

1 SB215  
2 213579-5  
3 By Senator Marsh  
4 RFD: Tourism  
5 First Read: 09-FEB-21

1 SB215

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3  
4 ENROLLED, An Act,

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

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

23 (1) ADECA. The Alabama Department of Economic and  
24 Community Affairs.

1           (2) AUTHORITY. The Alabama Digital Expansion  
2 Authority.

3           (3) CONNECT ALABAMA FUND. A fund created within the  
4 State Treasury to be administered by the Alabama Digital  
5 Expansion Finance Corporation, with funds distributed by the  
6 corporation to ADECA for use by the division for the  
7 implementation and administration of the statewide  
8 connectivity plan.

9           (4) CORPORATION. The Alabama Digital Expansion  
10 Finance Corporation.

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

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

17           (7) MIDDLE MILE PROJECT. A broadband infrastructure  
18 project that does not provide broadband service to end users  
19 or to end-user devices.

20           (8) MINIMUM SERVICE THRESHOLD. A connection to the  
21 Internet that provides capacity for transmission at a minimum  
22 speed per customer necessary to meet the definition of  
23 advanced telecommunications capability for fixed broadband  
24 services as set by the Federal Communications Commission.

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

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

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

11           (b) (1) The authority shall be comprised of the  
12 following members:

13           a. Three individuals designated by the Governor, who  
14 may be members of the private sector or public officials or  
15 public employees.

16           b. One individual designated by the President Pro  
17 Tempore of the Senate, who shall be a member of the private  
18 sector.

19           c. One individual designated by the Speaker of the  
20 House of Representatives, who shall be a member of the private  
21 sector.

22           d. The Director of ADECA.

23           e. The Division Chief of the Division, who shall  
24 serve as a nonvoting member.

1           f. Individuals who are public officials or public  
2 employees, as defined by Section 36-25-1, Code of Alabama  
3 1975, and designated by the following:

4           1. One by the Lieutenant Governor.

5           2. Two by the President Pro Tempore of the Senate,  
6 one of whom shall be recommended by the Minority Caucus of the  
7 Senate.

8           3. Two by the Speaker of the House of  
9 Representatives, one of whom shall be recommended by the  
10 Minority Caucus of the House of Representatives.

11          4. One by the Director of Finance.

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

16           (3) The appointing authorities shall coordinate  
17 their designations so that diversity of gender, race, and  
18 geographical areas is reflective of the makeup of this state.

19           (c) The authority may recommend policies and  
20 procedures for the expansion and availability of high-speed  
21 broadband services throughout the state through review and  
22 approval of the statewide connectivity plan.

23           (d) The authority shall direct the corporation  
24 regarding the timing and quantity of funds required to support

1 the division's execution of the statewide connectivity plan as  
2 provided in this act.

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

8 (f) The authority may create advisory committees to  
9 assist and advise the authority in the performance and  
10 administration of its objectives and duties, including the  
11 hiring and retention of third-party consultants as determined  
12 to be necessary by the authority.

13 (g) (1) Public employee members of the authority  
14 shall serve without compensation, but shall be reimbursed for  
15 per diem and travel expenses at the same rate and under the  
16 same circumstances as are payable by law to state employees  
17 for each day they attend business of the authority.

18 (2) Legislative members of the authority shall serve  
19 without compensation, but shall receive his or her legislative  
20 per diem and travel expenses for each day the member attends a  
21 meeting of the authority or any related committees in  
22 accordance with Amendment 871 to the Constitution of Alabama  
23 of 1901, now appearing as Section 49.01 of the Official  
24 Recompilation of the Constitution of Alabama of 1901, as  
25 amended.

1           (h) Any designated members of the authority shall  
2 serve at the pleasure of the appointing authority.

3           (i) The Director of ADECA shall call the first  
4 meeting of the authority not later than 30 days from the  
5 effective date of this act. At the first meeting, the members  
6 of the authority shall elect a chair and vice chair. Meetings  
7 of the authority shall be called by the chair or by a majority  
8 of its members.

9           (j) Members of the authority or any committee  
10 established by the authority may participate in a meeting of  
11 the authority or committee in person, by means of telephone  
12 conference, video conference, or other similar communications  
13 equipment so that all individuals participating in the meeting  
14 may hear each other at the same time. Participation by any  
15 such means shall constitute presence in person at a meeting  
16 for all purposes, including for purposes of establishing a  
17 quorum.

18           (k) Seven members of the authority shall constitute  
19 a quorum, and the affirmative vote of a majority of the  
20 members then in office shall be necessary for any action of  
21 the authority.

22           Section 4. (a) The Alabama Digital Expansion  
23 Division is created as a division of ADECA. The division shall  
24 be run by a division chief, who shall be appointed by the  
25 Director of ADECA, with the approval of the Governor, from a

1 list of three nominees submitted by the authority. The  
2 division chief shall report to, and be under the direct  
3 supervision of, the Director of ADECA. The division chief  
4 shall carry out the functions and duties of the division. The  
5 division chief shall be knowledgeable in matters relating to  
6 broadband and shall have no financial interest in any  
7 broadband or related business or enterprise which would  
8 conflict or be inconsistent with his or her duties as division  
9 chief. The division chief shall be employed in the exempt  
10 service.

11 (b) The division chief shall have the power and  
12 authority necessary to carry out the functions and duties of  
13 the division. All functions and duties of the division shall  
14 be exercised by the division chief or through such employees  
15 or other individuals the division chief may designate. In the  
16 performance and exercise of such powers, authorities,  
17 functions, and duties, the division chief and other employees  
18 of the division shall be subject to all legal requirements,  
19 restrictions, limitations, conditions, and penalties, whether  
20 civil or criminal. These powers, authorities, functions, and  
21 duties include but are not limited to, the following:

22 (1) Exercise duties as the chief executive of the  
23 division and exercise, consistent with this act and other  
24 applicable laws, all the powers, authority, and duties vested  
25 by this act and any other applicable ADECA policies and



1 regulations or laws providing for the operation of the  
2 division.

3 (2) Employ, with the approval of the Director of  
4 ADECA, all individuals necessary for the efficient operation  
5 of the division, including professional, technical, clerical,  
6 and other staff, including attorneys, special counsel, and  
7 such consultants as are necessary to accomplish the objectives  
8 of this act.

9 (c) Upon approval by the Director of ADECA, the  
10 division chief may establish technical and other advisory  
11 committees to advise the division with respect to specific  
12 objectives.

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

15 (1) To promote the expansion and availability of  
16 high-speed broadband networks, services, and technologies  
17 throughout the state, including, but not limited to, rural  
18 areas, underserved areas, and unserved areas of the state.

19 (2) To develop and begin executing a statewide  
20 connectivity plan, as approved by the authority, to facilitate  
21 the expansion and availability of high-speed broadband  
22 networks, services, and technologies throughout the state,  
23 including a timeline for implementation of the plan. The  
24 Director of ADECA shall submit the proposed plan to the  
25 authority for approval on or before July 1, 2022. The plan

1 must consider the need for broadband expansion in rural areas,  
2 underserved areas, and unserved areas, as well as any other  
3 obstacles to broadband adoption. It shall include  
4 recommendations for funding, and plans for implementation of  
5 the following objectives, including but not limited to:

6 a. Evaluation of the state's existing long-haul and  
7 middle mile network.

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

16 c. Projects for providing last-mile infrastructure  
17 and lit services for specific applications and use cases that  
18 are determined by the division to be a priority supported by  
19 the network or portions of the network funded under the  
20 statewide connectivity plan.

21 d. Consideration of suggestions and recommendations  
22 of the Alabama Supercomputer Authority.

23 (3) To implement the authority-approved statewide  
24 connectivity plan and to enter into contracts and leases for  
25 purposes consistent with the priorities of the plan. In

1 developing the statewide connectivity plan, the division may  
2 seek input from incumbent Internet service providers, other  
3 service providers, and other owners and operators of  
4 infrastructure involved in providing high-speed broadband  
5 service.

6 (4) To establish and administer a broadband  
7 accessibility grant program, in collaboration with the  
8 authority, for the purpose of promoting the deployment and  
9 adoption of high-speed broadband Internet networks, services,  
10 and technologies throughout the state, including, but not  
11 limited to, rural areas, underserved areas, and unserved areas  
12 of the state consistent with the requirements of this act. For  
13 three years following the effective date of this act, 70  
14 percent of the state funds received by the Connect Alabama  
15 Fund shall be expended by the division for the extension of  
16 last-mile infrastructure in unserved areas at minimum speeds  
17 as determined by the statewide connectivity plan. After this  
18 time, all funds received for the statewide connectivity plan  
19 shall be expended according to the goals of the program and  
20 the statewide connectivity plan, as identified by the  
21 division, and subject to any applicable legal requirements.  
22 Federal and other funds received by the Connect Alabama Fund  
23 shall be expended by the division in accordance with the  
24 statewide connectivity plan and any legal requirements  
25 applicable to those funds.

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

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

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

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

19           (9) To promote and encourage private investments and  
20 applications for available grants.

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

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

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

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

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

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

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

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

- 1           (1) The Governor, who shall be the chair.
- 2           (2) The Lieutenant Governor, who shall be the vice  
3 chair.
- 4           (3) The Director of Finance, who shall be the  
5 secretary.
- 6           (4) The Speaker of the House of Representatives.
- 7           (5) The President Pro Tempore of the Senate.
- 8           (6) The Chair of the Senate Finance and Taxation  
9 General Fund Committee.
- 10           (7) The Chair of the Senate Finance and Taxation  
11 Education Committee.
- 12           (8) The Chair of the House Ways and Means General  
13 Fund Committee.
- 14           (9) The Chair of the House Ways and Means Education  
15 Committee.
- 16           (10) The ranking minority member of one of the  
17 following committees, who is jointly appointed by the Minority  
18 Leader of the House of Representatives and the Minority Leader  
19 of the Senate: the Senate Finance and Taxation General Fund  
20 Committee, the Senate Finance and Taxation Education  
21 committee, the House Ways and Means General Fund Committee, or  
22 the House Ways and Means Education Committee.
- 23           (b) Attendance by any six corporation members shall  
24 constitute a quorum to authorize the transaction of business.

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

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

5 (2) CORPORATION. The Alabama Digital Expansion  
6 Finance Corporation.

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

13 (4) PERMITTED INVESTMENTS. Includes any of the  
14 following:

15 a. Certificates of deposit, savings accounts,  
16 deposit accounts, or money market deposit accounts that are  
17 any of the following:

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

20 2. Fully insured by the FDIC.

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



1           b. Direct obligations of, or obligations the full  
2 and timely payment of which is guaranteed by, the United  
3 States of America, including unit investment trusts and mutual  
4 funds that invest solely in such obligations.

5           c. Bonds, debentures, notes, pass through  
6 securities, or other obligations issued or guaranteed by any  
7 federal agency or corporation which has been or may hereafter  
8 be created by or pursuant to an act of the Congress of the  
9 United States of America as an agency or instrumentality  
10 thereof if such obligations are either of the following:

11                 1. Backed by the full faith and credit of the United  
12 States of America.

13                 2. Rated by at least one nationally recognized  
14 securities rating agency in one of the three highest rating  
15 categories assigned by the rating agency.

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

19           e. Money market funds rated by at least one  
20 nationally recognized securities rating agency in one of the  
21 three highest rating categories assigned by that rating  
22 agency.

23           f. Bonds, warrants, notes, or other obligations  
24 issued by any state, county, or municipality that are rated by  
25 at least one nationally recognized securities rating agency in

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

3 g. Investment agreements, including, without  
4 limitation, guaranteed investment contracts, repurchase  
5 agreements, and forward purchase agreements, provided that all  
6 of the following are satisfied:

7 1. Any securities purchased or held pursuant to such  
8 agreement are otherwise permitted investments.

9 2. The counterparty's long-term debt obligations are  
10 rated by at least one nationally recognized securities rating  
11 agency in one of the three highest rating categories assigned  
12 by that rating agency.

13 3. The securities, if purchased, are owned by the  
14 corporation or a paying agent or trustee for any of the  
15 corporation's obligations and are held by the corporation, the  
16 paying agent, the trustee, or a third-party custodian  
17 acceptable to the corporation or, if held as collateral, are  
18 held by the corporation, the paying agent, the trustee, or a  
19 third-party custodian acceptable to the corporation with a  
20 perfected first security interest in such collateral.

21 h. Investment or cash management agreements with a  
22 commercial bank whose senior long-term debt obligations are,  
23 at the time of the acquisition of any such investment or cash  
24 management agreement for the account of the corporation, rated  
25 by at least one nationally recognized securities rating agency

1 in one of the three highest rating categories assigned by that  
2 rating agency, or with a commercial bank that is owned or  
3 controlled by a bank holding company whose senior long-term  
4 debt obligations are, at the time of the acquisition of any  
5 such investment or cash management agreement for the account  
6 of the corporation, rated by at least one nationally  
7 recognized securities rating agency in one of the three  
8 highest rating categories assigned by that rating agency.

9 (d) The corporation shall have all power necessary,  
10 useful, or appropriate to fund, operate, and administer the  
11 corporation, and to perform its other functions including, but  
12 not limited to, the following powers:

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

16 (2) Sue and be sued.

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

20 (4) Enter into contracts, arrangements, and  
21 agreements with any persons or entities and execute and  
22 deliver all contracts, agreements, and other instruments  
23 necessary or convenient to the exercise of the powers granted  
24 in this act.

1           (5) Enter into agreements with a department, agency,  
2 or instrumentality of the United States or of this state or  
3 another state for the purpose of planning and providing for  
4 any eligible project.

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

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

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

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

20          (10) Expend funds credited to the corporation as it  
21 deems necessary for the costs of administering the operations  
22 of the corporation.

23          (11) Apply for, receive, and accept from any source,  
24 aid, grants, contributions of money, appropriations, property,  
25 labor, or other things of value to be used to carry out the

1 purposes of this act subject to the conditions upon which the  
2 aid, grants, or contributions are made.

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

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

10 (e) The corporation shall distribute funds received  
11 for the authority and the division to achieve the objectives  
12 of this act.

13 (f) The corporation shall comply with any  
14 competitive bid requirements in Article 2, Chapter 16, Title  
15 41, Code of Alabama 1975, and Chapter 2, Title 39, Code of  
16 Alabama 1975, and any requirements relating to the procurement  
17 of professional service providers in Section 41-16-72, Code of  
18 Alabama 1975.

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

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

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

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

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

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

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

24 a. The instrument is not a general obligation of the  
25 corporation, but is a limited obligation of the corporation

1 payable solely from the revenue, money, or property of the  
2 corporation pledged therefor.

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

8 c. The corporation does not have taxing power.

9 (4) The bonds of the corporation must be authorized  
10 by a resolution of the corporation.

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

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



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

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

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

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

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

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

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

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

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

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

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

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

24 h. Vesting in a trustee property, rights, powers,  
25 and duties as the corporation may determine, limiting or

1 abrogating the right of bondholders to appoint a trustee, and  
2 limiting the rights, powers, and duties of the trustee.

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

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

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

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

1           (12) No recording or filing of the resolution  
2 authorizing the grant, the issuance of bonds or other  
3 financial assistance, the trust indenture or other financing  
4 agreement securing the grant, bonds or other financial  
5 assistance, or any other instrument including filings under  
6 the Uniform Commercial Code is necessary to create or perfect  
7 any pledge or security interest granted by the corporation to  
8 secure any grants, bonds, or other financial assistance.

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

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

1 to invest in bonds or other obligations of the state, may  
2 invest funds in their control or belonging to them.

3 (15) The corporation shall be a nonprofit  
4 corporation and no part of its net earnings remaining after  
5 payment of its expenses shall inure to the benefit of any  
6 individual, firm, or corporation, except that in the event its  
7 members shall determine that sufficient provision has been  
8 made for the full payment of the expenses, grants, bonds,  
9 other financial assistance, and other obligations of the  
10 corporation, then any net earnings of the corporation  
11 thereafter accruing shall be paid to the Connect Alabama Fund.

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

1 shall record the certificate with the application for  
2 dissolution.

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

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

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

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

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

18 Section 13. This act shall become effective  
19 immediately following its passage and approval by the  
20 Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB215

Senate 03-MAR-21

I hereby certify that the within Act originated in and passed the Senate, as amended.

Senate 06-MAY-21

I hereby certify that the within Act originated in and passed the Senate, as amended by Conference Committee Report.

Patrick Harris,  
Secretary.

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House of Representatives

Passed: 22-APR-21, as amended

House of Representatives

Passed: 06-MAY-2021, as amended by Conference Committee Report.

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By: Senator Marsh