

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

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8       SYNOPSIS:               This bill would provide for the  
9                               establishment of joint road improvement authorities  
10                              by counties and participating municipalities, and  
11                              would provide for the procedure for incorporation  
12                              of an authority and officers and directors of an  
13                              authority.

14                             This bill would also provide a procedure for  
15                             reincorporating and ratifying the existence of  
16                             previously created road improvement commissions in  
17                             counties containing a Class 4 municipality  
18                             incorporated under Chapter 44B of Title 11, Code of  
19                             Alabama 1975.

20                             This bill would authorize a joint road  
21                             improvement authority to issue and sell bonds, make  
22                             grants, and amend the articles of incorporation of  
23                             the authority and would provide for certain other  
24                             powers of an authority. The bill would also exempt  
25                             an authority from certain taxes, provide for the  
26                             validation of bond issues by an authority, provide  
27                             for the authorization of the appropriation of funds

1 and the donation of property to an authority,  
2 provide for the dissolution of an authority and  
3 transfer of funds upon dissolution, provide for the  
4 investment in bonds of an authority by certain  
5 entities, and would provide for the bonds of an  
6 authority to be eligible to be pledged as security  
7 for funds belonging to the state or any of its  
8 political subdivisions or instrumentalities.

9  
10 A BILL  
11 TO BE ENTITLED  
12 AN ACT

13  
14 Providing for the creation of joint road improvement  
15 authorities for counties and participating municipalities;  
16 providing a procedure for incorporation; providing for the  
17 qualifications, procedure for election, and terms of the  
18 officers and directors of an authority; providing for the  
19 procedure for reincorporating and ratifying the existence of  
20 previously created road improvement commissions in counties  
21 containing a Class 4 municipality incorporated under Chapter  
22 44B of Title 11, Code of Alabama 1975; providing for the  
23 issuance, sale, and execution of bonds; providing for the  
24 disposition of proceeds from sale of bonds and refunding  
25 bonds; providing for the making of grants and the amendment of  
26 articles; providing for powers of an authority; providing for  
27 certain exemptions from taxation; providing for limited

1 liability; providing a procedure for validating bond issues;  
2 authorizing other governmental bodies to appropriate funds and  
3 donate property to an authority; providing for the dissolution  
4 of authorities and transfer of funds and assets upon  
5 dissolution; allowing municipalities, counties, the state, the  
6 Teachers' Retirement System of Alabama, the Employees'  
7 Retirement System of Alabama, the State Insurance Fund, and  
8 fiduciaries to invest in bonds issued by an authority; and  
9 authorizing bonds to be pledged as security.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Definitions.

12 When used in this act, the following terms shall  
13 have the following meanings:

14 (1) ARTICLES. The articles of incorporation or  
15 articles of reincorporation of an authority.

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

18 (3) BOARD of DIRECTORS. The board of directors of an  
19 authority.

20 (4) BOND or BONDS. A bond or bonds issued under this  
21 act.

22 (5) COUNTY OF INCORPORATION. The county in which an  
23 authority has been or is proposed to be incorporated or  
24 reincorporated.

25 (6) DIRECTORS. The members of the board of  
26 directors.

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

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

6           (9) PARTICIPATING MUNICIPALITY. Any municipality  
7 named in the articles that elects to participate in the  
8 incorporation or reincorporation of the authority.

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

13           (11) PROBATE JUDGE. The judge of probate of the  
14 county of incorporation of an authority.

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

22           (13) PUBLIC PERSON. The state and any county,  
23 municipal corporation, public corporation, agency, subdivision  
24 thereof, instrumentality thereof, or similar person.

25           Section 2. Legislative findings of fact and  
26 declaration of intent; construction of article.

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

3           (1) The Legislature acknowledges the key role of  
4 public corporations in the state in promoting public interest  
5 through acquiring, enlarging, improving, expanding, owning,  
6 operating, leasing, and disposing of road improvement related  
7 properties. It has come to the attention of the Legislature  
8 that questions have been raised as to the status of certain  
9 road improvement commissions located in certain counties. It  
10 is the intent of the Legislature to promote the public health  
11 and general welfare by exercising its police power to  
12 authorize the formation of independent public corporations  
13 created jointly by counties and municipalities, and the  
14 reincorporation of existing road improvement commissions  
15 located in counties containing a Class 4 municipality, as  
16 defined by Section 11-40-12, Code of Alabama 1975,  
17 incorporated under Chapter 44B of Title 11, Code of Alabama  
18 1975, having as their general purposes the promotion of road  
19 improvement purposes, facilities and activities and having the  
20 power to issue bonds, among certain other powers.

21           (2) This act shall be liberally construed in  
22 accordance with the findings of fact and declaration of intent  
23 in this section.

24           Section 3. Authorization and procedure for  
25 incorporation generally.

26           Any number of natural persons, not less than three,  
27 residing in the county of incorporation may incorporate an

1 authority as provided in this act. The incorporators shall  
2 file a written application in accordance with Section 4.

3 Section 4. Filing of application for incorporation  
4 with probate judge; contents thereof; recordation of  
5 application by probate judge; approval or disapproval by  
6 governing body of county of incorporation and each  
7 participating municipality.

8 (a) The written application of the incorporators  
9 shall be filed with the probate judge, which application  
10 shall:

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

13 (2) State that each of the incorporators is a  
14 resident of the county of incorporation.

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

22 (b) The application shall include the form of  
23 articles of the proposed authority.

24 (c) The governing body of the county of  
25 incorporation and of each participating municipality shall  
26 review the contents of the application and the accompanying  
27 form of articles and shall adopt a resolution to deny the

1 application or to declare that it is expedient that the  
2 proposed authority be formed, approving the form of the  
3 articles, and authorizing the incorporators to proceed to form  
4 the proposed authority by filing for record pursuant to  
5 subsection (c) of Section 5.

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

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

11 Section 5. Contents, signing, and filing of  
12 articles.

13 (a) The articles of an authority shall state all of  
14 the following:

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

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

26 (3) The period of the authority, which may be  
27 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.

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

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

4           (b) The articles shall be signed by each of the  
5 incorporators.

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

15           Section 6. Authorization and procedure for  
16 reincorporation of existing road improvement commissions;  
17 continuation in office of directors; effect of  
18 reincorporation.

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

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

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

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

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

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

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

26 (c) The governing body of the county of  
27 incorporation and of each participating municipality shall

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

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

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

1 effective, legal, and constitutional with respect to the  
2 authority after the date of reincorporation if those matters  
3 would have been valid, binding, legal, effective, or  
4 constitutional if occurring after the date of reincorporation  
5 under the terms of this act.

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

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

19 Section 7. Further authorization and procedure for  
20 reincorporation of existing road improvement commissions.

21 A road improvement commission created or attempted  
22 to be created prior to the effective date of this act in a  
23 county containing a Class 4 municipality incorporated under  
24 Chapter 44B of Title 11, Code of Alabama 1975, may seek  
25 authority to reincorporate pursuant to the procedure  
26 established in Section 6 if a majority of the commission  
27 adopts a resolution determining that it would be expedient for

1 the commission to reincorporate and a group of at least four  
2 members of the commission files an application in accordance  
3 with Section 6.

4 Section 8. Recordation of articles by probate judge;  
5 probate judge to receive no fees in connection with  
6 incorporation, reincorporation, dissolution, etc., of  
7 authority.

8 (a) The articles shall be filed with the probate  
9 judge. The proposed authority shall constitute a de jure  
10 corporation upon acceptance of filing. The acceptance of the  
11 articles for filing by the probate judge shall be conclusive  
12 of the valid incorporation of a proposed authority or  
13 reincorporation of a road improvement commission.

14 (b) There shall be no fees or taxes paid to or  
15 collected by the probate judge for any service rendered or  
16 work performed in connection with an authority, its  
17 incorporation, reincorporation, amendment, dissolution, or  
18 records.

19 Section 9. Powers of authority vested in board of  
20 directors; officers and directors of authority; proceedings of  
21 board of directors to be reduced to writing and signed by two  
22 directors; admissibility of evidence of proceedings of board  
23 of directors; adoption of bylaws; notice of meetings;  
24 attendance at meetings; qualifications.

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

1           (b) The initial board of directors of an authority  
2 shall be specified in the articles, or as provided in Section  
3 6.

4           (c) The board shall elect from its own membership a  
5 chair, vice-chair, and secretary. A majority of the directors  
6 shall constitute a quorum for the transaction of business. The  
7 officers and directors shall serve for the terms provided for  
8 in the articles. A director may not receive any salary for  
9 service rendered or for any duty performed as a director. The  
10 chair, vice-chair, and secretary shall perform the duties  
11 customarily performed by the officers and as may be prescribed  
12 by the board of directors.

13           (d) All proceedings by the board of directors shall  
14 be in writing by the secretary of the authority and signed by  
15 at least two directors of the authority present at the  
16 proceedings. Copies of the proceedings, when certified by the  
17 secretary of the authority under the seal of the authority,  
18 shall be received in all courts as prima facie evidence of the  
19 matters and things therein certified.

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

22           (f) Notice of any meeting of the members of the  
23 board of directors shall be as provided in the bylaws or as  
24 determined by the chair of the board of directors. Notice of  
25 any meeting may be waived by any director before, at, or after  
26 the meeting and may be communicated by letter, telegraph,  
27 telex, telecopy, internet posting, or similar means.

1 Attendance at any meeting for any purpose other than to  
2 protest the holding of the meeting shall constitute a waiver  
3 of notice. The board of directors may conduct a meeting by  
4 teleconference; provided, the authority otherwise complies  
5 with the notice requirements of this act, and provides public  
6 access by allowing access to the teleconferencing technology.

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

11 (h) The board of directors shall create a Finance  
12 Committee and a Contract Review Committee, and may create one  
13 or more additional committees, and may appoint members of the  
14 board of directors to serve on each. Each committee shall have  
15 one or more members, who serve at the pleasure of the board of  
16 directors. A committee may exercise the authority of the board  
17 of directors as specified by the board of directors, or in the  
18 articles or bylaws, but may not amend the articles or adopt,  
19 amend, or repeal bylaws. Notice of any committee meeting shall  
20 be given in the same manner as provided for meetings of the  
21 board of directors. A committee may conduct a meeting by  
22 teleconference; provided, the committee provides public access  
23 by allowing access to the teleconferencing technology.

24 (i) A director shall be a resident of the county of  
25 incorporation. If a director ceases to be a resident of the  
26 county of incorporation, he or she shall cease to be a  
27 director, and the position shall remain vacant until a



1 successor is appointed in accordance with the articles and  
2 this act.

3 Section 10. Members of the board of directors;  
4 terms; meetings; removal from office.

5 (a) Except as provided in Section 6, the board of  
6 directors shall be composed of the number of directors  
7 provided for in the articles, appointed as provided in the  
8 articles for the terms designated therein.

9 (b) All directors shall serve until their successors  
10 are appointed or until they cease to be qualified. Vacancies  
11 on the board of directors shall be filled as provided for in  
12 the articles, but any person appointed to fill a vacancy shall  
13 serve only for the unexpired portion of the term. In the event  
14 any uncertainty arises as to the terms of office of a  
15 director, the governing body or person authorized to appoint a  
16 director to the board of directors may clarify the term by  
17 adoption of an appropriate resolution or by execution of an  
18 appropriate certificate.

19 (c) A majority of the directors shall constitute a  
20 quorum for the transaction of business, but any meeting of the  
21 board of directors may be adjourned by a majority of the  
22 directors present, or may be adjourned by a single director if  
23 the director is the only director present at the meeting. A  
24 vacancy in the membership of the board of directors may not  
25 impair the right of a quorum to exercise all the powers and  
26 perform all the duties of the board. The board shall hold  
27 regular meetings at such times as may be provided in the

1 bylaws of the authority and may hold other meetings at any  
2 time upon notice as may be required by the bylaws of the  
3 authority or if the bylaws make no provision for notice as  
4 determined by the chair of the board of directors. The board  
5 of directors may hold a special meeting upon call of the chair  
6 or by a majority of the directors. Any matter on which the  
7 board of directors is authorized to act may be acted upon at  
8 any regular, special, or called meeting. At the request of a  
9 director, the vote on any question before the board of  
10 directors may be taken by yeas and nays and entered upon the  
11 record. All resolutions adopted by the board of directors  
12 shall constitute actions of the authority.

13 (d) A director may be impeached and removed from  
14 office only in the same manner and on the same grounds  
15 provided in Section 175 of the Constitution of Alabama of  
16 1901, and the general laws of the state for impeachment and  
17 removal of the officers mentioned in Section 175.

18 Section 11. Amendment of articles.

19 (a) The articles of a authority may be amended in  
20 the manner provided in this section. The board of directors  
21 shall adopt a resolution proposing an amendment to the  
22 articles. The amendment shall be fully set forth in the  
23 resolution and may include any matters that might have been  
24 included in the original articles.

25 (b) After the adoption by the board of directors of  
26 a resolution proposing an amendment to the articles, the chair  
27 and the secretary of the authority shall sign and file with

1 the governing body of the county of incorporation and of each  
2 participating municipality a written application in the name  
3 and on behalf of the authority, under its seal, requesting the  
4 county and each participating municipality to adopt a  
5 resolution approving the proposed amendment, and accompanied  
6 by a copy of the resolution adopted by the board of directors  
7 proposing the amendment to the articles. The county and each  
8 participating municipality shall therein review the  
9 application and adopt a resolution either denying the  
10 application or approving and authorizing the proposed  
11 amendment. A resolution need not be published or posted or  
12 offered for more than one reading.

13 (c) Following the adoption of a resolution approving  
14 the proposed amendment by the county commission of the county  
15 of incorporation and of each participating municipality, the  
16 chair and the secretary of the authority shall sign and file  
17 in the office of the probate judge a certificate in the name  
18 and on behalf of the authority, under its seal, reciting the  
19 adoption of resolutions by the board and by the governing body  
20 of the county of incorporation and of each participating  
21 municipality and setting forth the proposed amendment. The  
22 probate judge shall record the certificate. The amendment  
23 shall become effective upon recordation.

24 Section 12. Powers of authority generally.

25 An authority shall have the following powers:

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

1           (2) To institute and defend legal proceedings in any  
2 court of competent jurisdiction and proper venue; provided,  
3 however, that an authority may not be sued in any court other  
4 than the courts of the county of incorporation; provided,  
5 further, that the officers, directors, agents, and employees  
6 of an authority may not be sued for their actions on behalf of  
7 the authority except for actions that are known by a person to  
8 be unlawful or are performed with reckless disregard for the  
9 lawfulness of the actions.

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.

26           (8) To make grants of money for road improvement  
27 purposes to other public persons and to any organization which

1 is described in Section 501(c)(3) of the Internal Revenue Code  
2 of 1986, as in effect from time to time, or as recodified, or  
3 any corresponding provision of any future revenue law.

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

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

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

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

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

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

8           (15) To maintain, equip, furnish, own, and operate  
9 one or more than one road improvement facility.

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

14           (17) To adopt and enforce rules and regulations  
15 relative to the use or occupancy of any of its facilities or  
16 services.

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

22           (19) To enter into leases of real or personal  
23 property with a person.

24           (20) To provide for insurance as the board of  
25 directors may deem advisable.

1           (21) To enter into a management agreement or  
2 agreements with a person for the management of any road  
3 improvement facilities.

4           (22) To grant privileges, licenses, or permits for  
5 the operation of any public accommodation facilities.

6           (23) To assume obligations secured by a lien on, or  
7 payable out of, or secured by a pledge of, the revenues and  
8 receipts from projects, or any part thereof that may be  
9 acquired, and obligation assumed to be payable solely out of  
10 the revenues and receipts from any projects, or part thereof.

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

16           Section 13. Issuance and sale of bonds.

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

20           Section 14. Execution of bonds and interest coupons;  
21 form, terms, denominations, etc., of bonds; validation of  
22 bonds; sale; refunding bonds.

23           (a) Bonds of an authority shall be signed by the  
24 chair and attested by the secretary, the seal of the authority  
25 shall be affixed thereto, and any interest coupons applicable  
26 to the bonds shall be signed by the chair; provided that a  
27 facsimile of the signature of the officers may be printed or

1 otherwise reproduced on any bonds in lieu of being manually  
2 subscribed. A facsimile of the seal of the authority may be  
3 printed or otherwise produced on any bonds in lieu of being  
4 manually affixed thereto, and a facsimile of the chair's  
5 signature may be printed or otherwise reproduced on any  
6 interest coupons in lieu of being manually subscribed,  
7 provided, that the bonds have been manually authenticated by a  
8 transfer agent of the bond issue. Delivery of the bonds  
9 executed shall be valid notwithstanding any changes in  
10 officers or in the seal of the authority after the signing and  
11 sealing of the bonds.

12 (b) Any bonds may be executed and delivered by the  
13 authority and may be in such form and denominations, of the  
14 tenor and maturities, bear rate or rates of interest, be  
15 payable at the times and evidenced in a manner, and may  
16 contain other provisions not inconsistent with this act as may  
17 be provided by the resolution or resolutions of the board of  
18 directors under which the bonds are authorized to be issued. A  
19 bond may not have a specified maturity date later than 40  
20 years after its date of execution. A bond may be made subject  
21 to redemption at the option of an authority at such times and  
22 after notice and on conditions and at redemption price or  
23 prices as may be provided in the resolution or resolutions  
24 under which it is authorized to be issued. The bonds may bear  
25 interest at a fixed rate, at a rate that adjusts in accordance  
26 with an independent standard, such as the prime or base  
27 lending rate of a bank or published rates for other



1 securities, or may bear interest at rates which may be  
2 adjusted to a rate sufficient, in the opinion of any  
3 remarketing agent appointed by the authority, to make the  
4 bonds have a fair market value or funding value not less than  
5 the principal amount of the bonds or other amount as may be  
6 specified in the proceedings authorizing the issuance of  
7 bonds. The authority may issue "tender" bonds or similar bonds  
8 and may enter into appropriate remarketing agreements with  
9 respect to any bonds and the determination of the rate of  
10 interest borne by the bonds.

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

1 proceedings authorizing the bonds shall be commenced within 20  
2 days after the first publication of this notice." Any action  
3 or proceeding in any court to set aside or question the  
4 proceedings for the issuance of the bonds referred to in the  
5 notice or to contest the validity of the bonds or the validity  
6 of any pledge or mortgage made therefor shall be commenced  
7 within 20 days after the first publication of the notice.  
8 After the expiration of the period, no action, counterclaim,  
9 setoff, or defense questioning or attacking the validity of  
10 the proceeding or of the bonds shall be asserted, nor shall  
11 the validity of the proceedings of the bonds be open to  
12 question in any court on any ground whatsoever, except in an  
13 action or proceeding commenced within the period.

14 (d) Subject to the provisions and limitations  
15 contained in this act, an authority may sell and issue  
16 refunding bonds for the purpose of refunding any outstanding  
17 matured or unmatured bonds. Refunding bonds may be subrogated  
18 and entitled to all priorities, rights, and pledges to which  
19 the bonds refunded were entitled.

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

#### 24 Section 15. Security for bonds.

25 (a) In the discretion of the board of directors of  
26 an authority, any bonds may be secured by an indenture between  
27 an authority and a trustee, which may be a trust company or

1 bank having trust powers, whether the trust company or bank is  
2 located within or outside of the state. In any indenture or  
3 resolution providing for the issuance of bonds, an authority  
4 may pledge, for payment of the principal of and the interest  
5 on such bonds, any of its revenues to which its rights exist  
6 or may thereafter come into existence, and may assign, as  
7 security for payment, any of its leases, franchises, permits,  
8 and contracts. In any indenture, an authority may mortgage any  
9 properties, including any that may be thereafter acquired by  
10 it, and may provide that in the event of a default in payment  
11 of the bonds secured thereby or in the event of default with  
12 respect to any agreement contained therein, the mortgage may  
13 be foreclosed either by sale at public outcry or by judicial  
14 proceedings. Any pledge of revenues shall be valid and binding  
15 from the time it is made, and the revenues pledged and  
16 thereafter received by the authority shall immediately become  
17 subject to the lien of the pledge without any physical  
18 delivery thereof or further act. The lien of such a pledge  
19 shall be valid and binding against all parties having claims  
20 of any kind in tort, contract, or otherwise against the  
21 authority, irrespective of whether the parties have actual  
22 notice thereof, provided any indenture has been recorded in  
23 the office of the probate judge, regardless of compliance with  
24 the Alabama Uniform Commercial Code. In any indenture or  
25 resolution authorizing the issuance of bonds and pledging for  
26 the benefit thereof revenues from any one or more projects,  
27 the authority may include provisions customarily contained in

1 instruments securing evidences of indebtedness, including,  
2 without limiting the generality of the foregoing, provisions  
3 respecting the collection, segregation, and application of any  
4 rental or other revenue due or to become due to the authority,  
5 the terms to be incorporated in any lease agreement respecting  
6 any property of the authority, the maintenance and insurance  
7 of any building, structure, or other property owned by the  
8 authority, the creation and maintenance of special funds from  
9 any revenue of the authority, and the rights and remedies  
10 available in the event of default to the holder of the bonds  
11 or the trustee under the indenture, all as the board of  
12 directors deem advisable and which are not in conflict with  
13 this section.

14 (b) If an authority defaults in payment of the  
15 principal of or the interest on the bonds or in any of the  
16 agreements on the part of an authority that may properly be  
17 included in any indenture securing the bonds or in any  
18 resolution authorizing their issuance, a holder of the bonds  
19 or any of the coupons, or the trustee under any indenture if  
20 authorized in indenture, may, in addition to any other  
21 remedies herein provided or otherwise available, by suit,  
22 action, mandamus, or other proceedings, enforce payment of the  
23 principal or interest and compel performance of all duties of  
24 the authority, and shall be entitled to the appointment of a  
25 receiver possessing all the powers of a receiver necessary or  
26 appropriate for the operation and maintenance of the property  
27 of the authority covered by the indenture or resolution, and

1 the collection, segregation, and application of revenues  
2 therefrom. The indenture or any resolution may contain  
3 provisions restricting the individual rights of action of the  
4 holders of the bonds and coupons.

5 Section 16. Application of proceeds from the sale of  
6 bonds; source of payment; pledge of county's or municipality's  
7 credit; negotiability; exemption from taxation; pledge as  
8 security for funds belonging to a public person; investment in  
9 bonds by fiduciaries; no public hearing required; investment  
10 in bonds by Teachers' Retirement System of Alabama, the  
11 Employees' Retirement System of Alabama, and the State  
12 Insurance Fund; investment in bonds by public persons.

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

1 service reserve or a replacement and extension reserve from  
2 the proceeds of its bonds.

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

7 (c) A county or municipality may pledge its full  
8 faith and credit toward the retirement of any bonds or other  
9 evidences of indebtedness issued by an authority under this  
10 act.

11 (d) Bonds shall be construed to be negotiable  
12 instruments even if payable solely from only a specified  
13 source.

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

16 (f) Bonds issued by an authority may be used by the  
17 holder thereof as security for any funds belonging to any  
18 public person in any instance where security for such deposits  
19 may be required by law.

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

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

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

7 (j) Public persons may invest in any bond issued by  
8 an authority.

9 Section 17. Exemption from usury and interest laws.

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

14 Section 18. Exemptions from taxation.

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

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

20 Section 19. Limited liability.

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



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

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

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

25 Section 21. Dissolution of authority; title to  
26 property of authority to vest in county of incorporation upon  
27 dissolution of authority unless otherwise provided.

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

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

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

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

25 Section 24. This act shall become effective June 1,  
26 2021, upon its passage and approval by the Governor, or upon  
27 its otherwise becoming a law.

