

1 HB342  
2 148970-1  
3 By Representative Fincher  
4 RFD: Agriculture and Forestry  
5 First Read: 26-FEB-13

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8 SYNOPSIS: Under existing law, the state Farmers'  
9 Market Authority is an independent public authority  
10 of the state.

11 Under existing law, the authority is  
12 comprised of nine members including the  
13 Commissioner of the Department of Agriculture and  
14 Industries.

15 Under existing law, the everyday operations  
16 of the authority are managed by a director chosen  
17 by the authority.

18 Under existing law, the authority may  
19 establish farmers' markets throughout the state.

20 Under existing law, the authority, with  
21 approval of the Governor, may convey title to  
22 property.

23 Under existing law, the authority may also  
24 issue bonds.

25 This bill would transfer the Farmers' Market  
26 Authority to the Department of Agriculture and  
27 Industries.

1                   This bill would provide that the director of  
2                   the authority would be chosen by the Commissioner  
3                   of the Department of Agriculture and Industries,  
4                   with the approval of the Board of Agriculture and  
5                   Industries.

6                   The bill would authorize the department to  
7                   issue bonds with the approval of the Commissioner  
8                   of Agriculture and Industries and the Board of  
9                   Agriculture and Industries.

10  
11   A BILL  
12   TO BE ENTITLED  
13   AN ACT  
14

15                   Relating to the Farmers' Market Authority; to repeal  
16                   Chapter 5 of Title 2, comprised of Sections 2-5-1 to 2-5-17,  
17                   inclusive, and Sections 2-5-30 to 2-5-39, inclusive, Code of  
18                   Alabama 1975, relating to the existing authority and replace  
19                   that chapter with Chapter 5A of Title 2, comprised of Sections  
20                   2-5A-1 to 2-5A-15, inclusive, and Sections 2-5A-30 to 2-5A-39,  
21                   inclusive; to transfer the Farmers' Market Authority to the  
22                   Department of Agriculture and Industries; to provide for the  
23                   operation, organization, and duties of the Farmer's Market  
24                   Authority; and to provide for the issuance of bonds by the  
25                   authority.

26                   BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1                   Section 1. Chapter 5A of Title 2, comprised of  
2                   Sections 2-5A-1 to 2-5A-15, inclusive, and Sections 2-5A-30 to  
3                   2-5A-39, inclusive, are added to the Code of Alabama 1975, to  
4                   read as follows:

5                   Chapter 5A. FARMERS' MARKET AUTHORITY.

6                   Article 1. General Provisions.

7                   §2-5A-1.

8                   (a) The Farmers' Market Authority is established in  
9                   the Department of Agriculture and Industries. The authority  
10                  shall have the powers and duties to establish agricultural  
11                  markets to prevent waste and to provide marketing facilities  
12                  where farm products, including fruits, vegetables, nuts, truck  
13                  crops, and other agricultural commodities, and fish products,  
14                  including, but not limited to, farm-raised fish, shellfish,  
15                  and wild fish, may be processed, graded, packaged, displayed,  
16                  or exhibited in order to encourage the buying and selling of  
17                  the commodities, and to encourage the public interest, thus  
18                  promoting good will between the rural and urban sectors of the  
19                  State of Alabama. The Commissioner of the Department of  
20                  Agriculture and Industries, with approval of the Board of  
21                  Agriculture and Industries, may procure by purchase, lease,  
22                  rent, gift, or otherwise, necessary market sites in this state  
23                  on which to conduct farmers' markets.

24                  (b) Notwithstanding Article 3 of Chapter 15 of Title  
25                  9, the commissioner, upon the approval of the Governor, may  
26                  grant, bargain, sell, and convey all its right, title, and  
27                  interest in any market which it has established and any

1 facility installed in any market or in connection with any  
2 market upon terms and conditions as it deems expedient. The  
3 commissioner, however, may not execute a deed of conveyance to  
4 any market and market facilities, including the land on which  
5 it is located, until the department has received payment in  
6 full of an amount sufficient to reimburse the department for  
7 the expenses incurred in acquiring the land, erecting any  
8 buildings thereon, and installing any facilities. No deed of  
9 conveyance shall be executed until the grantee agrees to  
10 continue to operate the market for the benefit of agricultural  
11 producers in the area then being served by the market, as long  
12 as this need continues to exist, pursuant to rules of  
13 operation as are prescribed by the commissioner and stipulated  
14 in the contract and deed of sale.

15 (c) In the event a market is no longer needed to  
16 serve the agricultural community as stipulated by the  
17 commissioner, the commissioner, as a means to recoup to the  
18 extent possible all moneys expended by the Department of  
19 Agriculture and Industries in establishing the market, shall  
20 obtain a certified appraisal of the market, advertise for four  
21 weeks that the market will be sold at public auction or sealed  
22 bid on a certain date, and sell the market at public auction  
23 or sealed bid with the commissioner reserving the right to  
24 accept or reject any or all bids, and no sale shall be  
25 executed without the approval of the Governor.

26 (d) No sale shall be made by the commissioner  
27 without a complete and full recitation of the facts and

1 reasons for the sale being spread on the minutes of the Board  
2 of Agriculture and Industries and in a certificate signed by  
3 the chair certifying to the Governor that the stated facts and  
4 reasons are true to the best of his or her knowledge and  
5 belief.

6 (e) All functions of the Farmers' Market Authority  
7 provided in Chapter 5 of this title, and all books, records,  
8 supplies, funds, equipment, and personnel of the Farmers'  
9 Market Authority existing on the effective date of this  
10 chapter shall be transferred to the Department of Agriculture  
11 and Industries.

12 §2-5A-2.

13 (a) The commissioner may appoint a director who,  
14 under the supervision of the commissioner, shall administer  
15 this article. The director shall receive a salary to be fixed  
16 as provided in Section 36-6-6, payable in installments in the  
17 same manner as the salaries of other state employees are paid,  
18 and shall be allowed the same travel expenses in the  
19 performance of his or her duties as are allowed to other state  
20 employees as provided by law. The director, with the approval  
21 of the commissioner and subject to the state Merit System,  
22 shall appoint all necessary clerks, stenographers, inspectors,  
23 and other employees to administer this article. The director  
24 shall act as manager, secretary, and custodian of all records  
25 unless the commissioner shall otherwise direct. In addition to  
26 those duties already described, the director's duties shall  
27 include, but shall not be limited to, all of the following:

1           (1) Directing the overall planning, development, and  
2 administration of promotional or assistive services or  
3 programs of the authority.

4           (2) Directing the development and implementation of  
5 departmental planning and budget issues.

6           (3) Directing compliance activities at farmers'  
7 markets and in programs administered by the authority.

8           (4) Directing promotional activities of the  
9 authority.

10          (5) Managing real property and other assets of the  
11 authority.

12          (6) Representing the authority to the public and to  
13 federal, state, and local governments.

14          (7) Managing the personnel of the authority.

15          (8) Managing the fiscal affairs of the authority.

16          (9) Writing grant proposals.

17          (10) Negotiating and administering contracts,  
18 grants, and cooperative agreements.

19          (b) The director, with the approval of the  
20 commissioner, shall fix the duties of all employees of the  
21 authority. The director shall be at the time of his or her  
22 appointment a resident of the State of Alabama.

23           §2-5A-3.

24           When a site has been acquired by purchase, lease,  
25 rent, gift, or otherwise, the commissioner may establish  
26 thereon a farmers' market, independent of and without the

1 necessity of securing any permit from any municipality in  
2 which a site or sites may be located.

3 §2-5A-4.

4 Any farmers' market, as to its location in any  
5 municipality, shall be subject to any necessary or fair  
6 municipal zoning ordinances or fire or health regulations.  
7 This article shall not be construed as conferring the right of  
8 eminent domain upon the Department of Agriculture and  
9 Industries.

10 §2-5A-5.

11 The commissioner, with approval of the Board of  
12 Agriculture and Industries, may make such rules as in his or  
13 her judgment may be necessary to conduct properly such  
14 farmers' market or markets, both wholesale and retail. The  
15 commissioner may provide experienced and competent persons to  
16 act as graders and classifiers on such markets. The  
17 commissioner may prescribe and designate reasonable grades and  
18 classes for farm products, truck crops, fruits, vegetables,  
19 and fish products and to enforce the same in all markets in  
20 the state. The commissioner may designate separate places on  
21 any market where fruits, vegetables, truck crops, and fish  
22 products of the different classes and grades shall be handled  
23 and kept separate. The commissioner may promulgate rules  
24 regulating or prohibiting the sale of cull produce or produce  
25 unfit for human consumption at any state farmers' market. Ripe  
26 peaches, cantaloupes, tomatoes, and other commodities of a



1 similar nature shall not be classed as cull produce when sold  
2 in Alabama for local consumption.

3 §2-5A-6.

4 In acquiring the sites for such market or markets  
5 and in conducting same, the commissioner, with approval of the  
6 Board of Agriculture and Industries, may prescribe and collect  
7 reasonable charges to pay the necessary costs of acquiring,  
8 operating, and maintaining such sites and markets, may erect  
9 the necessary buildings, and may conduct the markets as  
10 provided by law.

11 §2-5A-7.

12 Whenever any farm products are found on any market  
13 in this state in such condition that they are unfit for food,  
14 it shall be the duty of the commissioner or his or her duly  
15 authorized agent to forbid the same from being sold in this  
16 state, the same as is now done with other food and feeds.

17 §2-5A-8.

18 The commissioner, with the approval of the Board of  
19 Agriculture and Industries, may make and promulgate such rules  
20 as in his or her judgment may be necessary to enforce this  
21 article. The rules shall be promulgated by being posted for a  
22 period of 24 hours in a conspicuous place in each market  
23 established under this article and, when so promulgated, shall  
24 have the force and effect of law.

25 §2-5A-9.

26 The commissioner, through his or her authorized  
27 agents, may eject from any farmers' market any person, and his

1 or her property, refusing to comply with this article and the  
2 rules promulgated hereunder.

3 §2-5A-10.

4 The commissioner, from time to time, as he or she  
5 may deem necessary, may fix minimum prices on the different  
6 grades and classes as provided for in this article and enforce  
7 the same by not permitting any person to sell any fruits,  
8 vegetables, or truck crops within the bounds of any market  
9 established under this article, at a lower price than the  
10 minimum price fixed by the commissioner.

11 §2-5A-11.

12 The commissioner, when in his or her judgment it  
13 shall be advisable and necessary, shall provide a suitable  
14 means of communication between the Board of Agriculture and  
15 Industries and the farmers' market or markets established  
16 under this article so as to facilitate the sale and exchange  
17 of farm products and fish products of all kinds.

18 §2-5A-12.

19 All funds collected under this article shall be  
20 deposited in the State Treasury to the credit of a special  
21 fund for the use of the Department of Agriculture and  
22 Industries and shall be used solely for maintenance, repair,  
23 and capital outlay for markets and market facilities, for  
24 payment of other expenses of operations as approved by the  
25 authority, and for liquidation of costs of construction of the  
26 markets and facilities. The funds shall be paid out on  
27 warrants drawn by the state Comptroller on the state Treasury,

1 upon the authorization of the commissioner. After the  
2 effective date of this article, all funds remaining in the  
3 original Farmers' Market Authority Fund #0360 shall transfer  
4 into a newly created Farmers' Market Authority Fund for use by  
5 the Department of Agriculture and Industries.

6 §2-5A-13.

7 No provision of this article shall be construed to  
8 apply to any producer of this state who sells his or her own  
9 produce directly to the consumer outside of the state markets  
10 established under this article.

11 §2-5A-14.

12 To assure the liquidation of the costs incurred in  
13 the installation of facilities at farmers' markets,  
14 notwithstanding Article 3 (commencing with Section 9-15-70) of  
15 Chapter 15 of Title 9, the commissioner, with approval of the  
16 Board of Agriculture and Industries, may enter into contracts  
17 whereby persons who desire space or facilities at the markets  
18 may lease the facilities or space as necessary for their  
19 operation for a term not exceeding 30 years. The contract or  
20 lease, or both, shall contain provisions for the termination  
21 of the contract or lease, or both, upon the breach of the  
22 conditions therein or upon the failure to comply with the  
23 rules promulgated by the commissioner. The venue of any action  
24 resulting from the termination of such a lease or contract, or  
25 both, shall be in Montgomery County. If there be any default  
26 by the municipality, county, state, or any public corporation  
27 or state agency in the payment of any installment of rent or

1 the performance of any agreement required to be made or  
2 performed under the provisions of any lease agreement, the  
3 corporation and the trustee, under any indenture, shall have  
4 and may exercise any one or more of the following remedies:

5 (1) By mandamus, injunction, or other proceedings,  
6 compel performance by the officials of such lessee of their  
7 duties respecting payment of the rentals required to be paid  
8 and the performance of the agreements on the part of such  
9 lessee required to be performed under any such lease  
10 agreement.

11 (2) Obtain a judgment against such lessee for all  
12 monetary payments required to be made by such lessee under the  
13 provisions of such lease agreement with respect to which the  
14 lessee is then in default.

15 (3) Terminate the lease and take possession of the  
16 project or part thereof leased to such lessee.

17 (4) Exercise any other remedy provided for in the  
18 lease.

19 §2-5A-15.

20 The county commission of any county and the  
21 governing body of any municipality may make such  
22 appropriations as, in their discretion, may be deemed  
23 necessary or proper to assist in the establishment of farmers'  
24 markets under this article.

25 Article 2. Bond Issuance Authorized.

26 §2-5A-30.

1           Whenever used in this article, the following terms  
2 shall have the following meanings, respectively, unless the  
3 context clearly indicates otherwise:

4           (1) BONDS. Those bonds, including the refunding  
5 bonds, issued under and pursuant to the provisions of this  
6 article.

7           (2) GOVERNMENT SECURITIES. Any bonds or other  
8 obligations which as to principal and interest constitute  
9 direct obligations of, or are unconditionally guaranteed by,  
10 the United States of America, including obligations of any  
11 federal agency to the extent such obligations are  
12 unconditionally guaranteed by the United States of America and  
13 any certificates or any other evidences of an ownership  
14 interest in such obligations of, or unconditionally guaranteed  
15 by, the United States of America or in specified portions  
16 thereof, which may consist of the principal thereof or the  
17 interest thereon.

18           (3) PERMITTED INVESTMENTS. (i) Government  
19 securities; (ii) bonds, debentures, notes or other evidences  
20 of indebtedness issued by any of the following agencies: bank  
21 for cooperatives; federal intermediate credit banks; Federal  
22 Financing Bank; federal home loan banks; Federal Farm Credit  
23 Bank; Export-Import Bank of the United States; federal land  
24 banks; or Farmers Home Administration or any other agency or  
25 corporation which has been or may hereafter be created by or  
26 pursuant to an act of the Congress of the United States as an  
27 agency or instrumentality thereof; (iii) bonds, notes, pass

1 through securities or other evidences of indebtedness of  
2 Government National Mortgage Association and participation  
3 certificates of Federal Home Loan Mortgage Corporation; (iv)  
4 full faith and credit obligations of any state, provided that  
5 at the time of purchase such obligations are rated at least  
6 "AA" by Standard & Poor's Corporation and at least "Aa" by  
7 Moody's Investors Service; (v) public housing bonds issued by  
8 public agencies or municipalities and fully secured as to the  
9 payment of both principal and interest by contracts with the  
10 United States of America, or temporary notes, preliminary  
11 notes or project notes issued by public agencies or  
12 municipalities, in each case fully secured as to the payment  
13 of both principal and interest by a requisition or payment  
14 agreement with the United States of America; (vi) time  
15 deposits evidenced by certificates of deposit issued by banks  
16 or savings and loan associations which are members of the  
17 Federal Deposit Insurance Corporation, provided that, to the  
18 extent such time deposits are not covered by federal deposit  
19 insurance, such time deposits, including interest thereon, are  
20 fully secured by a pledge of obligations described in clauses  
21 (i), (ii), (iii), and (v) above, which at all times have a  
22 market value not less than the amount of such bank time  
23 deposits required to be so secured and which meet the greater  
24 of 100 percent collateralization or the "AA" collateral levels  
25 established by Standard & Poor's Corporation for structured  
26 financings; (vii) repurchase agreements for obligations of the  
27 type specified in clauses (i), (ii), (iii), and (v) above,

1 provided such repurchase agreements are fully collateralized  
2 and secured by such obligations which have a market value at  
3 least equal to the purchase price of such repurchase  
4 agreements which are held by a depository satisfactory to the  
5 State Treasurer in such manner as may be required to provide a  
6 perfected security interest in such obligations, and which  
7 meet the greater of 100 percent collateralization or the "AA"  
8 collateral levels established by Standard & Poor's Corporation  
9 for structured financings; and (viii) uncollateralized  
10 investment agreements with, or certificates of deposit issued  
11 by, banks or bank holding companies, the senior long-term  
12 securities of which are rated at least "AA" by Standard &  
13 Poor's Corporation and at least "Aa" by Moody's Investors  
14 Service.

15 (4) REFUNDING BONDS. Those refunding bonds issued  
16 under and pursuant to Section 2-5A-35.

17 §2-5A-31.

18 The commissioner, with approval of the Board of  
19 Agriculture and Industries, in addition to all other powers  
20 previously conferred upon it, may issue and sell its bonds in  
21 the aggregate principal amount not to exceed ten million  
22 dollars (\$10,000,000) for the purpose of acquiring,  
23 constructing, enlarging, improving, renovating, equipping, and  
24 maintaining farmers' market facilities which the Department of  
25 Agriculture and Industries may establish pursuant to Section  
26 2-5A-1. The bonds shall be in such form or forms and  
27 denomination or denominations and of such tenor and

1 maturities, shall bear such rate or rates of interest payable  
2 and evidenced in such manner, shall be made subject to  
3 redemption prior to their maturities, and shall contain  
4 provisions not inconsistent with this article, all as may be  
5 provided by the resolution under which the bonds may be  
6 issued; provided, that those bonds having maturities more than  
7 10 years after their date shall be subject to redemption at  
8 the option of the commissioner, with the approval of the Board  
9 of Agriculture and Industries, on any interest payment date on  
10 and after the tenth anniversary after their date at such  
11 redemption price and under such conditions as may be  
12 prescribed in the proceedings of the Board of Agriculture and  
13 Industries under which they are issued.

14 §2-5A-32.

15 The bonds shall be signed by the chair or vice chair  
16 of the Board of Agriculture and Industries, and the seal of  
17 the Department of Agriculture and Industries shall be affixed  
18 thereto, or a facsimile thereof imprinted thereon, and  
19 attested by the secretary of the board. All signatures of the  
20 chair, vice chair, and secretary may be facsimile signatures  
21 if the proceedings under which the bonds are issued provide  
22 for the manual authentication of such bonds by a trustee or  
23 paying agent or by named individuals who are employees of the  
24 State of Alabama and who are assigned to the Department of  
25 Finance or office of the State Treasurer. The seal of the  
26 Department of Agriculture and Industries shall be impressed on  
27 the bonds and a facsimile of such seal may be printed or



1 otherwise reproduced on any of the bonds in lieu of being  
2 manually impressed thereon. Delivery of bonds so executed  
3 shall be valid notwithstanding any changes in officers  
4 subsequent to the signing of such bonds. For the purpose of  
5 paying the principal of, premium, if any, and interest on the  
6 bonds, the commissioner shall designate the State Treasurer.  
7 Funds for the payment of debt service shall be transferred by  
8 the Department of Agriculture and Industries to the State  
9 Treasurer on the actual due date of such principal, premium,  
10 if any, or interest.

11 §2-5A-33.

12 The bonds may be sold by the Department of  
13 Agriculture and Industries from time to time in series. Each  
14 series of the bonds shall be sold at competitive bid and at  
15 such price or prices and at such time or times as the  
16 commissioner may consider advantageous. Bonds sold by  
17 competitive bid shall be sold, whether on sealed bids or at  
18 public auction, to the bidder whose bid reflects the lowest  
19 effective borrowing cost to the Department of Agriculture and  
20 Industries on the series of bonds being sold; provided, that  
21 if no bid acceptable to the commissioner is received, he or  
22 she may reject all bids. Summary notice of each such sale  
23 shall be given by publication in either a financial journal or  
24 a financial newspaper published in the City of New York, New  
25 York, and also by publication in a newspaper published in the  
26 State of Alabama which is customarily published not less often  
27 than three days during each calendar week, each of which

1 notices must be published at least one time not less than 10  
2 days prior to the date fixed for the sale or, in the event no  
3 bid acceptable to the commissioner is received at any such  
4 sale and the bonds so offered are thereafter reoffered on the  
5 same terms and conditions, not less than five days prior to  
6 the date fixed for sale. Neither a public hearing nor consent  
7 of the state Department of Finance or any other department or  
8 agency shall be a prerequisite to the issuance of any of the  
9 bonds.

10 §2-5A-34.

11 The bonds shall not be general obligations of the  
12 Department of Agriculture and Industries but shall be limited  
13 obligations payable solely from one or more specified sources,  
14 including, but not limited to, revenues derived from market  
15 charges, authorized under Section 2-5A-6, lease revenues,  
16 authorized under Section 2-5-16, and appropriations made under  
17 Section 2-5-17. The commissioner, with approval of the Board  
18 of Agriculture and Industries, may pledge all or any portion  
19 of such revenues as security for the payment of the bonds. All  
20 such pledges made by the commissioner shall take precedence in  
21 the order of the adoption of the resolutions containing the  
22 pledges. The commissioner may also obtain credit enhancement  
23 for the department's bonds, including, but not limited to,  
24 bond insurance and letters of credit, and to pledge all or a  
25 portion of its revenues as security for its reimbursement  
26 obligations with respect thereto. All bonds issued by the  
27 Department of Agriculture and Industries pursuant to the

1 provisions hereof shall be solely and exclusively obligations  
2 of the Department of Agriculture and Industries and shall not  
3 be an obligation or debt of the State of Alabama or any county  
4 or any municipality within the State of Alabama.

5 §2-5A-35.

6 (a) Any bonds issued by the Department of  
7 Agriculture and Industries pursuant to this article may from  
8 time to time thereafter be refunded by the issuance of  
9 refunding bonds of the Department of Agriculture and  
10 Industries; provided, however, that no refunding bonds shall  
11 be issued unless the present value of all debt service on the  
12 refunding bonds, computed with a discount rate equal to the  
13 true interest rate of the refunding bonds and taking into  
14 account all underwriting discount and issuance expenses, shall  
15 not be greater than 97 percent of the present value of all  
16 debt service on the bonds to be refunded, computed using the  
17 same discount rate and taking into account the underwriting  
18 discount and other issuance expenses originally applicable to  
19 such bonds, determined as if such bonds to be refunded were  
20 paid and retired in accordance with the schedule of  
21 maturities, considering mandatory redemption as a scheduled  
22 maturity, provided at the time of their issuance. Such  
23 refunding bonds may be sold and issued from time to time, at  
24 either public or private sale, and on such other terms and  
25 conditions as the commissioner, with approval of the Board of  
26 Agriculture and Industries, shall determine to be advantageous  
27 and shall adopt and provide for in its proceedings for the

1 sale and issuance of such refunding bonds. Any such refunding  
2 bonds may be issued whether the bonds to be refunded shall  
3 have then matured or shall thereafter mature, and such  
4 refunding may be effected either by sale of the refunding  
5 bonds and the application of the proceeds thereof to the  
6 payment or redemption of the bonds so refunded or by exchange  
7 of the refunding bonds for those to be refunded thereby.

8 (b) The proceeds derived from any sale of refunding  
9 bonds remaining after payment of the expenses of their  
10 issuance shall be applied in accordance with the proceedings  
11 of the Board of Agriculture and Industries under which such  
12 refunding bonds are issued. Pending the application of the  
13 proceeds to the purchase, redemption, or payment of such  
14 outstanding bonds, such proceeds may be invested in permitted  
15 investments pursuant to a trust agreement providing for the  
16 future application of such proceeds to the purchase,  
17 redemption, or payment of such outstanding bonds. Bonds  
18 refunded prior to their maturity with the proceeds of  
19 refunding bonds shall be deemed not outstanding if the Board  
20 of Agriculture and Industries, in the proceedings under which  
21 such refunding bonds are issued, establishes a trust fund  
22 consisting of cash or government securities, or both,  
23 sufficient to pay in accordance with the provisions of such  
24 trust fund when due, the entire principal of and interest and  
25 premium, if any, on the bonds to be refunded; provided that  
26 such government securities shall not be subject to redemption

1 prior to their maturities other than at the option of the  
2 holder thereof.

3 §2-5A-36.

4 A debt service reserve fund may be established and  
5 maintained in such an amount and under such conditions for any  
6 or all series of the bonds as may be determined by the Board  
7 of Agriculture and Industries its resolution relating to the  
8 bonds. The Department of Agriculture and Industries may make  
9 payments from bond proceeds or any other funds or revenues  
10 available to it into the debt service reserve fund. Income  
11 earned from the investment of monies held in the debt service  
12 reserve fund may be used by the Department of Agriculture and  
13 Industries for any purpose designated by the Board of  
14 Agriculture and Industries that would constitute a permitted  
15 use of funds of the Department of Agriculture and Industries  
16 under Act 98-243. Monies on deposit in the debt service  
17 reserve fund shall be invested only in permitted investments  
18 and the department is authorized to determine the conditions  
19 for the utilization of the debt service reserve fund in its  
20 resolution relating to the bonds secured thereby, and by the  
21 terms of such resolution, to dedicate and pledge such fund and  
22 the investment earnings therefrom to payment of debt service  
23 on the bonds.

24 §2-5A-37.

25 Prior to the completion of farmers' market  
26 facilities to be financed with proceeds of bonds, any portion  
27 of the principal proceeds derived from the sale of the bonds

1       which the commissioner may determine is not then needed for  
2       any of the purposes for which the bonds are authorized to be  
3       issued shall be invested by the State Treasurer in permitted  
4       investments which mature at such time or times as the  
5       department shall direct. At any time, and from time to time on  
6       order of the commissioner, any such investments may be sold or  
7       otherwise converted by the State Treasurer into cash.

8               §2-5A-38.

9               The Department of Agriculture and Industries, its  
10       property and income and all obligations issued by the  
11       Department of Agriculture and Industries, the income from such  
12       obligations or from the investment of such income, and all  
13       conveyances, leases, mortgages, and deeds of trust by or to  
14       the department shall be exempt from all taxation in the State  
15       of Alabama.

16              §2-5A-39.

17              The Board of Agriculture and Industries has the  
18       power and hereby delegates power to the Commissioner of  
19       Agriculture and Industries to cause appropriate reports to be  
20       prepared and payments submitted to the United States of  
21       America as shall be deemed necessary to cause the interest on  
22       any bonds of the Department of Agriculture and Industries to  
23       be and remain exempt from federal income taxation. The  
24       commissioner shall have the power to make agreements  
25       respecting the investment of funds of the Department of  
26       Agriculture and Industries necessary in order that the

1 interest income on bonds of the Department of Agriculture and  
2 Industries be and remain exempt from federal income taxation.

3 Section 2. Chapter 5 of Title 2, comprised of  
4 Sections 2-5-1 to 2-5-17, inclusive, and Sections 2-5-30 to  
5 2-5-39, inclusive, Code of Alabama 1975, is repealed.

6 Section 3. This act shall become effective on the  
7 first day of the third month following its passage and  
8 approval by the Governor, or its otherwise becoming law.