Alabama 1975; providing for the issuance, sale, and execution of bonds; providing for the disposition of proceeds from sale of bonds and refunding bonds; providing for the making of grants and the amendment of articles; providing for powers of an authority; providing for certain exemptions from taxation; providing for limited liability; providing a procedure for validating bond issues; authorizing other governmental bodies to appropriate funds and donate property to an authority; providing for the dissolution of authorities and transfer of funds and assets upon dissolution; allowing municipalities, counties, the state, the Teachers' Retirement System of Alabama, the Employees' Retirement System of Alabama, the State Insurance Fund, and fiduciaries to invest in bonds issued by an authority; and authorizing bonds to be pledged as security.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Definitions.

3 When used in this act, the following terms shall
4 have the following meanings:

5 (1) ARTICLES. The articles of incorporation or
6 articles of reincorporation of an authority.

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

9 (3) BOARD of DIRECTORS. The board of directors of an
10 authority.

11 (4) BOND or BONDS. A bond or bonds issued under this
12 act.

13 (5) COUNTY OF INCORPORATION. The county in which an
14 authority has been or is proposed to be incorporated or
15 reincorporated.

16 (6) DIRECTORS. The members of the board of
17 directors.

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

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

23 (9) PARTICIPATING MUNICIPALITY. Any municipality
24 named in the articles that elects to participate in the
25 incorporation or reincorporation of the authority.

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

5 (11) PROBATE JUDGE. The judge of probate of the
6 county of incorporation of an authority.

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

14 (13) PUBLIC PERSON. The state and any county,
15 municipal corporation, ~~public corporation~~, agency, subdivision
16 thereof, instrumentality thereof, or similar person.

17 Section 2. Legislative findings of fact and
18 declaration of intent; construction of article.

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

21 (1) The Legislature acknowledges the key role of
22 public corporations in the state in promoting public interest
23 through acquiring, enlarging, improving, expanding, owning,
24 operating, leasing, and disposing of road improvement related
25 properties. It has come to the attention of the Legislature

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

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

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

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

23 Section 4. Filing of application for incorporation
24 with probate judge; contents thereof; recordation of
25 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

1 the proposed authority by filing for record pursuant to
2 subsection (c) of Section 5.

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

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

8 Section 5. Contents, signing, and filing of
9 articles.

10 (a) The articles of an authority shall state all of
11 the following:

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

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

23 (3) The period of the authority, which may be
24 perpetual.

1 (4) The location of the principal office of the
2 authority, located within the boundaries of the county of
3 incorporation.

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

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

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

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

14 ~~a. The governing body of the county of~~
15 ~~incorporation.~~

16 ~~b. The governing bodies of the participating~~
17 ~~municipalities.~~

18 ~~c. The individual members of the governing bodies,~~
19 ~~based upon districts, precincts, place numbers, or another~~
20 ~~method.~~

21 ~~d. The legislative delegation of the county of~~
22 ~~incorporation.~~

23 ~~e. Any combination of paragraphs a. to d. as the~~
24 ~~articles prescribe.~~

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

4 1. The governing body of the county of
5 incorporation.

6 2. The governing bodies of the participating
7 municipalities.

8 3. The individual members of the governing bodies,
9 based upon districts, precincts, place numbers, or another
10 method.

11 4. The legislative delegation of the county of
12 incorporation.

13 5. Any combination of subparagraphs 1. to 4. as the
14 articles prescribe.

15 b. All persons making appointments to a board of
16 directors of a joint road improvement authority shall
17 coordinate their appointments so that diversity of gender,
18 race, and geographical areas is reflective of the makeup of
19 the county of incorporation.

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

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

1 (b) The articles shall be signed by each of the
2 incorporators.

3 (c) The authority shall constitute a public
4 corporation under the name set forth in its articles upon the
5 filing of record of the article with the probate judge. The
6 recording of the articles by the probate judge shall be
7 conclusive evidence of the due, legal, and valid incorporation
8 of the authority. The probate judge shall record the articles
9 in an appropriate book in his or her office. There shall be no
10 filing fees or recording taxes due or payable on account of
11 the filing for record of the articles.

12 Section 6. Authorization and procedure for
13 reincorporation of existing road improvement commissions;
14 continuation in office of directors; effect of
15 reincorporation.

16 (a) In any county containing a Class 4 municipality
17 incorporated under Chapter 44B of Title 11, Code of Alabama
18 1975, where there has been an attempt to create a road
19 improvement commission by general or local legislation, but
20 the attempted creation or incorporation is or may be invalid
21 because of an irregularity in the procedure followed or
22 invalidity of or defect in the statute under which the
23 attempted creation or incorporation of the authority or board
24 was made, a minimum of four natural persons who reside in the
25 county in which the authority is to be incorporated and who

1 are members of the road improvement commission may file a
2 written application with the probate judge of the county in
3 which the road improvement commission has been attempted to be
4 created. The application shall:

5 (1) Contain a statement that the incorporators
6 propose to reincorporate the commission into an authority
7 pursuant to this act.

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

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

18 (b) (1) An application shall be accompanied by the
19 form of articles of the road improvement commission proposed
20 to be reincorporated.

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

1 (c) The governing body of the county of
2 incorporation and of each participating municipality shall
3 review the contents of the application and the accompanying
4 form of articles and shall adopt a resolution either to deny
5 the application or declare that it is expedient that the
6 proposed reincorporation occur, approving the form of
7 articles, and authorizing the incorporators to proceed to
8 reincorporate the road improvement commission by filing for
9 record the articles in accordance with the provisions of
10 Section 5, except that the articles shall specify the name of
11 the road improvement commission being reincorporated.

12 (d) It shall not be necessary that any resolution be
13 published in any newspaper or posted or be offered for more
14 than one reading.

15 (e) (1) Upon the filing for record of the articles of
16 the authority with the probate judge, the commission shall be
17 reincorporated and the existence and validity of the authority
18 validated and ratified retroactive to the initial creation or
19 attempted creation of the commission, with all authorities and
20 powers granted to an authority under this act. All actions
21 taken, policies observed, contracts, obligations, agreements
22 and understandings entered, property owned, acquired,
23 received, or conveyed, any civil actions pending or concluded,
24 any employee rights or benefits granted, and all other matters
25 with respect to the road improvement commission occurring or

1 existing prior to the date of reincorporation shall be deemed
2 transferred, assigned, and conveyed to, and received,
3 accepted, and adopted by, the authority as of the date of
4 reincorporation, and shall be deemed valid, binding,
5 effective, legal, and constitutional with respect to the
6 authority after the date of reincorporation if those matters
7 would have been valid, binding, legal, effective, or
8 constitutional if occurring after the date of reincorporation
9 under the terms of this act.

10 (2) Upon the filing for record of the articles of
11 the authority with the probate judge, the proceeds of any
12 taxes that are directed by law to be paid to the road
13 improvement commission, including, but not limited to, those
14 taxes directed to be paid to the road improvement commission
15 under Act 56 of the 1953 Regular Session, as amended, shall
16 thereafter be paid to the reincorporated road improvement
17 authority.

18 (f) Upon reincorporation, the directors of the
19 authority shall consist of those natural persons who were
20 members of the road improvement commission prior to
21 reincorporation, until new appointments are made under the
22 articles of the authority.

23 Section 7. Further authorization and procedure for
24 reincorporation of existing road improvement commissions.

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

11 Section 8. Recordation of articles by probate judge;
12 probate judge to receive no fees in connection with
13 incorporation, reincorporation, dissolution, etc., of
14 authority.

15 (a) The articles shall be filed with the probate
16 judge. The proposed authority shall constitute a de jure
17 corporation upon acceptance of filing. The acceptance of the
18 articles for filing by the probate judge shall be conclusive
19 of the valid incorporation of a proposed authority or
20 reincorporation of a road improvement commission.

21 (b) There shall be no fees or taxes paid to or
22 collected by the probate judge for any service rendered or
23 work performed in connection with an authority, its
24 incorporation, reincorporation, amendment, dissolution, or
25 records.

1 Section 9. Powers of authority vested in board of
2 directors; officers and directors of authority; proceedings of
3 board of directors to be reduced to writing and signed by two
4 directors; admissibility of evidence of proceedings of board
5 of directors; adoption of bylaws; notice of meetings;
6 attendance at meetings; qualifications.

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

9 (b) The initial board of directors of an authority
10 shall be specified in the articles, or as provided in Section
11 6.

12 (c) The board shall elect from its own membership a
13 chair, vice-chair, and secretary. A majority of the directors
14 shall constitute a quorum for the transaction of business. The
15 officers and directors shall serve for the terms provided for
16 in the articles. A director may not receive any salary for
17 service rendered or for any duty performed as a director. The
18 chair, vice-chair, and secretary shall perform the duties
19 customarily performed by the officers and as may be prescribed
20 by the board of directors.

21 (d) All proceedings by the board of directors shall
22 be in writing by the secretary of the authority and signed by
23 at least two directors of the authority present at the
24 proceedings. Copies of the proceedings, when certified by the
25 secretary of the authority under the seal of the authority,

1 shall be received in all courts as prima facie evidence of the
2 matters and things therein certified.

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

5 (f) Notice of any meeting of the members of the
6 board of directors shall be as provided in the bylaws or as
7 determined by the chair of the board of directors. Notice of
8 any meeting may be waived by any director before, at, or after
9 the meeting and may be communicated by letter, telegraph,
10 telex, telecopy, internet posting, or similar means.

11 Attendance at any meeting for any purpose other than to
12 protest the holding of the meeting shall constitute a waiver
13 of notice. The board of directors may conduct a meeting by
14 teleconference; provided, the authority otherwise complies
15 with the notice requirements of this act, and provides public
16 access by allowing access to the teleconferencing technology.

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

21 (h) The board of directors shall create a Finance
22 Committee and a Contract Review Committee, and may create one
23 or more additional committees, and may appoint members of the
24 board of directors to serve on each. Each committee shall have
25 one or more members, who serve at the pleasure of the board of

1 directors. A committee may exercise the authority of the board
2 of directors as specified by the board of directors, or in the
3 articles or bylaws, but may not amend the articles or adopt,
4 amend, or repeal bylaws. Notice of any committee meeting shall
5 be given in the same manner as provided for meetings of the
6 board of directors. A committee may conduct a meeting by
7 teleconference; provided, the committee provides public access
8 by allowing access to the teleconferencing technology.

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

15 Section 10. Members of the board of directors;
16 terms; meetings; removal from office.

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

21 (b) All directors shall serve until their successors
22 are appointed or until they cease to be qualified. Vacancies
23 on the board of directors shall be filled as provided for in
24 the articles, but any person appointed to fill a vacancy shall
25 serve only for the unexpired portion of the term. In the event

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

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

1 record. All resolutions adopted by the board of directors
2 shall constitute actions of the authority.

3 (d) A director may be impeached and removed from
4 office only in the same manner and on the same grounds
5 provided in Section 175 of the Constitution of Alabama of
6 1901, and the general laws of the state for impeachment and
7 removal of the officers mentioned in Section 175.

8 Section 11. Amendment of articles.

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

15 (b) After the adoption by the board of directors of
16 a resolution proposing an amendment to the articles, the chair
17 and the secretary of the authority shall sign and file with
18 the governing body of the county of incorporation and of each
19 participating municipality a written application in the name
20 and on behalf of the authority, under its seal, requesting the
21 county and each participating municipality to adopt a
22 resolution approving the proposed amendment, and accompanied
23 by a copy of the resolution adopted by the board of directors
24 proposing the amendment to the articles. The county and each
25 participating municipality shall therein review the

1 application and adopt a resolution either denying the
2 application or approving and authorizing the proposed
3 amendment. A resolution need not be published or posted or
4 offered for more than one reading.

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

16 Section 12. Powers of authority generally.

17 An authority shall have the following powers:

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

20 ~~(2) To institute and defend legal proceedings in any~~
21 ~~court of competent jurisdiction and proper venue; provided,~~
22 ~~however, that an authority may not be sued in any court other~~
23 ~~than the courts of the county of incorporation; provided,~~
24 ~~further, that the officers, directors, agents, and employees~~
25 ~~of an authority may not be sued for their actions on behalf of~~

1 ~~the authority except for actions that are known by a person to~~
2 ~~be unlawful or are performed with reckless disregard for the~~
3 ~~lawfulness of the actions.~~

4 (2) To institute and defend legal proceedings in any
5 court of competent jurisdiction and proper venue; provided
6 further, that the officers and directors of an authority may
7 not be sued except for acts that are willful, malicious,
8 fraudulent, in bad faith, beyond his or her authority, or
9 under a mistaken interpretation of law.

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

12 (4) To establish a fiscal year.

13 (5) To anticipate by the issuance of its bonds the
14 receipt of any revenues that may be appropriated by or to the
15 authority and to pledge the proceeds of the appropriations as
16 security for the payment of the principal of and interest on
17 its bonds.

18 (6) To mortgage and pledge any or all of its
19 property or facilities or any part or parts thereof, whether
20 then owned or thereafter acquired, and to pledge the revenues
21 and receipts therefrom or from any thereof as security for the
22 payment of the principal of and interest on its bonds.

23 (7) To make surveys and other analyses to determine
24 suitable locations for road improvement projects and necessary
25 facilities.

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

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

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

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

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

18 (13) To appoint, contract with, and employ officers,
 19 employees, and agents including, but not limited to,
 20 engineers, accountants, attorneys, architects, construction
 21 contractors, consultants, fiscal agents, underwriters, issuers
 22 of letters of credit, depositories, banks, trustees, paying
 23 agents, transfer agents, remarketing agents, marketing agents,
 24 rating agencies, insurers of its securities, guarantors of its
 25 securities, or providers of other forms of credit enhancement

1 for its securities as an authority may require or deem
2 appropriate for the carrying out of its corporate purposes and
3 the exercise of its powers.

4 (14) To acquire, whether by purchase, exchange,
5 gift, lease, or otherwise, all real and personal property that
6 the board of directors deems necessary for the purpose of the
7 authority; to improve roads and road maintenance facilities,
8 including the improvement of roads by the construction of
9 buildings, facilities, roads, curbing, gutters, drainage,
10 sewerage, utilities, or grading.

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

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

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

20 ~~(18) To sell, exchange, and convey, to contract, to~~
21 ~~sell, exchange, and convey and to grant options to acquire any~~
22 ~~or all of its properties whenever its board of directors find~~
23 ~~any action to be in furtherance of the purposes for which the~~
24 ~~authority was organized.~~

1 ~~(19)~~ (15) To enter into leases of real or personal
2 property with a person.

3 ~~(20)~~ (16) To provide for insurance as the board of
4 directors may deem advisable.

5 ~~(21)~~ (17) To enter into a management agreement or
6 agreements with a person for the management of any road
7 improvement facilities.

8 ~~(22)~~ (18) To grant privileges, licenses, or permits
9 for the operation of any public accommodation facilities.

10 ~~(23)~~ (19) To assume obligations secured by a lien
11 on, or payable out of, or secured by a pledge of, the revenues
12 and receipts from projects, or any part thereof that may be
13 acquired, and obligation assumed to be payable solely out of
14 the revenues and receipts from any projects, or part thereof.

15 ~~(24)~~ (20) To enter into contracts, agreements,
16 options, leases, deeds, mortgages, and other instruments, and
17 to take other actions as may be necessary or convenient to
18 accomplish any purpose for which an authority is organized or
19 to exercise any power expressly granted under this act.

20 Section 13. Issuance and sale of bonds.

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

1 Section 14. Execution of bonds and interest coupons;
2 form, terms, denominations, etc., of bonds; validation of
3 bonds; sale; refunding bonds.

4 (a) Bonds of an authority shall be signed by the
5 chair and attested by the secretary, the seal of the authority
6 shall be affixed thereto, and any interest coupons applicable
7 to the bonds shall be signed by the chair; provided that a
8 facsimile of the signature of the officers may be printed or
9 otherwise reproduced on any bonds in lieu of being manually
10 subscribed. A facsimile of the seal of the authority may be
11 printed or otherwise produced on any bonds in lieu of being
12 manually affixed thereto, and a facsimile of the chair's
13 signature may be printed or otherwise reproduced on any
14 interest coupons in lieu of being manually subscribed,
15 provided, that the bonds have been manually authenticated by a
16 transfer agent of the bond issue. Delivery of the bonds
17 executed shall be valid notwithstanding any changes in
18 officers or in the seal of the authority after the signing and
19 sealing of the bonds.

20 (b) Any bonds may be executed and delivered by the
21 authority and may be in such form and denominations, of the
22 tenor and maturities, bear rate or rates of interest, be
23 payable at the times and evidenced in a manner, and may
24 contain other provisions not inconsistent with this act as may
25 be provided by the resolution or resolutions of the board of

1 directors under which the bonds are authorized to be issued. A
2 bond may not have a specified maturity date later than 40
3 years after its date of execution. A bond may be made subject
4 to redemption at the option of an authority at such times and
5 after notice and on conditions and at redemption price or
6 prices as may be provided in the resolution or resolutions
7 under which it is authorized to be issued. The bonds may bear
8 interest at a fixed rate, at a rate that adjusts in accordance
9 with an independent standard, such as the prime or base
10 lending rate of a bank or published rates for other
11 securities, or may bear interest at rates which may be
12 adjusted to a rate sufficient, in the opinion of any
13 remarketing agent appointed by the authority, to make the
14 bonds have a fair market value or funding value not less than
15 the principal amount of the bonds or other amount as may be
16 specified in the proceedings authorizing the issuance of
17 bonds. The authority may issue "tender" bonds or similar bonds
18 and may enter into appropriate remarketing agreements with
19 respect to any bonds and the determination of the rate of
20 interest borne by the bonds.

21 (c) Upon the adoption by the board of directors of a
22 resolution providing for the issuance of bonds, an authority
23 may publish once a week for two consecutive weeks, in a
24 newspaper of general circulation published in the county of
25 incorporation a notice in substantially the following form

1 (the blanks being properly filled in) at the end of which
2 shall be printed the name and title of either the chair or
3 secretary of the authority: "_____, a public
4 corporation organized under the laws of the State of Alabama,
5 on the ____ day of _____, authorized the issuance of
6 not more than \$_____ principal amount of [revenue],
7 [general obligation], or [other appropriate designation] bonds
8 of the authority for purposes authorized in the act of the
9 Legislature of Alabama under which the authority was
10 organized. Any action or proceeding questioning the validity
11 of the bonds, any pledge or mortgage to secure, any lease or
12 sale of any project to be financed by the bonds, or the
13 proceedings authorizing the bonds shall be commenced within 20
14 days after the first publication of this notice." Any action
15 or proceeding in any court to set aside or question the
16 proceedings for the issuance of the bonds referred to in the
17 notice or to contest the validity of the bonds or the validity
18 of any pledge or mortgage made therefor shall be commenced
19 within 20 days after the first publication of the notice.
20 After the expiration of the period, no action, counterclaim,
21 setoff, or defense questioning or attacking the validity of
22 the proceeding or of the bonds shall be asserted, nor shall
23 the validity of the proceedings of the bonds be open to
24 question in any court on any ground whatsoever, except in an
25 action or proceeding commenced within the period.

1 (d) Subject to the provisions and limitations
2 contained in this act, an authority may sell and issue
3 refunding bonds for the purpose of refunding any outstanding
4 matured or unmatured bonds. Refunding bonds may be subrogated
5 and entitled to all priorities, rights, and pledges to which
6 the bonds refunded were entitled.

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

11 Section 15. Security for bonds.

12 (a) In the discretion of the board of directors of
13 an authority, any bonds may be secured by an indenture between
14 an authority and a trustee, which may be a trust company or
15 bank having trust powers, whether the trust company or bank is
16 located within or outside of the state. In any indenture or
17 resolution providing for the issuance of bonds, an authority
18 may pledge, for payment of the principal of and the interest
19 on such bonds, any of its revenues to which its rights exist
20 or may thereafter come into existence, and may assign, as
21 security for payment, any of its leases, franchises, permits,
22 and contracts. In any indenture, an authority may mortgage any
23 properties, including any that may be thereafter acquired by
24 it, and may provide that in the event of a default in payment
25 of the bonds secured thereby or in the event of default with

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

1 available in the event of default to the holder of the bonds
2 or the trustee under the indenture, all as the board of
3 directors deem advisable and which are not in conflict with
4 this section.

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

23 Section 16. Application of proceeds from the sale of
24 bonds; source of payment; pledge of county's or municipality's
25 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).

1 (c) A county or municipality may pledge its full
2 faith and credit toward the retirement of any bonds or other
3 evidences of indebtedness issued by an authority under this
4 act.

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

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

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

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

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

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

4 (j) Public persons may invest in any bond issued by
 5 an authority.

6 Section 17. Exemption from usury and interest laws.

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

11 Section 18. Exemptions from taxation.

12 All properties of an authority, whether real,
 13 personal or mixed, and the income therefrom, all bonds and
 14 other securities issued by an authority and the coupons
 15 applicable thereto and the income therefrom, and all
 16 indentures and other instruments executed as security
 17 therefor, all leases made pursuant to this act and all
 18 revenues derived from any such leases, and all deeds and other
 19 documents executed by or delivered to an authority shall be
 20 exempt from any and all taxation by any public person,
 21 including, without limitation, license and excise taxes
 22 imposed in respect of the privilege of engaging in any of the
 23 activities in which an authority may engage. An authority
 24 shall not be obligated to pay or allow any fees, taxes, or
 25 costs to the probate judge in connection with the amendment of

1 its articles or the recording of any document. The gross
2 proceeds of the sale of any property used in a road
3 improvement project or the construction and equipping of any
4 road improvement facility for an authority, regardless of
5 whether or not the sale is to an authority or any contractor
6 or agent thereof, shall be exempt from the sales tax imposed
7 by Article 1 of Chapter 23 of Title 40, Code of Alabama 1975,
8 and from all other sales and similar excise taxes now or
9 hereafter levied on or with respect to the gross proceeds of
10 any such sale by a public person; and any property used in a
11 road improvement project or the construction and equipping of
12 any road improvement facility for an authority, regardless of
13 whether the property has been purchased by an authority or any
14 contractor or agent thereof, shall be exempt from the use tax
15 imposed by Article 2 of Chapter 23 of Title 40, Code of
16 Alabama 1975, and all other use and similar excise taxes now
17 or hereafter levied on or with respect to property by a public
18 person.

19 Section 19. ~~Limited liability.~~

20 ~~The recovery of damages under any judgment against~~
21 ~~an authority or an officer, agent, or employee acting within~~
22 ~~the line and scope of his or her duties with the authority~~
23 ~~shall be limited to one hundred thousand dollars (\$100,000)~~
24 ~~for bodily injury or death for one person in any single~~
25 ~~occurrence. Recovery of damages under any judgment against an~~

1 ~~authority shall be limited to three hundred thousand dollars~~
2 ~~(\$300,000) in the aggregate where more than two persons have~~
3 ~~claims or judgments on account of bodily injury or death~~
4 ~~arising out of any single occurrence. Recovery of damages~~
5 ~~under any judgment against an authority shall be limited to~~
6 ~~one hundred thousand dollars (\$100,000) for damage or loss of~~
7 ~~property arising out of any single occurrence. No authority~~
8 ~~shall settle or compromise any claim for bodily injury, death,~~
9 ~~or property damage for an amount in excess of the amounts~~
10 ~~hereinabove set forth.~~

11 Section 20. Transfer of funds and assets to
12 authority.

13 Any public person may transfer and convey to an
14 authority, with or without consideration any properties, real,
15 personal, or mixed, and all funds and assets, tangible or
16 intangible, that may be owned by a public person or that may
17 be jointly owned by any two or more thereof, and any funds
18 owned or controlled by a public person or jointly by any two
19 or more thereof, whether or not the property or funds are
20 considered necessary for the conduct of the governmental or
21 public functions, if any, of a public person. The transfer or
22 conveyance shall be authorized by an ordinance or resolution
23 duly adopted by the governing body of a public person. Any
24 such ordinance or resolution need not be published or posted
25 and need not be offered for more than one reading.

1 Section 21. Dissolution of authority; title to
2 property of authority to vest in county of incorporation upon
3 dissolution of authority unless otherwise provided.

4 (a) At any time when no bonds of an authority are
5 outstanding, the authority may be dissolved by the adoption of
6 a resolution by the board of directors recommending
7 dissolution and by the approval of the dissolution by the
8 governing body of the county of incorporation and each
9 participating municipality and the adoption of a resolution to
10 the effect that the county and each participating municipality
11 concur. The resolution need not be published or posted and
12 need not be offered for more than one reading. Upon the
13 dissolution the chair and secretary of the dissolved authority
14 shall execute articles of dissolution reciting that the
15 resolutions have been adopted and that the authority has been
16 dissolved. The articles of dissolution shall be filed with the
17 probate judge, who shall record the dissolution.

18 (b) Upon dissolution of an authority, title to all
19 its property shall be vested in the public persons in its
20 articles, or if no specification exists, in the county of
21 incorporation.

22 Section 22. The provisions of this act are
23 severable. If any part of this act is declared invalid or
24 unconstitutional, such declaration shall not affect the part
25 which remains.

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

3 Section 24. This act shall become effective June 1,
4 2021, upon its passage and approval by the Governor, or upon
5 its otherwise becoming a law.

