

1 SB215
2 209113-2
3 By Senator Marsh
4 RFD: Tourism
5 First Read: 09-FEB-21

1 TO BE ENTITLED

2 AN ACT

3
4 Relating to broadband; to create the Alabama Digital
5 Expansion Authority; to provide for the membership and duties
6 of the authority; to provide for the appointment of a director
7 and employees of the authority; to create the Connect Alabama
8 Fund for the deposit of appropriations, gifts, grants, and
9 other funds; to create the Connect Alabama Advisory Board; to
10 provide that the authority is exempt from competitive bid
11 laws; to require certain reports to the Legislature and the
12 public; to provide general rulemaking authority; and to create
13 the Alabama University Research Alliance; to provide for its
14 members and duties; to create the Alabama Digital Finance
15 Corporation; and to provide for its members and duties.

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

19 Section 2. (a) The Alabama Digital Expansion
20 Authority is created as a state agency to oversee the
21 expansion and availability of high-speed broadband services
22 throughout the state. The authority shall consist of the
23 following members:

24 (1) The Governor, or his or her designee.

25 (2) One member who is working or employed in the
26 private sector, appointed by the President Pro Tempore of the
27 Senate, subject to confirmation of the Senate.

1 (3) One member who is working or employed in the
2 private sector, appointed by the Speaker of the House of
3 Representatives, subject to confirmation of the Senate.

4 (4) One member who is working or employed in the
5 private sector, appointed by the Governor, subject to
6 confirmation of the Senate.

7 (5) One member who is working or employed in the
8 private sector, appointed by the Lieutenant Governor, subject
9 to confirmation of the Senate.

10 (6) The Secretary of the Department of Commerce.

11 (7) The Director of the Alabama Department of
12 Economic and Community Affairs.

13 (8) The Secretary of the Office of Information
14 Technology.

15 (9) The Director of Finance, who shall serve as a
16 nonvoting member.

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

20 (c) The Governor shall call the first meeting of the
21 authority not later than 30 days from the effective date of
22 this act. At the first meeting, the members of the authority
23 shall elect a chair and vice chair. Meetings of the authority
24 shall be called by the chair or by a majority of its members.

25 (d) (1) Non-legislative members of the authority
26 shall serve without compensation but shall be reimbursed for
27 per diem and travel expenses at the same rate and under the

1 same circumstances as are payable by law to state employees
2 for each day they attend business of the authority.

3 (2) Legislative members of the authority shall be
4 entitled to their legislative compensation, per diem, and
5 travel expenses for each day they attend a meeting of the
6 authority in accordance with Amendment 871 of the Constitution
7 of Alabama of 1901.

8 (e) The appointed members of the authority shall
9 serve for a term of three years and may be reappointed for an
10 unlimited number of terms. Following the expiration of their
11 terms, members may continue to serve on the authority until a
12 replacement is appointed.

13 (f) For any appointment that is subject to
14 confirmation by the Senate but made at a time when the Senate
15 is not in session, the appointment shall be effective
16 immediately, and the member shall serve until the Senate acts
17 on the appointment as provided in this subsection. Any
18 appointment made while the Senate is not in session shall be
19 submitted to the Senate not later than the third legislative
20 day following the reconvening of the Legislature. In the event
21 the Senate fails or refuses to act on the appointment, the
22 person whose name was submitted shall continue to serve until
23 action is taken on the appointment by the Senate.

24 (g) Members of the authority or any committee
25 established by the authority may participate in a meeting of
26 the authority or committee in person, by means of telephone
27 conference, video conference, or other similar communications

1 equipment so that all individuals participating in the meeting
2 may hear each other at the same time. Participation by any
3 such means shall constitute presence in person at a meeting
4 for all purposes, including for purposes of establishing a
5 quorum, and the affirmative vote of a majority of the members
6 then in office shall be necessary for any action of the
7 authority.

8 Section 3. (a) The Alabama Digital Expansion
9 Authority shall appoint a director of the authority. The
10 director shall have no financial interest in any broadband or
11 related business or enterprise which would conflict or be
12 inconsistent with his or her duties as director.

13 (b) The duties of the director shall include the
14 following:

15 (1) Exercise the chief executive authority of the
16 authority and exercise, consistent with this act and other
17 applicable laws, all the powers, authority, and duties vested
18 by this act and any other applicable law providing for the
19 operation of the authority.

20 (2) Employ, with the advice and consent of the
21 members of the authority, all individuals necessary for the
22 efficient operation of the authority, set the salaries of the
23 employees, and be responsible for the efficient discharge of
24 the employees' duties.

25 (3) Establish an office for the authority within the
26 state, if the authority deems it necessary to accomplish and
27 effectuate the purposes of this act.

1 Section 4. (a) There is created the Connect Alabama
2 Advisory Board, which shall provide information and make
3 recommendations to the Alabama Digital Expansion Authority
4 regarding the implementation and administration of the Connect
5 Alabama Program.

6 (b) The advisory board shall be notified of all
7 proposals presented to and discussed by the authority and of
8 any actions taken by the authority.

9 (c) (1) The advisory board shall consist of the
10 following members:

11 a. One member appointed by the Governor who has
12 expertise in telecommunications services.

13 b. One member appointed by the Governor who has
14 expertise in broadband services.

15 c. One member appointed by the Governor who has
16 expertise in municipal infrastructure.

17 d. One member appointed by the Governor who has
18 expertise in county infrastructure.

19 e. One member appointed by the Governor who has
20 expertise in private sector infrastructure.

21 f. One member appointed by the Governor who has
22 expertise in higher education information systems.

23 g. One member appointed by the Governor who has
24 expertise in secondary education information systems.

25 h. One member appointed by the Governor who has
26 expertise in health care information systems.

1 i. One member appointed by the Governor who has
2 expertise in commercial networks and data centers.

3 j. One member appointed by the Governor who has
4 expertise in rural community issues.

5 k. One member appointed by the Governor who has
6 expertise regarding diversity and inclusion in technology and
7 access to technology.

8 l. One member appointed by the Governor who has
9 expertise in libraries and community learning facilities.

10 m. The Chair of the House Ways and Means General
11 Fund Committee.

12 n. The Chair of the House Ways and Means Education
13 Committee.

14 o. The Chair of the Senate Finance and Taxation
15 General Fund Committee.

16 p. The Chair of the Senate Finance and Taxation
17 Education Committee.

18 q. One member appointed by the Secretary of Commerce
19 who has expertise in telecommunications services.

20 r. One member appointed by the Secretary of Commerce
21 who has expertise in broadband services.

22 s. One member appointed by the Director of the
23 Alabama Department of Economic and Community Affairs.

24 t. One member appointed by the Secretary of the
25 Office of Information Technology.

26 (2) The appointed members of the advisory board
27 shall serve at the pleasure of the appointing authority.

1 (d) All appointing authorities shall coordinate
2 their appointments so that diversity of gender, race, and
3 geographical areas is reflective of the makeup of this state.

4 (e) The advisory board shall meet as often as
5 necessary, but at least annually, to formulate recommendations
6 to the authority to implement and administer the Connect
7 Alabama Program, including identification of any further
8 statutory changes necessary to promote the availability and
9 expansion of high-speed broadband services.

10 (f) Members of the advisory board may participate in
11 a meeting of the advisory board in person, by means of
12 telephone conference, video conference, or other similar
13 communications equipment so that all individuals participating
14 in the meeting may hear each other at the same time.
15 Participation by any such means shall constitute presence in
16 person at a meeting for all purposes, including for purposes
17 of establishing a quorum, and the affirmative vote of a
18 majority of the members in attendance shall be necessary for
19 any action of the advisory board.

20 Section 5. The Alabama Digital Expansion Authority
21 shall have all of the following powers and duties:

22 (1) To promote the expansion and availability of
23 high-speed broadband networks, services, and technologies
24 throughout the state, including rural, underserved, and
25 unserved areas of the state. The authority shall adopt
26 parameters, which may include project-specific or
27 category-specific parameters, for determining which areas of

1 the state are deemed rural, underserved, or unserved for
2 purposes of this act.

3 (2) To develop and begin executing a Statewide
4 Connectivity Plan, within one year of the effective date of
5 this act, to facilitate the expansion and availability of
6 high-speed broadband networks, services, and technologies
7 throughout the state, including a timeline for implementation
8 of the plan. The plan shall include authorization and funding
9 for the following objectives, which shall be funded and
10 generally implemented in the following phases:

11 a. The development and expansion of a secure,
12 reliable, and robust, multi-purpose, long-haul and middle-mile
13 fiber network throughout the state, which shall be established
14 in the most cost effective and efficient manner for the state
15 using existing, available infrastructure where consistent with
16 these parameters.

17 b. Projects for providing last-mile infrastructure
18 and lit services for specific applications and use cases that
19 are determined by the authority to be a priority supported by
20 the network or portions of the network funded under the first
21 phase.

22 c. Ongoing upgrades to networks, technological
23 equipment, and end user devices as needed to meet the evolving
24 and increasing connectivity needs of applicants to the
25 authority on a project-specific basis.

26 (3) To implement the Statewide Connectivity Plan and
27 to enter into contracts and leases for purposes consistent

1 with the priorities of the plan. In developing the Statewide
2 Connectivity Plan, the authority shall seek input from
3 incumbent Internet service providers, other service providers,
4 and other owners and operators of infrastructure involved in
5 providing high-speed broadband service. The authority shall
6 also review and address proposals recommended by the Alabama
7 University Research Alliance (AURA) and incorporate them into
8 the Statewide Connectivity Plan if they determine that they
9 are in the best interest of the state and the purposes of this
10 act.

11 (4) To establish and administer the Connect Alabama
12 Program, consisting of a broadband accessibility grant program
13 for the purpose of promoting the deployment and adoption of
14 high-speed broadband Internet networks, services, and
15 technologies throughout the state, including rural,
16 underserved, and unserved areas of the state.

17 (5) To, within 90 days of establishing the Connect
18 Alabama Program, adopt rules and policies to administer the
19 program and to begin to accept applications for grants,
20 including any rules necessary to meet the future needs of the
21 grant program.

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

25 (7) To administer the distribution of funds, grants,
26 loans, loan guarantees, or other funds and resources received
27 by the authority.

1 (8) To ensure that grant funds awarded under this
2 act are used for the purposes specified in this act.

3 (9) To solicit, accept, and receive funds, gifts,
4 grants, property, labor, or other monetary or in-kind
5 contributions of any type or from any source, including but
6 not limited to, federal and state grants, loans, and loan
7 guarantees.

8 (10) To promote and encourage private investments
9 and applications for grants available under the Connect
10 Alabama Program.

11 (11) To have perpetual existence and to establish
12 rules relating to the governance of the authority and advisory
13 board and the use of authority funds and services not
14 otherwise specified in this act.

15 (12) To perform any other actions necessary or
16 convenient for the implementation and administration of this
17 act.

18 Section 6. (a) Members of the Alabama Digital
19 Expansion Authority, the director of the authority, and
20 employees of the authority shall be subject to Chapter 25 of
21 Title 36, Code of Alabama 1975. Members of the advisory board
22 are not subject to Chapter 25 of Title 36, Code of Alabama
23 1975.

24 (b) The authority does not have statewide
25 jurisdiction for purposes of Section 36-25-14, Code of Alabama
26 1975.

1 (c) Members of the authority shall disclose to the
2 director any financial interest the member has in any
3 broadband or related business enterprise that could conflict
4 or be inconsistent with his or her duties as a member so that
5 the director can ensure that the member does not inadvertently
6 engage in any discussions or votes that would violate the
7 applicable provisions of the Alabama Ethics Act.

8 Section 7. Meetings of the authority are subject to
9 the requirements of Chapter 25A of Title 36, Code of Alabama
10 1975. Meetings of the advisory board are not subject to the
11 requirements of Chapter 25A of Title 36, Code of Alabama 1975.

12 Section 8. The Alabama Digital Expansion Authority
13 may enter into contracts for any and all purposes that are in
14 furtherance of this act or consistent with these purposes. The
15 authority shall be exempt from any competitive bid
16 requirements in Article 2, Chapter 16, Title 41, Code of
17 Alabama 1975, and Chapter 2 of Title 39, Code of Alabama 1975,
18 and any requirements relating to the procurement of
19 professional service providers in Section 41-16-72, Code of
20 Alabama 1975.

21 Section 9. (a) There is created within the State
22 Treasury the Connect Alabama Fund to be administered by the
23 authority. Appropriations by the Legislature, gifts, grants,
24 and other donations from any source that are received by the
25 authority for the Connect Alabama Program shall be deposited
26 into the fund to be used by the authority for the

1 implementation and administration of the Connect Alabama
2 Program.

3 (b) Any funds appropriated to the authority for the
4 Connect Alabama Program that are unspent at the end of a
5 fiscal year shall be carried over for use by the program in
6 the next fiscal year. Any interest earned from these funds
7 shall be credited to the authority.

8 Section 10. (a) The Alabama University Research
9 Alliance (AURA) shall be established as a subdivision of the
10 Alabama Digital Expansion Authority for the purpose of
11 assisting the state's universities, university health care
12 systems, and research institutions in the development of
13 cooperative ventures of innovative technological significance
14 to advance higher education, research, health care, and
15 economic development within the state.

16 (b) AURA and its funding activities shall be
17 overseen by the authority. The AURA board shall be comprised
18 of one representative from each AURA member who is designated
19 by the president or chief executive officer of that AURA
20 member.

21 (c) Members of AURA shall include Alabama
22 Agricultural and Mechanical University, Alabama State
23 University, Auburn University, Auburn University at
24 Montgomery, the University of Alabama, the University of
25 Alabama at Birmingham, the University of Alabama in
26 Huntsville, the University of South Alabama, and any other
27 university in the state with a Carnegie Classification of

1 Institutions of Higher Education of R1 or R2. It may also
2 include a state, federal, or private entity conducting
3 research in the state including, but not limited to, the
4 Southern Research Institute and the Hudson-Alpha Institute for
5 Biotechnology. Additional members may be added upon a majority
6 vote of the current AURA members and approval by the
7 authority.

8 (d) Subject to approval by the authority, AURA may
9 establish rules relating to its governance and operations and
10 to the use of AURA funds and services not otherwise specified
11 in this section.

12 (e) AURA may assist its members in the development
13 of cooperative ventures of innovative technological
14 significance to advance higher education, research, and health
15 care through the development of a university research network.

16 (f) AURA shall have all of the following powers and
17 duties:

18 (1) To sue and be sued on contract and tort and to
19 complain and defend in all courts of law and equity.

20 (2) To establish and maintain one or more offices
21 within the state.

22 (3) To determine the locale and character of any
23 project pursued by AURA in the accomplishment of its purposes.

24 (4) To solicit, accept, and receive funding from the
25 authority or from federal, state, and private gifts, grants,
26 and loans in procuring the funding necessary for the

1 accomplishment of the purposes of the AURA, consistent with
2 the budgetary oversight of the authority.

3 (5) To solicit, accept, and receive from any source
4 loans, contributions, gifts, or grants for or in aid of the
5 purposes of AURA or any portion thereof in either money,
6 property, labor, or other things of value and, when necessary
7 or convenient, to use those loans, contributions, gifts, or
8 grants only for the purposes for which they were loaned,
9 contributed, given, or granted, consistent with the budgetary
10 oversight of the authority.

11 (6) To contract with or employ, or both,
12 professional service providers, industry experts, technicians,
13 superintendents, managers, and other employees and agents as
14 may be determined necessary and to fix their compensation.

15 (7) To acquire, construct, and own property for the
16 development of a university research network and for other
17 purposes consistent with the statewide connectivity plan, the
18 authority's priorities, this act, and other applicable laws.

19 (8) To exercise any power usually possessed by
20 private corporations performing similar functions, provided
21 the exercise of power is not in conflict with the constitution
22 and laws of the state.

23 (9) To do all things necessary or convenient to
24 carry out the powers expressly provided by this section.

25 (g) All income, obligations, lease agreements, and
26 mortgages of AURA, all conveyances by or to AURA, and all lien
27 notices or other filings with respect to the property of AURA

1 and the transfer thereof shall be forever exempt from any and
2 all taxation in the state. The purchase, sale, or use of
3 property by AURA shall be exempt from all sales, use, and
4 license taxes levied by the state and all political
5 subdivisions of the state. All property of AURA shall be
6 exempt from ad valorem property taxation. No license or excise
7 tax may be imposed by any authority with respect to the
8 privilege of engaging in any of the activities in this
9 section.

10 (h) The provisions in this section are supplemental
11 to, additional to, and cumulative of powers conferred by any
12 other law and may not be regarded as being in derogation of
13 any existing powers.

14 (i) AURA is not subject to Chapter 25A of Title 36,
15 Code of Alabama 1975.

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

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

23 (2) The Secretary of the Department of Commerce, who
24 shall be the vice chair.

25 (3) The Director of Finance, who shall be the
26 secretary.

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

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

2 (6) The Lieutenant Governor.

3 (b) Attendance by any three corporation members
4 shall constitute a quorum to authorize the transaction of
5 business.

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

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

10 (2) CORPORATION. The Alabama Digital Expansion
11 Finance Corporation.

12 (3) ELIGIBLE PROJECT. Includes any project that the
13 corporation determines would expand, increase, or improve the
14 availability of high-speed broadband networks, services, or
15 technologies throughout the state, including those that
16 further the purposes of the statewide connectivity plan and
17 its priorities as set forth by the authority in Section 5(2)
18 and that further the development of the university research
19 network as set forth in Section 10(f)(7).

20 (4) PERMITTED INVESTMENTS. Includes any of the
21 following:

22 a. Certificates of deposit, savings accounts,
23 deposit accounts, or money market deposit accounts that are
24 any of the following:

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

27 2. Fully insured by the FDIC.

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

5 b. Direct obligations of, or obligations the full
6 and timely payment of which is guaranteed by, the United
7 States of America, including unit investment trusts and mutual
8 funds that invest solely in such obligations.

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

15 1. Backed by the full faith and credit of the United
16 States of America.

17 2. Rated by at least one nationally recognized
18 securities rating agency in one of the three highest rating
19 categories assigned by the rating agency.

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

23 e. Money market funds rated by at least one
24 nationally recognized securities rating agency in one of the
25 three highest rating categories assigned by that rating
26 agency.

1 f. Bonds, warrants, notes, or other obligations
2 issued by any state, county, or municipality that are rated by
3 at least one nationally recognized securities rating agency in
4 one of the three highest rating categories assigned by that
5 rating agency.

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

10 1. Any securities purchased or held pursuant to such
11 agreement are otherwise permitted investments.

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

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

24 h. Investment or cash management agreements with a
25 commercial bank whose senior long-term debt obligations are,
26 at the time of the acquisition of any such investment or cash
27 management agreement for the account of the corporation, rated

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

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

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

17 (2) Sue and be sued.

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

21 (4) Make grants, loans or provide other financial
22 assistance to any person or entity, public or private, to fund
23 the cost of eligible projects.

24 (5) Enter into contracts, arrangements, and
25 agreements with any persons or entities and execute and
26 deliver all contracts, agreements, and other instruments

1 necessary or convenient to the exercise of the powers granted
2 in this act.

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

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

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

17 (9) Borrow money through the issuance of bonds and
18 other forms of indebtedness as provided in this act.

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

22 (11) Expend funds credited to the corporation as it
23 deems necessary for the costs of administering the operations
24 of the corporation.

25 (12) Apply for, receive, and accept from any source,
26 aid, grants, and contributions of money, property, labor, or
27 other things of value to be used to carry out the purposes of

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

3 (13) 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 (14) The corporation shall be exempt from any
9 competitive bid requirements in Article 2, Chapter 16, Title
10 41, Code of Alabama 1975, and Chapter 2, Title 39, Code of
11 Alabama 1975, and any requirements relating to the procurement
12 of professional service providers in Section 41-16-72, Code of
13 Alabama 1975.

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

16 (e) The corporation may provide grants, loans, and
17 other financial assistance to any person or entity to pay for
18 all or part of the cost of an eligible project. The
19 corporation may require the recipient of any grant, loan, or
20 other financial assistance to enter into a grant agreement or
21 financing agreement in connection with its grant, loan
22 obligation, or other financial assistance. The corporation
23 shall determine the form and content of any grant agreements,
24 financing agreements, and loan obligations, including the term
25 and rate or rates of interest on a financing agreement.

26 (f) The corporation is performing an essential
27 governmental function in the exercise of the powers conferred

1 upon it and is not required to pay any taxes or assessments,
2 whether state or local, upon its property or upon its
3 operations or the income from them, or taxes or assessments
4 upon property or loan obligations acquired or used by the
5 corporation or upon the income from them.

6 (g) Neither the members nor any officer, employee,
7 or committee of the corporation acting on behalf of it, while
8 acting within the scope of authority granted by this act, is
9 subject to any liability resulting from carrying out any of
10 the powers given in this act, unless the member, officer, or
11 employee acted in a reckless manner.

12 (h) Money in funds or accounts of the corporation
13 may be invested in permitted investments.

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

21 (2) The corporation may pledge any of its revenues
22 or funds, including, without limitation, revenues or funds
23 appropriated to the corporation by the Legislature, to the
24 payment of its bonds. Bonds may also be secured by a pledge of
25 any loan obligation or funding agreement owned by the
26 corporation, any grant, contribution, or guaranty from the
27 United States, the state, or any corporation, association,

1 institution, or person, any bond insurance, guarantees,
2 letters of credit, or other forms of credit enhancement
3 purchased or otherwise obtained by the corporation from any
4 public or private entity, any other property or assets of the
5 corporation, or a pledge of any money, income, or revenue of
6 the corporation from any source.

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

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

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

10 c. The corporation does not have taxing power.

11 (4) The bonds of the corporation must be authorized
12 by a resolution of the corporation.

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

16 (6) The bonds shall be in a form and shall be
17 executed in a manner prescribed by the corporation. If any of
18 the members or officers of the corporation cease to be members
19 or officers before the delivery of any bonds signed by them,
20 their signatures or authorized facsimile signatures are
21 nevertheless valid and sufficient for all purposes as if they
22 had remained in office until the delivery of the bonds. The
23 bonds may be in the denominations, be executed in the manner,
24 be payable in the medium of payment, be payable at the place
25 and at the time, and be subject to redemption or repurchase
26 and contain other provisions determined by the corporation
27 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
25 of the contract with the holders of the bonds and which
26 include the following:

1 a. Pledging specific revenues of the corporation to
2 secure the payment of the bonds.

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

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

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

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

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

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

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

26 i. Defining the acts or omissions which constitute a
27 default, the obligations or duties of the corporation to the

1 holders of the bonds, and the rights and remedies of the
2 holders of the bonds in the event of default.

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

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

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

22 (12) No recording or filing of the resolution
23 authorizing the grant, the issuance of bonds or other
24 financial assistance, the trust indenture or other financing
25 agreement securing the grant, bonds or other financial
26 assistance, or any other instrument including filings under
27 the Uniform Commercial Code is necessary to create or perfect

1 any pledge or security interest granted by the corporation to
2 secure any grants, bonds, or other financial assistance.

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

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

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

1 corporation, then any net earnings of the corporation
2 thereafter accruing shall be paid to the state.

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

19 Section 12. (a) Beginning one year from the
20 effective date of this act, by January 31 of each year, the
21 Alabama Digital Expansion Authority shall provide a report to
22 the Legislature on the status of grants under the Connect
23 Alabama Program and other activities of the authority.

24 (b) The authority shall publish the reports required
25 under subsection (a) on a public website of the authority, if
26 such a website exists.

1 Section 13. The Alabama Digital Expansion Authority
2 may adopt rules for the implementation and administration of
3 this act.

4 Section 14. This act shall become effective
5 immediately following its passage and approval by the
6 Governor, or its otherwise becoming law.