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3 SUBSTITUTE FOR SB215, AS ENGROSSED

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8 SYNOPSIS: This bill would create the Alabama Digital  
9 Expansion Authority to oversee the expansion and  
10 availability of high-speed broadband services  
11 throughout the state.

12 This bill would require the Alabama Digital  
13 Expansion Division, created within ADECA and at the  
14 direction and approval of the authority, to develop  
15 and execute a statewide connectivity plan and  
16 establish and administer a broadband accessibility  
17 grant program.

18 This bill would also create the Alabama  
19 Digital Expansion Finance Corporation to further  
20 support and oversee funding to accomplish the  
21 objectives of the authority and the division.

22  
23 A BILL  
24 TO BE ENTITLED  
25 AN ACT  
26

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

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

19           (1) ADECA. The Alabama Department of Economic and  
20 Community Affairs.

21           (2) AUTHORITY. The Alabama Digital Expansion  
22 Authority.

23           (3) CONNECT ALABAMA FUND. A fund created within the  
24 State Treasury to be administered by the Alabama Digital  
25 Expansion Finance Corporation, with funds distributed by the  
26 corporation to ADECA for use by the division for the

1 implementation and administration of the statewide  
2 connectivity plan.

3 (4) CORPORATION. The Alabama Digital Expansion  
4 Finance Corporation.

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

7 (6) END USER. A residential, business,  
8 institutional, or government entity that uses broadband  
9 services for its own purposes and does not resell the  
10 broadband services to other entities.

11 (7) MIDDLE MILE PROJECT. A broadband infrastructure  
12 project that does not provide broadband service to end users  
13 or to end-user devices.

14 (8) MINIMUM SERVICE THRESHOLD. A connection to the  
15 Internet that provides capacity for transmission at a minimum  
16 speed per customer necessary to meet the definition of  
17 advanced telecommunications capability for fixed broadband  
18 services as set by the Federal Communications Commission.

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

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

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

3           (b) The authority may recommend policies and  
4 procedures for the expansion and availability of high-speed  
5 broadband services throughout the state through review and  
6 approval of the statewide connectivity plan.

7           (c) The authority shall direct the corporation  
8 regarding the timing and quantity of funds required to support  
9 the division's execution of the statewide connectivity plan as  
10 provided in this act.

11           (d) The authority shall meet annually with the  
12 Alabama Rural Broadband Oversight Committee, which was  
13 established under Section 41-23-214, Code of Alabama 1975, for  
14 the purpose of receiving a report from ADECA as provided in  
15 Section 13.

16           (e) The authority may create advisory committees to  
17 assist and advise the authority in the performance and  
18 administration of its objectives and duties, including the  
19 hiring and retention of third-party consultants as determined  
20 to be necessary by the authority.

21           (f) The authority shall consist of the Director of  
22 ADECA, the Division Chief of the Digital Expansion Division,  
23 who shall serve as a nonvoting member, and individuals who are  
24 public officials or public employees, as defined by Section  
25 36-25-1, Code of Alabama, 1975, designated by the following:

26           (1) One by the Governor.

27           (2) One by the Lieutenant Governor.

1 (3) Two by the President Pro Tempore of the Senate.

2 (4) Two by the Speaker of the House of  
3 Representatives.

4 (5) One by the Secretary of the Department of  
5 Commerce.

6 (6) One by the Secretary of Information Technology.

7 (7) One by the Director of Finance.

8 (g) The appointing authorities shall coordinate  
9 their designations so that diversity of gender, race, and  
10 geographical areas is reflective of the makeup of this state.

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

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

24 (i) Any designated members of the authority shall  
25 serve at the pleasure of the appointing authority.

26 (j) The Governor's designee shall call the first  
27 meeting of the authority not later than 30 days from the

1 effective date of this act. At the first meeting, the members  
2 of the authority shall elect a chair and vice chair. Meetings  
3 of the authority shall be called by the chair or by a majority  
4 of its members.

5 (k) Members of the authority or any committee  
6 established by the authority may participate in a meeting of  
7 the authority or committee in person, by means of telephone  
8 conference, video conference, or other similar communications  
9 equipment so that all individuals participating in the meeting  
10 may hear each other at the same time. Participation by any  
11 such means shall constitute presence in person at a meeting  
12 for all purposes, including for purposes of establishing a  
13 quorum, and the affirmative vote of a majority of the members  
14 then in office shall be necessary for any action of the  
15 authority.

16 Section 4. (a) The Alabama Digital Expansion  
17 Division is created as a division of ADECA. The division shall  
18 be run by a division chief, who shall be appointed by the  
19 Director of ADECA, with the approval of the Governor. The  
20 division chief shall report to, and be under the direct  
21 supervision of, the Director of ADECA. The division chief  
22 shall carry out the functions and duties of the division. The  
23 division chief shall be knowledgeable in matters relating to  
24 broadband and shall have no financial interest in any  
25 broadband or related business or enterprise which would  
26 conflict or be inconsistent with his or her duties as division

1 chief. The division chief shall be employed in the exempt  
2 service.

3 (b) The division chief shall have the power and  
4 authority necessary to carry out the functions and duties of  
5 the division. All functions and duties of the division shall  
6 be exercised by the division chief or through such employees  
7 or other individuals the division chief may designate. In the  
8 performance and exercise of such powers, authorities,  
9 functions, and duties, the division chief and other employees  
10 of the division shall be subject to all legal requirements,  
11 restrictions, limitations, conditions, and penalties, whether  
12 civil or criminal. These powers, authorities, functions, and  
13 duties include but are not limited to, the following:

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

20 (2) Employ, with the approval of the Director of  
21 ADECA, all individuals necessary for the efficient operation  
22 of the division, including professional, technical, clerical,  
23 and other staff, including attorneys, special counsel, and  
24 such consultants as are necessary to accomplish the objectives  
25 of this act.

26 Section 5. Upon approval by the Director of ADECA,  
27 the division chief may establish technical and other advisory

1 committees to advise the division with respect to specific  
2 objectives.

3 Section 6. The division, in collaboration with the  
4 authority, shall have all of the following powers and duties:

5 (1) To promote the expansion and availability of  
6 high-speed broadband networks, services, and technologies  
7 throughout the state, including, but not limited to, rural  
8 areas, underserved areas, and unserved areas of the state.

9 (2) To develop and begin executing a statewide  
10 connectivity plan, as approved by the authority, to facilitate  
11 the expansion and availability of high-speed broadband  
12 networks, services, and technologies throughout the state,  
13 including a timeline for implementation of the plan. The plan  
14 must consider the need for broadband expansion in rural areas,  
15 underserved areas, and unserved areas, as well as any other  
16 obstacles to broadband adoption. It shall include  
17 recommendations for funding, and plans for implementation of  
18 the following objectives, including but not limited to:

19 a. Evaluate the existing long-haul and middle mile  
20 projects for fiber network throughout the state.

21 b. Projects for the development and expansion of a  
22 secure, reliable, robust, multi-purpose, and high-quality  
23 long-haul and middle mile fiber network throughout the state.  
24 Projects shall be implemented in the most cost effective and  
25 efficient manner for the state and should utilize existing,  
26 available infrastructure where it is consistent with the plan

1 and meets the speeds, service quality, and other priorities  
2 established by this act, the plan, or the authority.

3 c. Projects for providing last-mile infrastructure  
4 and lit services for specific applications and use cases that  
5 are determined by the division to be a priority supported by  
6 the network or portions of the network funded under the  
7 statewide connectivity plan.

8 d. Consideration of suggestions and recommendations  
9 of the Alabama Supercomputer Authority.

10 (3) To implement the authority-approved statewide  
11 connectivity plan and to enter into contracts and leases for  
12 purposes consistent with the priorities of the plan. In  
13 developing the statewide connectivity plan, the division may  
14 seek input from incumbent Internet service providers, other  
15 service providers, and other owners and operators of  
16 infrastructure involved in providing high-speed broadband  
17 service.

18 (4) To establish and administer a broadband  
19 accessibility grant program, in collaboration with the  
20 authority, for the purpose of promoting the deployment and  
21 adoption of high-speed broadband Internet networks, services,  
22 and technologies throughout the state, including, but not  
23 limited to, rural areas, underserved areas, and unserved areas  
24 of the state consistent with the requirements of this act. For  
25 three years following the effective date of this act, 70  
26 percent of the state funds received by the Connect Alabama  
27 Fund shall be expended by the division for the extension of

1 last-mile infrastructure in unserved areas at minimum speeds  
2 as determined by the statewide connectivity plan. After this  
3 time, all funds received for the statewide connectivity plan  
4 shall be expended according to the goals of the program and  
5 the statewide connectivity plan, as identified by the  
6 division, and subject to any applicable legal requirements.  
7 Federal and other funds received by the Connect Alabama Fund  
8 shall be expended by the division in accordance with the  
9 statewide connectivity plan and any legal requirements  
10 applicable to those funds.

11 (5) To adopt rules and policies, as approved by  
12 ADECA, within 90 days of establishing and receiving the  
13 initial funding for the statewide connectivity plan, to  
14 administer the program and to begin to accept applications for  
15 grants, including any rules necessary to meet the future needs  
16 of the grant program.

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

20 (7) To accept and receive funds, gifts, grants,  
21 property, labor, or other monetary or in-kind contributions of  
22 any type or from any source, including, but not limited to,  
23 federal and state grants, appropriations, loans, and loan  
24 guarantees.

25 (8) To administer the distribution of funds, grants,  
26 loans, loan guarantees, or other funds and resources received

1 by the division and to ensure that grant funds awarded under  
2 this act are used for the purposes specified in this act.

3 (9) To promote and encourage private investments and  
4 applications for available grants.

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

8 Section 7. Members of the authority, the division  
9 chief, and employees of the division shall be subject to  
10 Chapter 25 of Title 36, Code of Alabama 1975.

11 Section 8. Meetings of the authority are subject to  
12 the requirements of Chapter 25A of Title 36, Code of Alabama  
13 1975.

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

22 Section 10. (a) There is created within the State  
23 Treasury the Connect Alabama Fund to be administered by the  
24 corporation. Appropriations by the Legislature, federal funds,  
25 gifts, grants, and other donations from any source that are  
26 received by the corporation shall be deposited into the  
27 Connect Alabama Fund to be distributed by the corporation to

1 ADECA for use by the division for the implementation and  
2 administration of the statewide connectivity plan, including  
3 for the payment of the salaries of the division chief and any  
4 other employees and for the operating and administrative  
5 expenses of the authority and ADECA for the division.

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

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

22 Section 12. (a) The Alabama Digital Expansion  
23 Finance Corporation is hereby created as a public corporation  
24 of the State of Alabama. The corporation shall have perpetual  
25 existence, subject to the provisions for dissolution of the  
26 corporation provided in this act. The corporation shall  
27 consist of the following members:

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

2 (2) The Lieutenant Governor, who shall be the vice  
3 chair.

4 (3) The Director of Finance, who shall be the  
5 secretary.

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

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

8 (6) The Chair of the Senate Finance and Taxation  
9 General Fund Committee.

10 (7) The Chair of the Senate Finance and Taxation  
11 Education Committee.

12 (8) The Chair of the House Ways and Means General  
13 Fund Committee.

14 (9) The Chair of the House Ways and Means Education  
15 Committee.

16 (b) Attendance by any five corporation members shall  
17 constitute a quorum to authorize the transaction of business.

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

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

22 (2) CORPORATION. The Alabama Digital Expansion  
23 Finance Corporation.

24 (3) ELIGIBLE PROJECT. Includes any project that the  
25 corporation determines would expand, increase, or improve the  
26 availability of high-speed broadband networks, services, or  
27 technologies throughout the state and which qualify for

1 funding under the statewide connectivity plan and its  
2 objectives as set forth by the division in Section 6(2).

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

5 a. Certificates of deposit, savings accounts,  
6 deposit accounts, or money market deposit accounts that are  
7 any of the following:

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

10 2. Fully insured by the FDIC.

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

15 b. Direct obligations of, or obligations the full  
16 and timely payment of which is guaranteed by, the United  
17 States of America, including unit investment trusts and mutual  
18 funds that invest solely in such obligations.

19 c. Bonds, debentures, notes, pass through  
20 securities, or other obligations issued or guaranteed by any  
21 federal agency or corporation which has been or may hereafter  
22 be created by or pursuant to an act of the Congress of the  
23 United States of America as an agency or instrumentality  
24 thereof if such obligations are either of the following:

25 1. Backed by the full faith and credit of the United  
26 States of America.

1                   2. Rated by at least one nationally recognized  
2 securities rating agency in one of the three highest rating  
3 categories assigned by the rating agency.

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

7                   e. Money market funds rated by at least one  
8 nationally recognized securities rating agency in one of the  
9 three highest rating categories assigned by that rating  
10 agency.

11                  f. Bonds, warrants, notes, or other obligations  
12 issued by any state, county, or municipality that are rated by  
13 at least one nationally recognized securities rating agency in  
14 one of the three highest rating categories assigned by that  
15 rating agency.

16                  g. Investment agreements, including, without  
17 limitation, guaranteed investment contracts, repurchase  
18 agreements, and forward purchase agreements, provided that all  
19 of the following are satisfied:

20                   1. Any securities purchased or held pursuant to such  
21 agreement are otherwise permitted investments.

22                   2. The counterparty's long-term debt obligations are  
23 rated by at least one nationally recognized securities rating  
24 agency in one of the three highest rating categories assigned  
25 by that rating agency.

26                   3. The securities, if purchased, are owned by the  
27 corporation or a paying agent or trustee for any of the

1 corporation's obligations and are held by the corporation, the  
2 paying agent, the trustee, or a third-party custodian  
3 acceptable to the corporation or, if held as collateral, are  
4 held by the corporation, the paying agent, the trustee, or a  
5 third-party custodian acceptable to the corporation with a  
6 perfected first security interest in such collateral.

7 h. Investment or cash management agreements with a  
8 commercial bank whose senior long-term debt obligations are,  
9 at the time of the acquisition of any such investment or cash  
10 management agreement for the account of the corporation, rated  
11 by at least one nationally recognized securities rating agency  
12 in one of the three highest rating categories assigned by that  
13 rating agency, or with a commercial bank that is owned or  
14 controlled by a bank holding company whose senior long-term  
15 debt obligations are, at the time of the acquisition of any  
16 such investment or cash management agreement for the account  
17 of the corporation, rated by at least one nationally  
18 recognized securities rating agency in one of the three  
19 highest rating categories assigned by that rating agency.

20 (d) The corporation shall have all power necessary,  
21 useful, or appropriate to fund, operate, and administer the  
22 corporation, and to perform its other functions including, but  
23 not limited to, the following powers:

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

27 (2) Sue and be sued.

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

4           (4) Enter into contracts, arrangements, and  
5 agreements with any persons or entities and execute and  
6 deliver all contracts, agreements, and other instruments  
7 necessary or convenient to the exercise of the powers granted  
8 in this act.

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

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

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

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

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

1           (10) Expend funds credited to the corporation as it  
2           deems necessary for the costs of administering the operations  
3           of the corporation.

4           (11) Apply for, receive, and accept from any source,  
5           aid, grants, contributions of money, appropriations, property,  
6           labor, or other things of value to be used to carry out the  
7           purposes of this act subject to the conditions upon which the  
8           aid, grants, or contributions are made.

9           (12) Appoint and employ attorneys, accountants,  
10          financial advisors, underwriters, trustees, depositories,  
11          registrars, fiscal agents, and other advisors, consultants,  
12          agents, and independent contractors as may be necessary or  
13          desirable.

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

16          (e) The corporation shall distribute funds received  
17          for the authority and the division to achieve the objectives  
18          of this act.

19          (f) The corporation shall comply with any  
20          competitive bid requirements in Article 2, Chapter 16, Title  
21          41, Code of Alabama 1975, and Chapter 2, Title 39, Code of  
22          Alabama 1975, and any requirements relating to the procurement  
23          of professional service providers in Section 41-16-72, Code of  
24          Alabama 1975.

25          (g) The corporation is performing an essential  
26          governmental function in the exercise of the powers conferred  
27          upon it and is not required to pay any taxes or assessments,

1 whether state or local, upon its property or upon its  
2 operations or the income from them, or taxes or assessments  
3 upon property or loan obligations acquired or used by the  
4 corporation or upon the income from them.

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

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

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

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

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

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

26 a. The instrument is not a general obligation of the  
27 corporation, but is a limited obligation of the corporation

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

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

8 c. The corporation does not have taxing power.

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

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

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

26 (7) The bonds may bear interest payable at a time  
27 and at a rate as determined by the corporation, including the

1 determination by agents designated by the corporation under  
2 guidelines established by it.

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

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

21 (10) Any resolution or trust indenture pursuant to  
22 which bonds are issued may contain provisions which are part  
23 of the contract with the holders of the bonds and which  
24 include the following:

25 a. Pledging specific revenues of the corporation to  
26 secure the payment of the bonds.

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

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

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

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

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

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

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

24          i. Defining the acts or omissions which constitute a  
25 default, the obligations or duties of the corporation to the  
26 holders of the bonds, and the rights and remedies of the  
27 holders of the bonds in the event of default.

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

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

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

20           (12) No recording or filing of the resolution  
21 authorizing the grant, the issuance of bonds or other  
22 financial assistance, the trust indenture or other financing  
23 agreement securing the grant, bonds or other financial  
24 assistance, or any other instrument including filings under  
25 the Uniform Commercial Code is necessary to create or perfect  
26 any pledge or security interest granted by the corporation to  
27 secure any grants, bonds, or other financial assistance.

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

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

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

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

17           Section 13. (a) Beginning one year from the  
18 effective date of this act, and in conjunction with the annual  
19 meeting of the authority and the Alabama Rural Broadband  
20 Oversight Committee, as provided for in Section 3(d), ADECA  
21 shall provide a report to the Legislature on all of the  
22 following:

23           (1) A summary of the goals and objectives relating  
24 to the statewide connectivity plan and progress made toward  
25 achievement of those goals and objectives.

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

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

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

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