

1 HB540
2 213237-3
3 By Representative Poole
4 RFD: Boards, Agencies and Commissions
5 First Read: 11-MAR-21

1 innovation, and related opportunities in the State of
2 Alabama."

3 (2) The commission has issued an interim report
4 outlining initial policy recommendations, including all of the
5 following:

6 a. To develop a statewide innovation coordination
7 and incentive structure to generate additional, successful
8 business growth.

9 b. To develop an Alabama branding campaign to evolve
10 the state into an emerging destination place.

11 c. To develop a program offering matching funds to
12 recipients of federal Small Business Innovation Research and
13 Small Business Technology Transfer Research grants.

14 (3) This article creates the structure recommended
15 in paragraph (2)a., to implement the recommendations listed in
16 paragraphs (2)b. and (2)c.

17 (4) Recognizing that this state's economy is rapidly
18 changing, this article should be interpreted and applied to
19 allow the corporation to respond rapidly, as its board deems
20 appropriate, to challenges and opportunities in the fields of
21 technology, research and development, innovation, and
22 entrepreneurship.

23 (5) The corporation is charged with preparing this
24 state for the economy of the future. The corporation shall
25 make this state a hub for technology, research and
26 development, innovation, and entrepreneurship by partnering
27 with the private sector, state agencies, and state policy

1 makers to develop and implement programs and policies to lead
2 to a more robust, diverse, and resilient economy for this
3 state.

4 §41-10-801. Definitions.

5 For the purposes of this article, the following
6 terms shall have the following meanings:

7 (1) ASPIRING ALABAMIAN. A person who has less than
8 one hundred thousand dollars (\$100,000) of household net worth
9 and who satisfies at least one of the following criteria:

10 a. The person has a principal residence in a
11 community eligible for investment through the federal New
12 Markets Tax Credit program under 26 U.S.C. § 45D(e) (1).

13 b. The person owns at least a majority interest in a
14 business located in a community eligible for investment
15 through the federal New Markets Tax Credit program under 26
16 U.S.C. § 45D(e) (1).

17 c. The person does not hold, and is not actively
18 pursuing, a baccalaureate degree or does not have a parent or
19 legal guardian who holds a baccalaureate degree.

20 d. The person has at least one parent who does not
21 have a high school diploma or its equivalent.

22 (2) BOARD. The governing board of the corporation.

23 (3) CORPORATION. The Alabama Innovation Corporation
24 created by this article as an authority organized as a public
25 corporation having a legal existence separate and apart from
26 the state and any county, municipality, or political
27 subdivision.

1 (4) ECONOMIC DEVELOPMENT AND INNOVATION ENTITY.

2 a. A nonprofit corporation that possesses all of the
3 following characteristics:

4 1. Is organized as a nonprofit corporation exempt
5 from federal income tax under Section 501(c) of the Internal
6 Revenue Code of 1986, as amended.

7 2. Has a record of, or can demonstrate that it is
8 capable of, serving the entire state on matters involving
9 economic development.

10 3. Has a record of, or can demonstrate that it is
11 capable of, managing startup competitions or related
12 programming designed to foster an innovation-based economy.

13 4. Has received, or is eligible to receive, grant
14 funding from the state or from federal or private sources.

15 b. In determining whether a nonprofit corporation
16 qualifies as an economic development and innovation entity,
17 the board may attribute to the nonprofit corporation the
18 experiences of its officers, staff, and directors with other
19 nonprofit corporations.

20 (5) ELIGIBLE INVESTMENTS. All of the following:

21 a. Demand deposits (interest bearing) in federally
22 insured banks, and interest bearing deposits, whether or not
23 evidenced by certificates of deposits, in federally insured
24 banks; provided, however, that the deposits plus interest
25 shall be fully secured by obligations described in paragraphs
26 b. and c., to the extent that the deposits plus interest
27 exceed insurance available from the Federal Deposit Insurance

1 Corporation, or from any agency of the United States of
2 America that may succeed to the functions of the Federal
3 Deposit Insurance Corporation.

4 b. Bonds, notes, and other evidences of indebtedness
5 that are direct obligations of the United States of America or
6 that are unconditionally guaranteed as to both principal and
7 interest by the United States of America.

8 c. Bonds, debentures, notes, or other evidences of
9 indebtedness issued or guaranteed by any federal agencies or
10 government sponsored enterprises authorized to issue their own
11 debt instruments including, without limitation, to any of the
12 following: Federal Farm Credit Bank, Federal Intermediate
13 Credit Banks, the Export-Import Bank of the United States,
14 Federal Land Banks, the Federal National Mortgage Association,
15 the Governmental National Mortgage Association, the Federal
16 Financing Bank, Federal Banks for Cooperatives, Federal Home
17 Loan Banks, Federal Home and Loan Mortgage Association, or the
18 Farmers Home Administration.

19 d. Repurchase agreements with federally insured
20 banks or with government bond dealers reporting to and trading
21 with the Federal Reserve Bank of New York, provided that the
22 repurchase agreements are secured by obligations described in
23 paragraphs b. and c.

24 e. Interest-bearing time deposits, whether or not
25 evidenced by certificates of deposit, in savings and loan
26 associations: (i) the deposits of which are insured to the
27 maximum extent possible by the Federal Savings and Loan

1 Insurance Corporation or any agency of the United States of
2 America that may succeed to its functions; and (ii) the
3 principal office of which is located in the state. The
4 deposits plus interest shall be secured by obligations
5 described in paragraphs b. and c., to the extent that the
6 deposits plus interest exceed insurance available from the
7 Federal Savings and Loan Insurance Corporation or from any
8 agency of the United States of America that may succeed to the
9 functions of the Federal Savings and Loan Insurance
10 Corporation.

11 f. Other legal investments which the corporation
12 determines will have the effect of growing an innovative
13 economy.

14 (6) FUND. The Alabama Innovation Fund.

15 (7) SMALL BUSINESS INNOVATION RESEARCH. The grants
16 and programs defined in 15 U.S.C. § 638(e) (4).

17 (8) SMALL BUSINESS TECHNOLOGY TRANSFER RESEARCH. The
18 grants and programs defined in 15 U.S.C. § 638(e) (6).

19 (9) STEM. Science, technology, engineering, and
20 mathematics.

21 §41-10-802. Incorporation.

22 (a) The Governor, the Speaker of the House of
23 Representatives, and the President Pro Tempore of the Senate
24 shall present to the Secretary of State an application, signed
25 by each of them, for the formation of the Alabama Innovation
26 Corporation, as a public corporation, having a legal existence
27 separate and apart from the state and any county,

1 municipality, or political subdivision, which shall set forth
2 all of the following:

3 (1) The name, official designation, and official
4 office location of each of the applicants, together with a
5 certified copy of the commission evidencing each applicant's
6 right to office.

7 (2) The date on which each applicant was sworn into
8 office and the term of office of each applicant.

9 (3) The name of the proposed public corporation,
10 which shall be the Alabama Innovation Corporation.

11 (4) The location of the principal office of the
12 proposed corporation.

13 (5) Any other matter relating to the corporation
14 that the applicants may choose to insert and that is not
15 inconsistent with this article or state law.

16 (b) The application shall be subscribed and sworn to
17 by each applicant before an officer authorized by the laws of
18 the state to take acknowledgments to deeds. The Secretary of
19 State shall examine the application, and, if he or she finds
20 that the application substantially complies with the
21 requirements of this section, the application shall be filed
22 and recorded in an appropriate book of records in the office
23 of the Secretary of State.

24 (c) When the application has been made, filed, and
25 recorded as provided in subsection (b), the applicants shall
26 constitute a public corporation under the name stated in the
27 application, and the Secretary of State shall make and issue

1 to the applicants a certificate of incorporation pursuant to
2 this article, under the Great Seal of the State, and shall
3 record the certificate with the application. There shall be no
4 fees paid to the Secretary of State in connection with the
5 corporation.

6 (d) Notwithstanding any provision of law to the
7 contrary, any corporation incorporated pursuant to this
8 section shall not be deemed to be a part of the state for any
9 purpose but shall be treated as a public corporation and body
10 politic separate and apart from the state.

11 §14-10-803. Board of directors.

12 (a) The corporation shall be under the management
13 and control of a board of directors, and all powers necessary
14 or appropriate for the management and control of the
15 corporation shall be vested solely in the board. The board
16 shall be comprised of both ex officio directors and at-large
17 directors, all of whom shall be voting members of the board
18 and shall be considered in determining whether a quorum is
19 present.

20 (b) The board shall have five ex officio directors,
21 consisting of the Governor, the Speaker of the House of
22 Representatives, the President Pro Tempore of the Senate, and
23 the House and Senate minority caucus leaders, or their
24 designees. The service of each ex officio director shall begin
25 and end concurrently with the beginning and end of his or her
26 tenure in office or service as a minority caucus leader,
27 respectively. Each ex officio director may appoint a person to

1 serve in his or her place at any meeting of the board, or may
2 designate a person to serve in his or her place at all
3 meetings of the board until the term of the ex officio
4 director should end, and the appointee or designee shall be
5 counted for purposes of a quorum and voting.

6 (c) The Governor shall select six at-large
7 directors, who shall be persons with experience relevant to
8 the purposes and activities of the corporation including, but
9 not limited to, experience with any of the following:

10 (1) Participating on boards of, or being employed
11 by, nonprofit corporations which promote business or economic
12 development throughout the state.

13 (2) Having other experience relevant to
14 entrepreneurship and innovation including, but not limited to,
15 any of the following:

16 a. Making more than one investment in seed or
17 pre-seed stage startup companies or managing, or making
18 investments in, one or more seed stage funds or venture
19 capital funds.

20 b. Founding, or working as an executive in, a
21 science or technology based business.

22 c. Founding, or working as an executive in, a
23 business which acquired or commercialized intellectual
24 property from a university or other research institution.

25 d. Founding, or working as an executive in, a
26 business which regularly interacts with persons or businesses
27 described in paragraphs a., b., or c.

1 (3) In making appointments of at-large directors,
2 the Governor shall coordinate his or her appointments so that
3 diversity of gender, race, and geographical areas of the board
4 of directors is reflective of the makeup of the state. The
5 service of each at-large director shall begin upon written
6 acceptance of his or her appointment. The at-large directors
7 selected by the Governor shall serve on the board for a term
8 ending on the date of the second year following his or her
9 appointment as an at-large director. Each at-large director,
10 regardless of whether a prior Governor selected him or her,
11 shall continue to serve until the director is reappointed, or
12 a successor is appointed, to the office. An at-large director
13 appointed by the Governor may only serve a maximum of two
14 consecutive terms of office, but may be reappointed after he
15 or she has spent at least two years without serving as an
16 at-large director. At-large directors may resign or may be
17 removed by the Governor at any time and for any reason, at
18 which time the Governor shall appoint a different person to
19 serve, so long as that person satisfies the requirements set
20 forth in this section. A person appointed to fill a vacancy
21 shall serve out the remainder of the unexpired term and may be
22 appointed to serve two additional consecutive terms.

23 (d) No director shall receive compensation because
24 of his or her service as a director. Each director shall be
25 reimbursed for actual travel expenses incurred in the
26 performance of his or her duties as a director.

1 (e) Notwithstanding subsections (a) through (d),
2 inclusive, upon the incorporation of the corporation, the
3 Governor shall select as one of the initial at-large directors
4 the individual serving in the leadership of the Alabama
5 Innovation Commission as of January 1, 2021. As long as that
6 individual is serving on the board, he or she shall be the
7 chair and presiding officer of the board. The individual shall
8 serve on the board for a term ending on the date of the second
9 year following his or her appointment as an at-large director
10 and may be reappointed for additional consecutive two-year
11 terms as an at-large director. At the time that the individual
12 shall resign, be removed, or otherwise no longer serve as
13 chair, the position shall be subject to the appointment
14 provisions for at-large directors provided by this section
15 and, thereafter, the Governor shall appoint any member of the
16 board to be the chair of the board.

17 (f) Notwithstanding any provision of Chapter 25A of
18 Title 36, a majority of the directors shall constitute a
19 quorum for the transaction of business by the board, and
20 decisions shall be made on the basis of a majority of the
21 quorum then present and voting. No vacancy in the membership
22 of the board or the voluntary disqualification or abstention
23 of any director shall impair the right of a quorum to exercise
24 all of the powers and duties of the board. Members of the
25 board may participate in meetings of the board in person, by
26 means of telephone conference, video conference, or other
27 similar communications equipment, so that all individuals

1 participating in the meeting may hear each other at the same
2 time. Participation by any such means shall constitute
3 presence in person at a meeting for all purposes, including
4 for purposes of establishing a quorum.

5 (g) The board may appoint other officers to perform
6 duties not inconsistent with this article or applicable law,
7 as the board deems necessary or appropriate.

8 (h) In addition to regular meetings of the board, as
9 may be provided by law or by bylaws adopted by the board,
10 special meetings of the board may be called by the chair
11 acting alone or by any three other directors acting in
12 concert, in each case upon notice to each director given in
13 person, by email, by registered letter, or by other means.
14 Notice to each director may be waived upon the unanimous
15 written consent of all directors, either before or after the
16 meeting with respect to which the notice would otherwise be
17 required.

18 (i) All proceedings of the board, except executive
19 sessions, shall be reduced to writing on behalf of the board
20 and maintained in the permanent records of the corporation, a
21 copy of which shall be filed in the principal office of the
22 corporation and shall be open for public inspection there
23 during regular business hours. The principal office of the
24 corporation shall be the principal office of the director of
25 finance.

26 §41-10-804. Powers of the board.

1 (a) The board shall have all of the powers necessary
2 to carry out and effectuate the purposes of this article. The
3 foregoing sentence shall be construed broadly, so that the
4 failure to state a power of the board shall not be considered
5 a limitation upon the board, so long as the board shall find
6 that the power is necessary to allow the board to fulfill the
7 purpose of the corporation, as provided by this article. In
8 the event that the board should determine to add one or more
9 powers, they may do so by amending their application of
10 formation. Without limiting the generality of the foregoing,
11 the board shall have and exercise all of the following powers:

12 (1) Recognize that the economy of today will not
13 exist tomorrow and implement policies that help this state,
14 and residents of this state, embrace that future.

15 (2) Take actions to make this state a hub for
16 technology, innovation, and entrepreneurship by partnering
17 with the private sector, state agencies, and state policy
18 makers to develop and implement programs and policies that
19 will lead to a more robust and inclusive economy for this
20 state.

21 (3) Support, financially and otherwise, the
22 establishment or growth, or both, of all of the following:

23 a. Marketing and branding the state including, but
24 not limited to, the state's business climate, the state's tax
25 rates and structures, the state's innovation-focused
26 incentives and abatements, the state's business related

1 programs, and the state's innovation and entrepreneurial
2 ecosystems.

3 b. Pursuing and supporting commercialization,
4 entrepreneurship, research and development, and technology
5 transfer facilities, funding, incentives, partnerships, events
6 and programs including, but not limited to, all of the
7 following:

8 1. Creating, operating, and supporting accelerator
9 or similar programs including, but not limited to, university
10 and corporate focused accelerator or similar programs.

11 2. Developing programing, incubators, and
12 accelerators that serve this state's startups and their
13 founders, and disseminating both in person and online.

14 3. Creating, operating, and supporting industry
15 focused research and development centers established by public
16 universities in collaboration with existing industry in
17 Alabama.

18 c. Incentivizing and providing funding to innovative
19 businesses or programs that support innovation in this state's
20 economy including, but not limited to, the following:

21 1. Assisting recipients of Small Business Innovation
22 Research and Small Business Technology Transfer Research
23 funding.

24 2. Encouraging pre-seed, seed, venture capital, and
25 private equity funding activity in this state.

26 3. Supporting community development financial
27 institutions that serve residents of this state.

1 4. Supporting qualified STEM teachers and technology
2 staff teaching and working in rural or otherwise
3 under-performing or under-resourced schools in this state.

4 d. Engaging in rural initiatives that support
5 innovation including, but not limited to, the creation,
6 operation, and support of entrepreneurial centers, and
7 marketing rural quality of life and recreational
8 opportunities.

9 e. Creating, operating, and supporting research and
10 development of a 21st-Century transportation system that
11 reflects emerging technologies and multi-modal concepts.

12 f. Attracting, recruiting, and retaining skilled
13 workers, STEM workers, and other in-state and out-of-state
14 two-year and four-year college, university, and community
15 college graduates, and engaging in other innovation focused
16 workforce development activities.

17 g. Supporting businesses owned or led, or both, by
18 aspiring Alabamians.

19 h. Supporting businesses headquartered in census
20 tracts that satisfy the definition of low income communities
21 found in 26 U.S.C. § 45D(e).

22 (4) Adopt, alter, and repeal bylaws for the
23 regulation and conduct of the corporation's affairs and
24 business, and for the implementation of this article.

25 (5) Take actions as may be necessary or convenient
26 to accomplish any purpose of the corporation, or to exercise
27 any power of the corporation.

1 (6) Make and enter into contracts, leases,
2 agreements, and take other actions as may in its judgment be
3 necessary or desirable to accomplish any purpose, and to
4 exercise any power necessary for the accomplishment of the
5 purposes of the corporation or incidental to the powers
6 expressly set forth in this article.

7 (7) Appoint, employ, and contract with employees,
8 agents, advisors, consultants, and service providers
9 including, but not limited to, attorneys, accountants,
10 financial experts, and other advisors, consultants, and agents
11 as may in its judgment be necessary or desirable to accomplish
12 any purpose of the corporation or incidental to the powers
13 expressly set forth in this article, and to fix the
14 compensation of those persons.

15 (8) Manage, invest, and expend capital from the
16 fund, as provided in Section 41-10-806, and to provide for the
17 indemnification of directors.

18 (9) Use the financial resources of the corporation
19 to purchase, lease, or otherwise acquire real and personal
20 property, and to use, develop, operate, lease, or convey those
21 properties, as may in its judgment be necessary or desirable
22 to accomplish any purpose of the corporation or incidental to
23 the powers expressly set forth in this article.

24 (10) Lend its credit to, or grant public monies and
25 things of value in aid of or to, any individual, firm,
26 corporation, or other business entity, public or private, as
27 may in its judgment be necessary or desirable to accomplish

1 any purpose of the corporation or incidental to the powers
2 expressly set forth in this article.

3 (11) Promote and solicit taxpayer donations for tax
4 credits that promote innovation in the state.

5 (12) Take any action necessary to exercise its
6 rights or fulfill its obligations relevant to the corporation
7 under state law.

8 (b) The board shall create an advisory committee
9 which shall provide information and make recommendations to
10 the board concerning the implementation of this article. The
11 advisory committee shall have no legal authority or other
12 responsibility over the actions of the corporation. The board
13 shall coordinate its appointments so that diversity of gender,
14 race, and geographical areas is reflective of the makeup of
15 this state. The members of the advisory committee shall serve
16 at the pleasure of the board. The board shall appoint one
17 member of the advisory committee to serve as the chair of the
18 advisory committee, and meetings of the advisory committee may
19 be called by its chair or by the board. Members of the
20 advisory committee may participate in a meeting of the
21 committee in person, by means of telephone conference, video
22 conference, or other similar communications equipment so that
23 all individuals participating in the meeting may hear each
24 other at the same time. Participation by any such means shall
25 constitute presence in person at a meeting for all purposes,
26 including for purposes of establishing a quorum, and the
27 affirmative vote of a majority of the members in attendance

1 shall be necessary for any action of the advisory committee.
2 The committee and its members shall not be subject to Chapter
3 25 or 25A of Title 36 nor Section 36-12-40.

4 (c) The board may enter into agreements with one or
5 more economic development and innovation entities to exercise
6 all powers of the corporation, so long as, all of the
7 following:

8 (1) The agreement requires regular reporting to the
9 corporation by the economic development and innovation entity.

10 (2) The agreement allows for the overhead costs of
11 the economic development and innovation entity to be
12 reimbursed or otherwise paid only if directly related to the
13 fulfillment of the agreement, as determined by the
14 corporation.

15 (d) The board may make, enter into, and execute
16 contracts, agreements, and other instruments with, accept aid
17 and grants from, and cooperate with, any other person or
18 entity including, but not limited to, all of the following:

19 (1) The United States of America, the state, or any
20 agency, instrumentality, or political subdivision of either.

21 (2) For profit or nonprofit private entities.

22 (3) Public bodies, departments, or authorities
23 including, but not limited to, the executive departments of
24 the state, to act on behalf of the board in carrying out
25 functions which the board determines are consistent with the
26 corporation's powers.

1 (4) Without limiting the foregoing, the corporation
2 may enter into an agreement with the Alabama Department of
3 Economic and Community Affairs pursuant to which the
4 corporation may exercise all rights, powers, and obligations
5 of the department relating to opportunity funds under Sections
6 40-18-6.1 and 41-10-46.01. Project agreements under Section
7 40-18-6.1, shall not be required to comply with Section
8 40-18-6.1(c).

9 (e) The corporation shall be, and shall operate as,
10 a public corporation and shall have a legal existence separate
11 and apart from the state and any county, municipality, or
12 political subdivision.

13 (f) Members of the board shall be subject to Chapter
14 25 of Title 36, but the corporation shall not be deemed to
15 have statewide jurisdiction for purposes of Section 36-25-14.
16 For the purposes of Chapter 25 of Title 36, the corporation
17 shall not be deemed a business, and a public official or
18 public employee holding a position with the corporation is not
19 precluded from taking official actions affecting the
20 corporation so long as there is no impermissible personal
21 gain. The board shall be subject to Chapter 25A of Title 36.

22 §41-10-805. Corporation contracts.

23 The board may enter into contracts, leases,
24 agreements, investments, and may otherwise expend monies
25 without compliance with Article 2, commencing with Section
26 41-16-20, of Chapter 16 of Title 41, and Chapter 2 of Title
27 39, or any requirements relating to the procurement of

1 professional service providers in Section 41-16-72. Solely as
2 a result of entering into contracts, leases, agreements,
3 investments, or otherwise, no for-profit or nonprofit private
4 entity, nor the officers, employees, agents, or directors of
5 any of the foregoing, shall become subject to Chapter 25 or
6 Chapter 25A of Title 36; Article 2, commencing with Section
7 41-16-20, of Chapter 16 of Title 41; Chapter 2 of Title 39;
8 Section 36-12-40, or any requirements relating to the
9 procurement of professional service providers in Section
10 41-16-72.

11 §41-10-806. Alabama Innovation Fund creation.

12 (a) (1) For the benefit of the state and the
13 residents thereof, there is created an irrevocable fund named
14 the Alabama Innovation Fund, which shall be funded from all of
15 the following sources:

16 a. Proceeds of any gifts, grants, or contributions.

17 b. Revenue sources as directed by, and at the
18 discretion of, the Legislature.

19 c. Appropriations as directed by, and at the
20 discretion of, the Legislature.

21 d. Investment income.

22 e. Any other lawful sources.

23 (2) The fund shall be administered in accordance
24 with this article. All revenues received by the fund shall be
25 deposited in the fund upon receipt, shall be invested by the
26 board in a manner consistent with this article, and shall be
27 withdrawn and expended by the corporation for the purposes of

1 this article in a manner consistent with the powers granted to
2 the corporation by this article.

3 (b) The fund shall be under the management and
4 control of the board, and all powers necessary or appropriate
5 for the management and control of the fund shall be vested
6 solely in the board.

7 §41-10-807. Alabama Innovation Fund management.

8 (a) The fund shall be held in perpetual trust and
9 shall not be appropriated by the Legislature or expended or
10 disbursed for any purpose other than as provided in this
11 article. Earnings on the fund's investments shall remain a
12 part of the fund. The board may expend the fund's earnings and
13 principal in furtherance of its purposes.

14 (b) (1) To the extent practicable, the board shall
15 keep all monies at any time held in the fund invested in
16 eligible investments, in its sole and uncontrolled judgment,
17 as shall produce the greatest trust income over the term of
18 the investments while preserving the capital. In making any
19 investment of monies held in the fund, the board shall
20 exercise the judgment and care, under the circumstances
21 prevailing at the time of the investment, which an
22 institutional investor of the highest standard of prudence,
23 intelligence, and financial expertise would exercise in the
24 management and investment of large assets entrusted to it, not
25 for the purpose of speculative profit, but for the permanent
26 generation and disposition of the fund's financial resources,

1 considering the probable safety of capital, as well as the
2 expected amount and frequency of income.

3 (2) The board shall have full power and authority to
4 select the eligible investments in which monies held in the
5 fund shall at any time be invested, and, to the extent not
6 inconsistent with any express provision of this article, the
7 eligible investments so selected shall be acquired from those
8 issuers, underwriters, brokers, or other sellers on terms and
9 conditions; shall be acquired for purchase prices reflecting
10 such discount below or premium above the par or face amount
11 thereof; shall bear such dates and be in such form,
12 denominations, and series; shall mature or be subject to
13 mandatory redemption on such dates; shall bear interest at
14 such rate or rates payable at such intervals, or,
15 alternatively, shall provide income to the holder thereof in
16 such manner, including, without limitation thereto, the
17 purchase of such investments at a discount which represents
18 all or part of the income or profit derived therefrom; shall
19 be unsecured or secured in such manner; shall contain such
20 provisions for prepayment or redemption at the option of the
21 issuer or obligor; and shall contain or be subject to such
22 other provisions as shall, in all of the foregoing respects,
23 be determined by the board in exercise of its sole and
24 uncontrolled judgment.

25 (3) The board shall have full power and authority to
26 invest the fund capital in any eligible investments producing
27 trust income in accordance with the schedule as the board, in

1 the exercise of its sole and uncontrolled judgment, shall
2 determine to be in the best interests of the state, and in
3 determining the schedule the board may emphasize future
4 benefits in preference to near-term needs. The board shall
5 have complete discretion in making decisions as to when monies
6 in the fund shall be invested; as to the purchase price or
7 other acquisition cost to be paid or incurred in acquiring
8 investments for the fund; as to when investments constituting
9 part of the fund shall be sold, liquidated, or otherwise
10 disposed of; and as to the amount and nature of the price or
11 other consideration to be received by the fund upon the sale,
12 liquidation, or other disposition of investments constituting
13 part of the fund. No action may be taken by the executive
14 department of the state which impairs or interferes with the
15 power, authority, and discretion conferred upon the board by
16 this article with respect to the acquisition, management,
17 control, and disposition of investments at any time
18 constituting part of the fund. No member of the board may be
19 held personally liable for any liability, loss, or expense
20 suffered by the fund, unless the liability, loss, or expense
21 arises out of or results from the willful misconduct or
22 intentional wrongdoing of the member of the board. No member
23 of the board shall be responsible for the adequacy of the fund
24 to satisfy and discharge any obligation of the corporation.

25 (c) The board shall cause an annual audit of the
26 fund to be performed for each fiscal year by the Department of
27 Examiners of Public Accounts or, in the discretion of the

1 board, by an independent certified public accounting firm. The
2 report of the audit shall be prepared in accordance with
3 applicable accounting principles. The board shall cause to be
4 prepared and publicized financial and other information
5 concerning the fund, as may from time to time be provided by
6 law duly enacted by the Legislature, but in the absence of any
7 law directing the preparation and publication of different
8 reports, the board shall cause to be prepared and made public,
9 within 30 days after the end of each quarterly period in each
10 fiscal year, a report containing all of the following:

11 (1) A statement of the capital then held in the fund
12 showing any changes since the last quarterly report.

13 (2) A statement of the trust income received during
14 the quarterly period in question.

15 (3) A statement of the investments then held in the
16 fund, including descriptions and respective values.

17 (4) A statement of the trust income received to date
18 during the current fiscal year.

19 (5) Any other information determined by the board to
20 reflect a full and complete disclosure of the financial
21 operations of the fund.

22 §41-10-808. Amendments.

23 At any time, the board, by majority vote, may cause
24 its application for formation to be amended by having three of
25 its directors file an amendment with the Secretary of State,
26 which shall be sworn to by each signatory thereto before an
27 officer authorized to take acknowledgments to deeds.

1 §41-10-809. Dissolution.

2 At any time, the board, by three-quarters vote, may
3 dissolve the corporation by having three-quarters of its
4 directors file with the Secretary of State an application for
5 dissolution, which shall be sworn to by each signatory thereto
6 by an officer authorized to take acknowledgments to deeds.
7 Upon the filing of the application for dissolution, the
8 corporation shall cease to exist. The Secretary of State shall
9 file and record the application for dissolution, and shall
10 make and issue, under the Great Seal of the State, a
11 certificate that the corporation is dissolved, and shall
12 record the certificate with the application for dissolution.
13 Title to all property held in the name of the corporation
14 shall be vested in the state upon dissolution of the
15 corporation, and the ex officio directors, by written consent,
16 shall direct how to dispose of the fund.

17 §41-10-810. Liberal Construction.

18 This article shall be liberally construed to
19 effectuate its purpose.

20 Section 2. The provisions of this act are severable.
21 If any part of this act is declared invalid or
22 unconstitutional, that declaration shall not affect the part
23 which remains.

24 Section 3. All laws or parts of laws which conflict
25 with this act are repealed.

1 Section 4. This act shall become effective on the
2 first day of the second month following its passage and
3 approval by the Governor, or its otherwise becoming law.

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Boards, Agencies
and Commissions..... 11-MAR-21

Read for the second time and placed
on the calendar with 1 substitute
and..... 15-APR-21

Read for the third time and passed
as amended..... 22-APR-21

Yeas 102, Nays 1, Abstains 0

Jeff Woodard
Clerk