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3 HOUSE COUNTY AND MUNICIPAL GOVERNMENT COMMITTEE SUBSTITUTE FOR
4 HB508

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9 SYNOPSIS: This bill would authorize a municipality or
10 county to establish a local redevelopment authority
11 for economic development, redevelopment, and
12 rehabilitation for property that is contiguous to
13 an operational or nonoperational military
14 installation located within this state. The bill
15 would authorize the authority to issue bonds for
16 projects for the purposes of the authority.

17
18 A BILL
19 TO BE ENTITLED
20 AN ACT

21
22 To authorize the incorporation in any municipality
23 or county in this state of a local redevelopment authority for
24 the purpose of promoting trade and commerce by inducing
25 commercial enterprise to upgrade, improve, modernize, and
26 expand existing facilities and to locate new facilities on
27 land contiguous with an operational or non operational United

1 States military installation within the corporate limits of
2 the municipality, or geographical boundaries of the county; to
3 provide for the formation, governance, power, and duties of
4 the authority; to provide for the issuance by the authority of
5 interest-bearing revenue bonds and other interest-bearing
6 securities, payable solely out of the revenues and receipts
7 derived from the leasing or sale of properties owned by the
8 authority; to provide that the securities may be secured by a
9 pledge of the revenues and receipts from which they are
10 payable; to authorize the authority to finance, construct,
11 acquire, purchase, renovate, maintain, improve, sell, equip,
12 operate, or manage projects; to authorize the authority to
13 receive the proceeds of municipal taxes levied for the
14 authority's purposes; to make the securities issued by the
15 authority eligible investments for various governmental bodies
16 and fiduciaries; to provide procedures for the issuance of
17 bonds by the authority; to exempt the income of any authority,
18 and all conveyances, leases, mortgages, and deeds of trust to
19 which the authority is a party, from all taxation in the
20 state; to exempt the authority from all license and excise
21 taxes and all charges of judges of probate; to exempt the
22 authority from all laws of the state governing usury or
23 prescribing or limiting interest rates; to give the authority
24 the power of eminent domain; and to authorize political
25 subdivisions, agencies, instrumentalities, and public
26 corporations of the state to aid the authority with loans or

1 grants of money, the furnishing of services, or the transfer
2 of property to the authority without any public election.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Legislative Intent.

5 The redevelopment, revitalization, and redevelopment
6 of land contiguous with United States military installations
7 within any municipality or county in this state, whether
8 operational or formerly operational, promotes the public good
9 by encouraging the initial development, redevelopment, and
10 revitalization of such land, and the retention of military
11 installations within the state. It is therefore in the public
12 interest and is vital to the public welfare of the people of
13 Alabama, and it is hereby declared to be the public purpose of
14 this act, to develop, revitalize, and redevelop land
15 contiguous with United States military installations
16 throughout the State of Alabama.

17 Section 2. Definitions.

18 For the purposes of this act, the following words
19 have the following meanings:

20 (1) APPLICANT. A natural person who files a written
21 application with the governing body of any authorizing
22 subdivision in accordance with Section 3.

23 (2) AUTHORITY. Any local redevelopment authority
24 organized pursuant to this act.

25 (3) AUTHORIZING RESOLUTION. A resolution adopted by
26 the governing body of any authorizing subdivision in

1 accordance with Section 3, that authorizes the incorporation
2 of the authority.

3 (4) AUTHORIZING SUBDIVISION. Any county or
4 municipality that has adopted an authorizing resolution.

5 (5) BOARD. The board of directors of the authority.

6 (6) BONDS. Any bonds, notes, certificates, or any
7 other form of indebtedness representing an obligation to pay
8 money.

9 (7) CONTIGUOUS. Two or more tracts of land if
10 touching for a continuous distance of not less than 200 feet.
11 The term shall include tracts of land divided by bodies of
12 water, streets, railroads, or utility rights-of-way, or by
13 land owned by a governmental entity. In determining whether
14 land is contiguous with a United States military installation,
15 either of the following is contiguous:

16 a. Land which is separated by bodies of water,
17 streets, railroads, or utility rights-of-way shall be deemed
18 to be contiguous even though such bodies of water, streets,
19 railroads, or utility rights-of-way are outside of the
20 geographical area of the applicable United States military
21 installation.

22 b. Land which is separated by other land which is
23 owned by a governmental entity.

24 (8) COOPERATIVE DISTRICT. An incorporated capital
25 improvement cooperative district formed in accordance with and
26 for the purposes set forth in Chapter 99B of Article 2 of
27 Title 11 of the Code of Alabama 1975, as amended.

1 (9) COUNTY. Any county in the state.

2 (10) DIRECTOR. A member of the board of the
3 authority.

4 (11) GOVERNING BODY. With respect to any
5 municipality, its city council or other governing body; with
6 respect to any county, its county commission or other
7 governing body.

8 (12) INCORPORATORS. The persons forming a public
9 corporation organized pursuant to this act.

10 (13) LOCAL REDEVELOPMENT AREA. Land contiguous with
11 an operational or nonoperational United States military
12 installation located within this state, totaling not more than
13 1,000 square acres in geographical size, all as set forth in
14 the application required to be filed in accordance with
15 Section 3.

16 (14) MILITARY INSTALLATION. An active, inactive, or
17 closed federal military installation funded, currently or in
18 the past, in whole or in part by the United States Department
19 of Defense, if located within this state.

20 (15) MUNICIPALITY. Any incorporated city or town
21 within this state.

22 (16) PERSON. Unless limited to a natural person by
23 the context in which it is used, includes a public or private
24 corporation, a municipality, a county, the state, or an
25 agency, department, or instrumentality of the state, a county,
26 or a municipality.

1 (17) PRINCIPAL OFFICE. The place at which the
2 certificate of incorporation and amendments thereto, the
3 bylaws and the minutes of the proceedings of the board of the
4 authority are kept.

5 (18) PRIVATE USER. A lessee, manager,
6 non-governmental user, or any person relating to the planning,
7 development, construction, operation, management, or
8 maintenance of a project.

9 (19) PROJECT. Interests in land, buildings,
10 structures, facilities, or other improvements located or to be
11 located within the local redevelopment area, and any fixtures,
12 machinery, equipment, furniture, or other property of any
13 nature whatsoever used on, in, or in connection with any such
14 land, interest in land, building, structure, facility, or
15 other improvement, all for the essential public purpose of the
16 development of trade, entertainment, amusement, commerce,
17 industry, or employment opportunities in the local
18 redevelopment area. The term includes projects in the local
19 redevelopment area for any industrial, commercial,
20 entertainment or amusement, business, office, parking,
21 utility, residential (including, without limitation, homes,
22 apartments, town houses, condominiums, hotels, motels, or
23 assisted living facilities) or other use; provided:

24 a. Capital expenditures for development of the
25 project within the local redevelopment area equal or exceed
26 twenty-five million dollars (\$25,000,000)

1 b. A majority of the members of the authority
2 determine, by a resolution duly adopted, that the project and
3 use thereof would facilitate the retention, development, or
4 redevelopment of an existing or closed military installation
5 or the area contiguous to a military installation as well as
6 further the public purpose of this act.

7 (20) STATE. The State of Alabama.

8 Section 3. Filing of Application; Authorization of
9 Incorporation by Governing Body of an Authorizing Subdivision.

10 (a) An authority may be organized pursuant to this
11 act. In order to incorporate a public corporation, any number
12 of natural persons, not less than three, who are duly
13 qualified electors of the authorizing subdivision, shall first
14 file a written application with the governing body of the
15 authorizing subdivision, which shall contain all of the
16 following:

17 (1) A statement that the applicants propose to
18 incorporate the authority pursuant to the provisions of this
19 act.

20 (2) A statement of the proposed location of the
21 principal office of the authority, which shall be within the
22 corporate limits of a municipality or geographical limits of a
23 county.

24 (3) A general description of the proposed project.

25 (4) A map or legal description or other description
26 of the proposed local redevelopment area.

1 (5) A statement that each of the applicants is a
2 duly qualified elector residing in the authorizing
3 subdivision.

4 (6) A request that the governing body of the
5 authorizing subdivision adopt a resolution declaring that it
6 is wise, expedient, and necessary that the proposed authority
7 be formed and authorizing the applicants to proceed to form
8 the proposed authority by the filing for record of a
9 certificate of incorporation in accordance with Section 4.

10 (7) A signed letter of authorization from the
11 Governor designating the project as a project eligible for the
12 benefits of this act.

13 (b) (1) Every application shall be accompanied by
14 supporting documents or evidence as the applicants may
15 consider appropriate. As promptly as may be practicable after
16 the filing of the application in accordance with the
17 provisions of this section, the governing body of the
18 authorizing subdivision shall review the contents of the
19 application, and shall adopt a resolution either:

20 a. Denying the application.

21 b. Declaring that its approval of the application
22 will benefit the authorizing subdivision, as applicable, and
23 will facilitate the retention, development, or redevelopment
24 of an existing or closed military installation or area
25 contiguous to the military installation, and that the proposed
26 authority be formed and authorizing the applicants to proceed

1 to form the proposed authority by filing for record of a
2 certificate of incorporation in accordance with Section 4.

3 (2) The governing body with which the application is
4 filed shall also include a copy of the application in the
5 minutes of the meeting of the governing body at which final
6 action upon the application is taken.

7 Section 4. Procedure to Incorporate; Contents and
8 Execution of Certificate of Incorporation.

9 (a) Within 40 days following the adoption of the
10 authorizing resolution, the applicants shall proceed to
11 incorporate the authority by filing for record in the office
12 of the judge of probate of the county wherein the proposed
13 local redevelopment area is located a certificate of
14 incorporation which shall comply in form and substance with
15 the requirements of this section and which shall be in the
16 form and executed in the manner provided in this section.

17 (b) The certificate of incorporation of the
18 authority shall state all of the following:

19 (1) The names of the persons forming the authority,
20 and that each of them is a duly qualified elector residing in
21 the authorizing subdivision.

22 (2) The name of the authority, which shall include
23 the local redevelopment authority.

24 (3) A general description of the proposed project.

25 (4) The period for the duration of the authority, if
26 the duration is to be perpetual, subject to Section 19, that
27 fact shall be stated.

1 (5) The name of the authorizing subdivision,
2 together with the date on which the governing body thereof
3 adopted the authorizing resolution.

4 (6) The location of the principal office of the
5 authority, which shall be within the corporate limits of the
6 municipality or within the geographical limits of the county,
7 as applicable.

8 (7) That the authority is organized pursuant to the
9 provisions of this act.

10 (8) A map, legal description, or other description
11 describing the geographical area of the local redevelopment
12 area.

13 (9) Any other matters relating to the authority that
14 the incorporators may choose to insert and that are not
15 inconsistent with this act or with the laws of this state.

16 (c) The certificate of incorporation shall be signed
17 and acknowledged by the incorporators before an officer
18 authorized by the laws of this state to take acknowledgments
19 to deeds. When the certificate of incorporation is filed for
20 record, there shall be attached to it the following:

21 (1) A copy of the application as filed with the
22 governing body of the authorizing subdivision in accordance
23 with Section 3.

24 (2) A certified copy of the authorizing resolution
25 adopted by the governing body of the authorizing subdivision.

26 (3) A certificate by the Secretary of State that the
27 name proposed for the authority is not identical to that of

1 any other corporation organized under the laws of this state
2 or so nearly similar thereto as to lead to confusion and
3 uncertainty.

4 (d) Upon the filing for record of the certificate of
5 incorporation and the documents required by subsection (c),
6 the authority shall come into existence and shall constitute a
7 public corporation under the name set forth in the certificate
8 of incorporation. The judge of probate shall send notice to
9 the Secretary of State that the certificate of incorporation
10 of the authority has been filed for record.

11 Section 5. Amendments to Certificate of
12 Incorporation.

13 (a) The certificate of incorporation of the
14 authority incorporated under this act may at any time and from
15 time to time be amended in the manner provided in this
16 section. The board shall first adopt a resolution proposing an
17 amendment to the certificate of incorporation which shall set
18 forth in full in the resolution, and which amendment may
19 include any matters which might have been included in the
20 original certificate of incorporation.

21 (b) After the adoption by the board of a resolution
22 proposing an amendment to the certificate of incorporation of
23 the authority, the chair of the board and the secretary of the
24 authority shall sign and file a written application in the
25 name of and on behalf of the authority, under its seal, with
26 the governing body of the authorizing subdivision, requesting
27 the governing body to adopt a resolution approving the

1 proposed amendment, and accompanied by a certified copy of the
2 resolution adopted by the board proposing the amendment to the
3 certificate of incorporation, together with documents in
4 support of the application as the chair may consider
5 appropriate. As promptly as may be practicable after the
6 filing of the application with the governing body of the
7 authorizing subdivision pursuant to the foregoing provisions
8 of this section, the governing body shall review the
9 application and shall adopt a resolution either denying the
10 application or authorizing the proposed amendment. The
11 governing body shall also cause to be made a part of the
12 minutes of the meeting of the governing body at which final
13 action upon the application is taken.

14 (c) Within 40 days following the adoption by the
15 governing body of the authorizing subdivision of a resolution
16 approving the proposed amendment the chair of the board of the
17 authority and the secretary of the authority shall sign, and
18 file a certificate for record in the office of the judge of
19 probate of the county of incorporation in the name of and on
20 behalf of the authority under its seal reciting the adoption
21 of the respective resolutions by the board and by the
22 governing body and setting forth the proposed amendment. The
23 judge of probate for the county shall record the certificate
24 in an appropriate book in his or her office. When the
25 certificate has been filed and recorded, the amendment shall
26 become effective and the certificate of incorporation shall be
27 amended to the extent provided in the amendment. No

1 certificate of incorporation of the authority shall be amended
2 except in the manner provided in this section.

3 Section 6. Each authority shall be Governed by a
4 Board of Directors.

5 (a) All powers of the authority shall be exercised
6 by the board or pursuant to its authorization. The board shall
7 consist of any number of directors, not less than three, who
8 shall be elected by the governing body of the authorizing
9 subdivision for staggered terms as provided in this section.

10 (b) At the time of the election of the first board,
11 the governing body of the authorizing subdivision shall divide
12 the directors into three groups containing as nearly equal
13 whole numbers as may be possible. The governing body of the
14 authorizing subdivision shall specify for which term each
15 director is elected. The initial term of office of the first
16 group shall be two years. The initial terms of office of the
17 second group shall be four years. The initial term of office
18 of the third group shall be six years.

19 (c) Thereafter, the term of office of each director
20 shall be six years. If at the expiration of any term of office
21 of any director, a successor has not been elected, the
22 director whose term of office has expired shall continue to
23 hold office until his or her successor has been elected. If at
24 any time there is be a vacancy on the board, a successor
25 director shall be elected by the governing body of the
26 authorizing subdivision to serve for the unexpired term
27 applicable to the vacancy.

1 (d) Each director shall be a duly qualified elector
2 residing in the authorizing subdivision. Directors shall be
3 eligible for reelection. Each director shall be reimbursed for
4 expenses actually incurred by him or her in and about the
5 performance of his or her duties. Except as provided in the
6 preceding sentence, no director shall be compensated for
7 serving as a director of the authority.

8 (e) Any director of the authority may be impeached
9 and removed from office in the same manner and on the same
10 grounds provided in Section 175 of the Constitution of Alabama
11 of 1901, and the general laws of the state for impeachment and
12 removal of the officers provided in Section 175 of the
13 Constitution of Alabama of 1901.

14 Section 7. Officers of the Authority.

15 The officers of the authority shall consist of a
16 chair, vice chair, secretary, treasurer, and other officers as
17 its board shall deem necessary or appropriate. The offices of
18 secretary and treasurer may, but need not, be held by the same
19 person. The chair and vice chair of the authority shall be
20 elected by the board from the membership thereof; the
21 secretary, the treasurer, and any other officers of the
22 authority may, but need not, be members of the board and shall
23 also be elected by the board. The chair, vice chair,
24 secretary, and treasurer of the authority shall also be the
25 chair, vice chair, secretary, and treasurer of the board,
26 respectively.

27 Section 8. Powers of Authority.

1 The authority shall have the following powers,
2 together with all powers incidental thereto or necessary to
3 the discharge thereof in corporate form:

4 (1) To have succession by its corporate name for the
5 duration of time, which may be in perpetuity, subject to
6 Section 19, specified in its certificate of incorporation.

7 (2) To sue and be sued in its own name and to
8 prosecute and defend civil actions in any court having
9 jurisdiction of the subject matter and of the parties;
10 provided that the authority shall be deemed to be a
11 governmental entity as defined in Chapter 93 of Title 11, Code
12 of Alabama 1975, for the purpose of limiting the damages for
13 which the authority may be liable.

14 (3) To adopt and make use of a corporate seal and to
15 alter the seal at its pleasure.

16 (4) To adopt and alter bylaws for the regulation and
17 conduct of its affairs and business.

18 (5) To acquire, whether by purchase, construction,
19 exchange, gift, lease, or otherwise, and to refinance existing
20 indebtedness on, improve, maintain, equip, and furnish one or
21 more projects, including all real and personal properties
22 which the board of the authority may deem necessary in
23 connection therewith, regardless of whether or not such
24 projects shall then be in existence.

25 (6) To lease to others any or all of its projects
26 and to share and collect rent thereof, and to terminate any

1 lease upon the failure of the lessee to comply with any of the
2 obligations thereof.

3 (7) To sell, exchange, donate, or convey and to
4 grant options to any lessee to acquire any of its projects and
5 any or all of its properties if the board finds that action is
6 in furtherance of the purposes for which the authority was
7 organized.

8 (8) To issue its bonds for the purpose of carrying
9 out any of its powers.

10 (9) To mortgage and pledge any or all of its
11 projects or any part or parts thereof, as security for the
12 payment of the principal of and interest on any bonds so
13 issued and any agreements made in connection therewith,
14 whether then owned or thereafter acquired, and to pledge the
15 revenues and receipts therefrom or from any thereof.

16 (10) To execute and deliver, in accordance with the
17 provisions of this section and Section 9, mortgages and deeds
18 of trust and trust indentures, or either.

19 (11) To finance, by loan, bond, grant, lease, or
20 otherwise, construct, erect, assemble, purchase, acquire, own,
21 repair, remodel, renovate, rehabilitate, modify, maintain,
22 extend, improve, install, sell, equip, expand, add to,
23 operate, or manage projects and to pay the costs of any
24 project from the proceeds of bonds, or any other funds of the
25 authority, or from any contributions or loans by persons,
26 corporations, partnerships, either general or limited, or

1 other entities, all of which the authority is hereby
2 authorized to receive, accept, and use.

3 (12) To issue and use the proceeds of any bonds or
4 other indebtedness thereof for the purpose of paying or
5 loaning the proceeds thereof to pay all or any part of the
6 cost of any project and otherwise to further or carry out the
7 public purpose of the authority and to pay all costs of the
8 authority incident to, or necessary and appropriate to,
9 furthering or carrying out such purpose.

10 (13) To make application directly or indirectly to
11 any federal, state, county, or municipal government or agency
12 or to any other source, public or private, for loans, grants,
13 guarantees, or other financial assistance in furtherance of
14 the authority's public purpose and to accept and use the same
15 upon the terms and conditions as are prescribed by the
16 federal, state, county, or municipal government or agency or
17 other source.

18 (14) To enter into agreements with the federal
19 government or any agency thereof to use facilities or the
20 services of the federal government or any agency thereof in
21 order to further carry out the purposes of the authority.

22 (15) To contract for any period with this state,
23 state institutions, or any city, town, municipality, or county
24 of the state for the use by the authority of any facilities or
25 services of the state or any state institution, city, town,
26 municipality, or county, or for the use by any state
27 institution or any city, town, municipality, or county of any

1 facilities or services of the authority, provided such
2 contracts shall deal with activities and transactions as the
3 authority and any political subdivision with which the
4 authority contracts are by law authorized to undertake.

5 (16) To extend credit or make loans to any person,
6 corporation, partnership, either general or limited, or other
7 entity for the costs of any project or any part of the costs
8 of any project, which credit or loans may be evidenced or
9 secured by loan agreements, notes, mortgages, deeds to secure
10 debt, trust deeds, security agreements, assignments, or other
11 instruments, or by rentals, revenues, fees, or charges, upon
12 the terms and conditions as the authority shall determine to
13 be reasonable in connection with such extension of credit or
14 loans, including provision for the establishment and
15 maintenance of reserve funds, and, in the exercise of powers
16 granted hereby in connection with any project, the authority
17 may require the inclusion in any loan agreement, note,
18 mortgage, deed to secure debt, trust deed, security agreement,
19 assignment, or other instrument of the provisions or
20 requirements for guaranty of any obligations, insurance,
21 construction, use, operation, maintenance, and financing of a
22 project, and other terms and conditions, as the authority may
23 deem necessary or desirable.

24 (17) To acquire, accept, or retain equitable
25 interests, security interests, or other interests in any real
26 property, personal property, or fixtures by loan agreement,
27 note, mortgage, deed to secure debt, trust deed, security

1 agreement, assignment, pledge, conveyance, contract, lien,
2 loan agreement, or other consensual transfer in order to
3 secure the repayment of any moneys loaned or credit extended
4 by the authority.

5 (18) To appoint, employ, contract with, and provide
6 for the compensation of, officers, employees, and agents,
7 including, without limitation, engineers, attorneys,
8 contractors, consultants, and fiscal advisors, as the board
9 shall deem necessary for the conduct of the business of the
10 authority.

11 (19) To provide the insurance as the board may deem
12 advisable.

13 (20) To make, enter into, and execute contracts,
14 agreements, leases, and other instruments and to take other
15 actions as may be necessary or convenient to accomplish any
16 purpose for which the authority was organized or to exercise
17 any power expressly granted in this act.

18 (21) To require payments in lieu of tax, to be
19 administered in a parallel manner to state ad valorem, income,
20 sales, and use taxes, to be made by the authority, a
21 cooperative district of which the authority is a member, or
22 any private user of the project to the authority, cooperative
23 district of which the authority is a member, municipality, or
24 county, as the case may be. To enter into any agreements
25 requiring any person to make a payment in lieu of taxes and to
26 enforce the payment in lieu of taxes with all rights of a tax
27 assessor or tax collector within this state collecting ad

1 valorem taxes, sales taxes, or income taxes due to the
2 governing body establishing the authority.

3 (22) To receive and use the proceeds of any tax,
4 fee, charge, or payment in lieu of tax to pay the costs of any
5 project or for any other purpose for which the authority may
6 use its own funds pursuant to this act.

7 (23) To encourage and promote the retention,
8 development and redevelopment of any military installation, or
9 the improvement and revitalization of the local redevelopment
10 area and to make, contract for, or otherwise cause to be made
11 long-range plans or proposals for the local redevelopment area
12 in cooperation with the authorizing subdivision.

13 (24) To exercise any power granted by the laws of
14 this state to public or private corporations which is not in
15 conflict with the public purpose of the authority.

16 (25) To do all things necessary or convenient to
17 carry out the powers conferred by this act.

18 (26) To enter into agreements with a private user.

19 (27) To pursue any tax liens relating to the failure
20 of any person to make any payments in lieu of tax.

21 (28) To acquire, receive, and take, by purchase,
22 gift, lease, devise, or otherwise, and to hold property of
23 every description, whether located in one or more counties or
24 municipalities.

25 (29) To make, enter into, and execute licenses,
26 contracts, agreements, leases, and other instruments and to
27 take other actions as may be necessary or convenient to

1 accomplish any purpose for which the authority was organized
2 or to exercise any power expressly granted under this section.

3 (30) To plan, establish, develop, acquire, purchase,
4 lease, construct, reconstruct, enlarge, improve, maintain,
5 equip, and operate a project or projects or any part or
6 combination of any thereof, whether located in one or more
7 counties or municipalities, and to acquire franchises and
8 easements deemed necessary or desirable in connection
9 therewith.

10 (31) To assume obligations secured by a lien on or
11 payable out of or secured by a pledge of the revenues from any
12 project or any part of any thereof that may be acquired by the
13 authority, any obligation so assumed to be payable by the
14 authority solely out of the revenues derived from the
15 operation of any project or any thereof of the authority, or
16 any other sources of revenue, taxes, fees, or payments in lieu
17 of tax.

18 (32) To pledge for payment of any bonds issued or
19 obligations assumed by the authority any revenues from which
20 those bonds or obligations are made payable as provided in
21 this act.

22 (33) To execute and deliver trust indentures in
23 accordance with the provisions of this act.

24 (34) To exercise the power of eminent domain in the
25 manner provided in and subject to the provisions of Title 18.

26 (35) To appoint, employ, contract with, and provide
27 for the compensation of officers, employees, and agents,

1 including, but without limitation to, engineers, attorneys,
2 accountants, architects, management consultants, and fiscal
3 advisers as the business of the authority may require.

4 (36) To make and enforce reasonable rules governing
5 the use of any project managed, leased, owned, or controlled
6 by the authority, a cooperative district of which the
7 authority is a member, or any private users.

8 (37) To cooperate with the United States of America,
9 any agency or instrumentality thereof, this state, any county,
10 municipality, or other political subdivision of the state and
11 any public corporation, and to make contracts with them or any
12 of them, as the board may deem advisable to accomplish the
13 purpose for which the authority was established.

14 (38) To sell and convey any of its properties that
15 may have become obsolete or worn out or that may no longer be
16 needed or useful as a part of any project of the authority.

17 (39) To sell and convey, with or without valuable
18 consideration, any of its projects or any portion thereof to
19 any one or more counties, municipalities, or public
20 corporations which have the corporate power to operate the
21 project or portions thereof so conveyed and the property and
22 income of which are not subject to taxation.

23 (40) To enter into a management agreement or
24 agreements with any person for the management by the authority
25 of any project or any part thereof upon such terms and
26 conditions as may be mutually agreeable.

1 (41) To fix and revise from time to time reasonable
2 rentals, licenses, rates, fees, and other charges for the use
3 of any project or portion thereof owned, managed, leased, or
4 operated by the authority, a cooperative district of which the
5 authority is a member, or any private users, and to collect
6 all charges imposed by the foregoing.

7 (42) To require any users of any of its projects any
8 part thereof to make a reasonable deposit with the authority
9 in advance to insure the payment of rentals, licenses, rates,
10 fees or charges, or costs of repair to any damage to the
11 project and to be subject to the application to the payment
12 thereof if and when delinquent.

13 (43) All projects of the authority shall be located
14 wholly within the local redevelopment area.

15 Section 9. Bonds of Authority.

16 (a) Source of Payment. All bonds issued by the
17 authority shall be payable solely out of the revenues and
18 receipts derived from the leasing or sale by the board of its
19 projects, or from any other source as may be designated in the
20 proceedings of the board under which the bonds are authorized
21 to be issued.

22 (b) Pledge of Revenues, Receipts, and Other
23 Security. The principal and an interest on any bonds issued by
24 the authority shall be secured by a pledge of the revenues and
25 receipts out of which the principal and interest may be
26 payable and may be secured by a mortgage and deed of trust or
27 trust indenture conveying as security for the bonds all or any

1 part of the property of the authority from which the revenues
2 or receipts so pledged may be derived.

3 (c) Resolutions. The resolution under which the
4 bonds are authorized to be issued and any mortgage and deed of
5 trust or trust indenture may contain any agreements and
6 provisions respecting the operation, maintenance, and
7 insurance of the property covered by the mortgage and deed of
8 trust or trust indenture, the use of the revenues and receipts
9 subject to the mortgage and deed of trust or trust indenture,
10 the creation and maintenance of special funds from the
11 revenues and receipts, the rights, duties, and remedies of the
12 parties to any instrument and the parties for the benefit of
13 whom the instrument is made and the rights and remedies
14 available in the event of default as the board shall deem
15 advisable and which are not in conflict with the provisions of
16 this act. Each pledge, agreement, mortgage, and deed of trust
17 or trust indenture made for the benefit or security of any of
18 the bonds of the authority shall continue effective until the
19 principal of and interest on the bonds for the benefit of
20 which the same were made shall have been fully paid.

21 (d) Defaults. In the event of default in payment or
22 in any agreements of the authority made as a part of the
23 contract under which the bonds were issued, whether contained
24 in the proceedings authorizing the bonds or in any mortgage
25 and deed of trust or trust indenture executed as security
26 therefor, the rights of any holder of the bonds may be
27 enforced by mandamus, the appointment of a receiver, or either

1 of the remedies, and, if provided in the instrument, the
2 mortgage, and the deed of trust, or trust indenture, may be
3 foreclosed.

4 (e) Execution. All bonds issued by the authority
5 shall be signed by the chair of its board and attested by its
6 secretary, and the seal of the authority shall be affixed
7 thereto, and any interest coupons applicable to the bonds of
8 the authority shall be signed by the chair of its board;
9 provided, that as long as the registrar of the bonds has
10 manually signed an authentication certificate for the bonds,
11 facsimile signatures of both of the officers may be printed or
12 otherwise reproduced on any bonds in lieu of each manually
13 signing the same, a facsimile of the seal of the authority may
14 be printed or otherwise reproduced on any bonds in lieu of
15 being manually affixed thereto, and a facsimile of the
16 signature of the chair of the board may be printed or
17 otherwise reproduced on any such interest coupons in lieu of
18 his or her manually signing the same.

19 (f) General provisions respecting form, interest
20 rate, maturities, sale, and negotiability. Any bonds may be
21 executed and delivered by the authority at any time and from
22 time to time, shall be in the form and denominations and of
23 the tenor and maturities, shall contain provisions not
24 inconsistent with the provisions of this act, and shall bear
25 the rate or rates of interest, payable and evidenced in the
26 manner, as may be provided by resolution of its board. Bonds
27 of the authority may be sold at either public or private sale

1 in the manner and at the price or prices and at such time or
2 times as may be determined by the board to be most
3 advantageous. The authority may pay all expenses, premiums,
4 and commissions in connection with any financing performed by
5 it. All bonds, except bonds registered as to principal or as
6 to both principal and interest, and any interest coupons
7 applicable thereto issued by the authority shall be construed
8 to be negotiable instruments although payable solely from a
9 specified source.

10 (g) Nature of obligation and source of payment. All
11 obligations created or assumed and all bonds issued or assumed
12 by the authority shall be solely an obligation of the
13 authority and shall not create an obligation or debt of the
14 state or of any county or of any city; provided that this
15 sentence shall not be construed to release the original
16 obligor from liability on any bond or other obligation assumed
17 by the authority. Any bonds issued by the authority shall be
18 limited or special obligations of the authority payable solely
19 out of its revenues and receipts of the authority specified in
20 the proceedings authorizing those bonds.

21 (h) Eligibility for investment. Bonds of the
22 authority are made legal investments for executors,
23 administrators, trustees, and other fiduciaries, unless
24 otherwise directed by the court having jurisdiction of the
25 fiduciary relation or by the document that is the source of
26 the fiduciary's authority, and for savings banks and insurance
27 companies organized under the laws of the state.

1 (i) Contracts to secure payment of principal and
2 interest. As security for payment of the principal of and the
3 interest on bonds issued or obligations assumed by it, the
4 authority may enter into a contract or contracts binding
5 itself for the proper application of the proceeds of bonds and
6 other funds, for the continued operation and maintenance of
7 any project owned by it or any part or parts thereof, for the
8 imposition and collection of reasonable rates, licenses,
9 rentals, fees, and charges for and the promulgation of
10 reasonable regulations respecting any project, for the
11 disposition and application of its gross revenues or any part
12 thereof, and for any other act or series of acts not
13 inconsistent with the provisions of this act for the
14 protection of the bonds and other obligations being secured
15 and the assurance that the revenues from the project will be
16 sufficient to operate the project, maintain the same in good
17 repair and in good operating condition, pay the principal of
18 and the interest on any bonds payable from the revenues and
19 maintain the reserves as may be deemed appropriate for the
20 protection of the bonds, the efficient operation of the
21 project, and the making of replacements thereof and capital
22 improvements thereto. Any contract pursuant to the provisions
23 of this section may be set forth in any resolution of the
24 board authorizing the issuance of bonds or the assumption of
25 obligations or in any trust indenture made by the authority
26 under this act.

27 Section 10. Proceeds from the Sale of Bonds.

1 All moneys derived from the sale of any bonds issued
2 by the authority shall be used solely for the purpose or
3 purposes for which the same are authorized, including, but
4 limited to, the use of bond proceeds to establish reserve
5 funds as security for the payment of the principal, premium,
6 as applicable, and interest on the bonds, and any costs and
7 expenses incidental thereto. The costs and expenses may
8 include, but shall not be limited to the following:

9 (1) The underwriting, fiscal, engineering, legal,
10 and other expenses incurred in connection with the issuance of
11 the bonds.

12 (2) Except in the case of refunding bonds, interest
13 to accrue on the bonds for a period ending not later than two
14 years from their date.

15 Section 11. Refunding Bonds.

16 Any bonds issued by the authority may from time to
17 time be refunded by the issuance, by sale or exchange, of
18 refunding bonds payable from the same or different sources for
19 the purpose of paying all or any part of the principal of the
20 bonds to be refunded, any redemption premium required to be
21 paid as a condition to the redemption prior to maturity of any
22 bonds that are to be so redeemed in connection with refunding,
23 any accrued and unpaid interest on the bonds to be refunded,
24 any interest to accrue on each bond to be refunded to the date
25 on which it is to be paid, whether at maturity or by
26 redemption prior to maturity, and the expenses incurred in
27 connection with refunding; provided, that unless duly called

1 for redemption pursuant to provisions contained therein; the
2 holders of any bonds then outstanding and proposed to be
3 refunded shall not be compelled without their consent to
4 surrender their outstanding bonds for refunding. Any refunding
5 bonds may be sold by the authority at public or private sale
6 at the price or prices as may be determined by its board to be
7 most advantageous, or may be exchanged for the bonds or other
8 obligations to be refunded. Any refunding bonds may be
9 executed and delivered by the authority at any time and from
10 time to time, shall be in the form and denominations and have
11 the tenor and maturities, shall contain provisions not
12 inconsistent with this act, and shall bear the rate or rates
13 of interest, payable and evidenced in the manner, as may be
14 provided by resolution of its board. Any refunding bonds
15 issued by the authority shall be issued and may be secured in
16 accordance with Section 9.

17 Section 12. Notice of Bond Resolution.

18 (a) Upon the adoption by the board of the authority
19 of any resolution providing for the issuance of bonds, the
20 authority may cause to be published once a week for two
21 consecutive weeks, in a newspaper published and having general
22 circulation in the geographical area of the authorizing
23 subdivision, a notice in substantially the following form (the
24 blanks being properly filled in) at the end of which shall be
25 printed the name and title of either the chair or secretary of
26 the authority.

1 "The _____ Local Redevelopment authority, a public
2 corporation under the laws of the State of Alabama, on the
3 _____ day of _____ authorized the issuance of \$_____ principal
4 amount of bonds of the public corporation for purposes
5 authorized in the act of the Legislature of Alabama under
6 which the public corporation was organized. Any action or
7 proceeding questioning the validity of the bonds, or the
8 pledge and the mortgage and deed of trust or trust indenture
9 to secure the same, or the proceedings authorizing the same,
10 must be commenced within 30 days after the first publication
11 of this notice."

12 (b) A newspaper shall be deemed to be published in
13 the geographical area of the authorizing subdivision, within
14 the meaning of this section, if its principal editorial office
15 is located in the geographical area of the authorizing
16 subdivision.

17 (c) Any action or proceeding in any court to set
18 aside or question the proceedings for the issuance of the
19 bonds referred to in the notice or to contest the validity of
20 any bonds, or the validity of any agreements relating to any
21 payment in lieu of taxes, fees, charges, and any pledge and
22 mortgage and deed of trust or trust indenture made therefor,
23 must be commenced within 30 days after the first publication
24 of the notice. After the expiration of that period, no right
25 of action or defense questioning or attacking the validity of
26 the proceedings or of the bonds or the pledge or mortgage and
27 deed of trust or trust indenture shall be asserted, nor shall

1 the validity of the proceedings, bonds, pledge, mortgage, and
2 deed of trust or trust indenture be open to question in any
3 court on any ground whatsoever except in an action commenced
4 within that period.

5 Section 13. Exemption from Taxation.

6 (a) Any authority formed under this act, a
7 cooperative district of which the authority is a constituent
8 member, the sales, property, and income of the authority or
9 cooperative district, whether used by it or leased to others,
10 all bonds issued by the authority or cooperative district, the
11 income from the bonds or from other sources, the interest and
12 other profits from the bonds inuring to and received by the
13 holders thereof, conveyances by and to the authority or
14 cooperative district of which the authority is a member, and
15 leases, mortgages, and deeds of trust by and to the authority
16 or the cooperative district shall be exempt from all taxation
17 in the state, inclusive of any ad valorem taxes or lodgings
18 taxes imposed by the State of Alabama, a municipality, or
19 county. The authority shall be exempt from the payment of any
20 fees, taxes, or costs to the judge of probate of any county in
21 connection with its incorporation or with any amendment to its
22 certificate of incorporation or otherwise or to any judge of
23 probate of any county in connection with the recording by it
24 of any document or otherwise. No license or excise tax may be
25 imposed by any authority with respect to the privilege of
26 engaging in any of the activities authorized by this article.

1 (b) An authority, any cooperative district of which
2 an authority is a member, and any private user is exempt from
3 the payment of all state, county, and municipal sales and use
4 taxes relating in any way to the construction, operation, and
5 maintenance of the project. The exemption set forth in this
6 section may be conditioned by the authorizing subdivision on a
7 payment by the exempt party of a payment in lieu of tax, which
8 shall be subject to enforcement and collection like any sales
9 and use taxes and which shall constitute a first lien on the
10 project and shall be foreclosable in the same manner as a past
11 due assessment pursuant to Section 15. The exemption provided
12 in this subsection shall apply to any cooperative district of
13 which the authority is a constituent member, or any private
14 user which leases, operates, or manages a project owned by the
15 authority or cooperative district of which the authority is a
16 member.

17 Section 14. Liability of the Authorizing
18 Subdivision.

19 The authorizing subdivision shall not in any event
20 be liable for the payment of the principal of, or interest on,
21 any bonds of the authority or for the performance of any
22 pledge, mortgage, obligation, or agreement of any kind
23 whatsoever which may be undertaken by the authority, and none
24 of the bonds of the authority or any of its agreements or
25 obligations shall be construed to constitute indebtedness of
26 the authorizing subdivision within the meaning of any
27 constitutional or statutory provision.

1 Section 15. Failure to Pay Past Due Assessments.

2 If any user, lessee, or owner of the project fails
3 to pay when due, with time being of the essence, any
4 assessments or fees due under this act, including, but without
5 limitation, any payments in lieu of taxes, collectively the
6 "past due assessment", then the authorizing subdivision or
7 authority, or their designated agents, hereinafter
8 collectively referred to as the "fee collector", may commence
9 proceedings to foreclose on the land and improvements of the
10 user, lessee, or owner of the project having land within the
11 State of Alabama, subject to the terms of any executed
12 agreement between the fee collector and the user, lessee, or
13 owner of the project, as follows:

14 (1) The fee collector shall send a letter by means
15 of United States certified mail, return receipt requested, to
16 the last known address of the user, owner, or lessee of the
17 project. The address of the user, owner, or lessee as shown in
18 the tax assessment records of the tax assessor or revenue
19 commissioner for the county in which land of the user, owner,
20 or lessee is located shall be sufficient.

21 (2) The letter shall specify that if payment of the
22 past due assessment is not made within 10 days of the date of
23 the letter, foreclosure proceedings may be commenced against
24 the land of the user, owner, or lessee.

25 (3) Any late payment received within the 10-day
26 period will accrue a late fee of the greater of five percent
27 of the payment or fifty dollars (\$50).

1 (4) If payment is not made within the 10-day period,
2 the entire past due assessment shall become immediately due
3 and payable, and the fee collector may do either of the
4 following:

5 a. File a complaint in the circuit court for the
6 county in which the property of the user, owner, or lessee is
7 located requesting that the property be foreclosed. Thirty
8 days following service of process, unless the past due
9 assessment is paid in the meantime, the court shall enter a
10 decree declaring that the property shall be sold to the
11 highest bidder.

12 b. Proceed to sell the property of the user, owner,
13 or lessee against which the past due assessment is made to the
14 highest bidder for cash.

15 c. In either case, the property of the user, owner,
16 or lessee shall be sold in the same manner and upon the same
17 notice as provided by law for the sale of lands or property by
18 foreclosure by power of sale for mortgages. The proceeds from
19 the sale shall first be applied to the amount of the past due
20 assessment and all accrued interest thereon, plus penalties
21 specified in subdivision (3), plus the attorneys' fees and
22 other expenses incurred by the fee collector in the
23 foreclosure and suit.

24 (5) If the fee collector concludes that no bidders
25 are present or that all bids are insufficient, the fee
26 collector may announce that the sale shall be continued to a
27 later date to be announced by public notice.

1 (6) Upon declaring the highest bidder and receipt of
2 the purchase price, the fee collector shall deliver a
3 foreclosure deed to the highest bidder which shall vest
4 therein legal title to the property sold by this foreclosure,
5 subject to easement or other rights in such property of
6 persons other than the user, owner or lessee that has failed
7 to pay the past due assessment. The user, owner, or lessee of
8 the property shall have no right of redemption unless
9 otherwise provided in the certificate of incorporation of the
10 authority with respect to the past due assessment.

11 (7) The purchase price shall be used first for the
12 payment of the past due assessment, then for the cost of
13 collection, suit, foreclosure, and deed preparation, then for
14 penalties, then for accrued interest and interest until the
15 next principal payment date of bonds as provided in any
16 agreement relating to the payments in lieu of tax or as set
17 forth in this act with respect to prepayments of potentially
18 past due assessments, and then as a reserve fund until any
19 bonds are fully paid, and only then any remaining portion
20 shall be paid to the user, owner, or lessee of the land at
21 user's, owner's, or lessee's last known address as shown in
22 the records of the tax assessor or revenue commissioner with
23 respect to the tract of land.

24 (8) The fee collector may bid on any sale the same
25 as any other person, and may credit any portion of the past
26 due assessment and other costs as a part of its bid.

1 (9) If the highest amount bid and accepted is
2 insufficient to pay the entire past due assessment and to fund
3 a reserve to fully pay any bonds of the authority, the fee
4 collector and holders of the bonds shall have no further claim
5 against the user, owner, or lessee of the land assessed by
6 virtue of the past due assessment.

7 (10) Any foreclosure deed shall make no warranty
8 with respect to the title to the land other than as expressly
9 stated therein.

10 (11) At any point in the foreclosure proceedings,
11 until a bid is accepted, the fee collector may waive the
12 default on the past due assessment on terms as the fee
13 collector may consider proper and reinstate the past due
14 assessment, subject to any contrary terms of the fee
15 collector's proceedings with respect to any bonds.

16 (12) No suit may be brought or maintained to enjoin
17 the collection of any past due assessments under this act.

18 Section 16. Exemption from Usury Laws.

19 The authority shall be exempt from the laws of the
20 State of Alabama governing usury or prescribing or limiting
21 interest rates, including, but without limitation to, the
22 provisions of Chapter 8 of Title 8 of the Code of Alabama
23 1975, as it may at any time be amended.

24 Section 17. Exemption from Competitive Bid Laws.

25 The authority, cooperative district of which the
26 authority is a member, and any private user, and all contracts
27 made by them shall be exempt from the laws of the State of

1 Alabama requiring competitive bids for any contract to be
2 entered into by municipalities or public corporations
3 authorized by them or any public works, including, but without
4 limitation to, the provisions of Article 3 of Chapter 16 of
5 Title 41, commencing at Section 41-16-50, of the Code of
6 Alabama 1975, as amended from time to time, and Chapter 2 of
7 Title 39, commencing at Section 39-2-1 of the Code of Alabama
8 1975, as amended from time to time.

9 Section 18. Freedom of Authority from State
10 Supervision and Control.

11 This act is intended to aid the state through the
12 furtherance of the purposes of this act by providing an
13 appropriate and independent instrumentality of the state with
14 full and adequate powers to fulfill its functions. Except as
15 expressly provided in this act, no proceeding, notice, or
16 approval shall be required for the incorporation of the
17 authority or the amendment of its certificate of
18 incorporation, the issuance of any bonds, the execution of any
19 mortgage and deed of trust or trust indenture, or the exercise
20 of any other of its powers. Neither a public hearing nor the
21 consent of the State Department of Finance shall be a
22 prerequisite to the issuance of bonds by the authority.

23 Section 19. Earnings of the Authority.

24 The authority shall be a nonprofit corporation and
25 no part of its net earnings remaining after payment of its
26 expenses shall inure to the benefit of any individual, firm,
27 or corporation, except that in the event the board shall

1 determine that sufficient provision has been made for the full
2 payment of the expenses, bonds, and other obligations of the
3 authority, then any net earnings of the authority thereafter
4 accruing shall be paid to the authorizing subdivision or
5 private user for the creation and maintenance of the project.

6 Section 20. Dissolution of Corporation and Vesting
7 of Title to Property.

8 At any time when the authority has no bonds or other
9 obligations outstanding, its board may adopt a resolution,
10 which shall be duly entered upon its minutes, declaring that
11 the authority shall be dissolved. Upon filing for record of a
12 certified copy of the resolution in the office of the judge of
13 probate of the county in which the authority was formed
14 pursuant to Section 4, the authority shall thereupon stand
15 dissolved and in the event it owned any property at the time
16 of its dissolution, the title to all its properties shall
17 thereupon pass to the authorizing subdivision or private user
18 as required by any agreement with any private user.

19 Section 21. Existence of Authority Not to Prevent
20 Subsequent Incorporation of Another Authority.

21 The existence of one or more authorities
22 incorporated under this act shall not prevent the subsequent
23 incorporation under this act of another authority or the
24 amendment of the certificate of incorporation of another
25 authority pursuant to authority granted by the same county,
26 counties, municipality or municipalities, public corporation
27 or public corporations, or by the same combination thereof,

1 even though the project described in the certificate of
2 incorporation, as originally filed or amended, of any existing
3 authority may include a project proposed by an authority that
4 is proposed to be incorporated under this act or that proposes
5 to amend its certificate of incorporation under this act.

6 Section 22. Establishment and Revision of Rentals,
7 Licenses, Rates, Fees, and Charges for Services or Facilities
8 Rendered by Authority.

9 Rates, fees, charges, rentals, and licenses for
10 services rendered by the authority, a cooperative district of
11 which the authority is a member, or a private user or
12 facilities provided by the authority, a cooperative district
13 of which the authority is a member, or a private user from any
14 of their projects shall be so fixed and, from time to time,
15 revised as at all times to provide funds at least sufficient,
16 taking into account other sources for the payment thereof, to:

17 (1) Pay the cost of operating, maintaining,
18 repairing, replacing, extending, and improving the project or
19 projects of the authority, a cooperative district of which the
20 authority is a member, or any private user.

21 (2) Pay the principal of and the interest on all
22 bonds issued and obligations assumed by the authority, a
23 cooperative district of which the authority is a member, or
24 any private user that are payable out of the revenues derived
25 from operation of the project or projects of the authority, a
26 cooperative district of which the authority is a member, or

1 any private user as the principal and interest become due and
2 payable.

3 (3) Create and maintain such reserves for the
4 foregoing purposes or any of them as may be provided in any
5 trust indenture executed by the authority, a cooperative
6 district of which the authority is a member, or any private
7 user under this act or in any resolutions or agreements of the
8 board authorizing the issuance of bonds, the assumption of any
9 obligation, or the acquisition of the project.

10 (4) Make annual payments, if any, to the United
11 States of America or any agency or instrumentality thereof,
12 the state, municipalities, counties, departments, authorities,
13 agencies, and political subdivisions of the state, and any
14 public corporations organized under the laws of the state as
15 the authority, a cooperative district of which the authority
16 is a member, or any private user may have contracted to make.

17 Section 23. Loans, sales, grants, guarantees,
18 contractual or lease obligations of money or property, to an
19 authority, a cooperative district of which the authority is a
20 member, or any private user by counties, municipalities, and
21 public corporations.

22 (a) For the purpose of securing services of or the
23 right to use or the use by its citizens or customers of one or
24 more projects of an authority, a cooperative district of which
25 the authority is a member, or any private user, or aiding or
26 cooperating with the authority, a cooperative district of
27 which the authority is a member, or any private user in the

1 planning, development, undertaking, acquisition, construction,
2 extension, improvement, financing, operation, or protection of
3 a project, any county, municipality, or other political
4 subdivision, public corporation, agency, or instrumentality of
5 this state, upon such terms and with or without consideration,
6 as it determines, may do all of the following:

7 (1) Lend or donate money to, guarantee all or any
8 part of the indebtedness or operating expense of, or perform
9 services for the benefit of, the authority, a cooperative
10 district of which the authority is a member, or any private
11 user.

12 (2) Donate, sell, convey, transfer, lease, or grant
13 to the authority, a cooperative district of which the
14 authority is a member, or any private user, without the
15 necessity of authorization at any election of qualified
16 voters, any property of any kind, including, but without
17 limitation, any project, any interest in any thereof, and any
18 franchise.

19 (3) Contract with the authority, a cooperative
20 district of which the authority is a member, or any private
21 user, or enter into a lease or management agreement under
22 terms as may be mutually agreeable, including a contract
23 obligating it to purchase a certain service or product from
24 the authority, a cooperative district of which the authority
25 is a member, or any private user for a stipulated price in a
26 stipulated period of time, to pay for the service or product
27 whether or not it receives it, to lease all or a part of a

1 project for a stipulated rental for a stipulated period of
2 time, to pay the rental whether or not the leased facilities
3 are available to it, or to make a management fee payment.

4 (4) Do any and all things, whether or not
5 specifically authorized in this section, not otherwise
6 prohibited by law, that are necessary or convenient to aid and
7 cooperate with the authority, a cooperative district of which
8 the authority is a member, or any private user in the
9 planning, undertaking, acquisition, construction, financing,
10 or operation of its projects.

11 (5) Pay, or provide for the payment of, the
12 principal of or interest on any then outstanding bonds
13 theretofore issued by the authority, a cooperative district of
14 which the authority is a member, or any private user, whether
15 or not the principal and interest shall have then matured or
16 become due, and any premium that may be payable upon
17 redemption prior to maturity.

18 (6) Issue its bonds, warrants, or other evidences of
19 indebtedness in order to provide moneys to make any loan,
20 donation, or payment authorized in this subsection.

21 (7) Provide for payment of the bonds of the
22 authority, a cooperative district of which the authority is a
23 member, or any private user by an irrevocable trust fund
24 created by agreement with a bank or trust company.

25 (b) Any bonds, warrants, or other evidences of
26 indebtedness issued by an authorizing subdivision pursuant to
27 authorization in this section may be either general

1 obligations or special obligations payable solely from a
2 specified source or sources, which source or sources may
3 include any public revenues, or portions thereof, which the
4 authorizing subdivision may lawfully use for the purpose. The
5 county or municipality may pledge for payment of the principal
6 of and interest on any bonds that are general obligations any
7 public revenues that may lawfully be used for that purpose and
8 may pledge for the benefit of any special obligations issued
9 by it so much as may be necessary for the payment of the
10 public revenues from which the special obligations are made
11 payable.

12 (c) The proceeds of any bonds issued by an
13 authorizing subdivision for the purpose referred to in this
14 section may be applied for payment of principal, interest, and
15 redemption premium with respect to the authority's bonds to be
16 paid from the proceeds and the expenses of issuing the bonds
17 of the authorizing subdivision.

18 Section 24. The provisions of this act are
19 severable. If any part of this act is declared invalid or
20 unconstitutional, that declaration shall not affect the part
21 which remains.

22 Section 25. This act shall become effective
23 immediately following its passage and approval by the
24 Governor, or its otherwise becoming law.