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SYNOPSIS:

Under existing law, a county may establish an agriculture authority to construct and operate facilities to promote agriculture businesses, operations, commodities, workforce development, and economic development in the county.

This bill would authorize the board of directors of an authority to appoint former members of the board as directors emeritus to serve as goodwill ambassadors of the authority.

This bill would further provide for the powers of the authority.

This bill would also exempt certain agricultural authorities from municipal ordinances or regulations without the consent of the authority.

A BILL
TO BE ENACTED
AN ACT

Relating to agriculture authorities; to amend Section 11-20-71, Code of Alabama 1975, to authorize the board of directors of an authority to appoint former members of the board as directors emeritus to serve as goodwill ambassadors of the board; to amend Section 11-20-73, Code of Alabama 1975,



29 to further provide for the powers of the authority; and to
30 amend Section 11-20-80, Code of Alabama 1975, to exempt
31 certain agriculture authorities from municipal ordinances or
32 regulations without the consent of the authority.

33 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

34 Section 1. Sections 11-20-71, 11-20-73, and 11-20-80,
35 Code of Alabama 1975, are amended to read as follows:

36 "§11-20-71

37 (a) The board of directors of an agriculture authority
38 shall be as specified in the articles and in accordance with
39 Section 11-20-70.

40 (b) Each agriculture authority shall have a chair, vice
41 chair, secretary, and treasurer to be elected by the board of
42 directors. The offices of secretary and treasurer may, but
43 need not, be held by the same person. A majority of the
44 directors shall constitute a quorum for the transaction of
45 business. The officers and directors shall serve for the terms
46 provided for in the articles. A director may not draw any
47 salary for any service rendered or for any duty performed as
48 director. The duties of the chair, vice chair, secretary, and
49 treasurer shall be those as are customarily performed by such
50 officers and as may be prescribed by the board of directors
51 from time to time.

52 (c) All directors shall serve until their successors
53 are duly appointed or until they cease to be qualified.
54 Vacancies on the board shall be filled as provided for in the
55 articles, but any individual appointed to fill a vacancy shall
56 serve only for the unexpired portion of the term. In the event



57 any uncertainty arises as to the terms of office of the
58 directors, the county commission or individual authorized to
59 appoint the directors may clarify the term by adoption of an
60 appropriate resolution or by execution of an appropriate
61 certificate, and the term of office shall be as so clarified.

62 (d) All proceedings of the board of directors of an
63 agriculture authority shall be reduced to writing by the
64 secretary of the authority and shall be signed by at least two
65 directors present at the proceedings. Copies of the
66 proceedings, when certified by the secretary under the seal of
67 the agriculture authority, shall be received in all courts as
68 prima facie evidence of the matters and things therein
69 certified.

70 (e) Directors of an agriculture authority must be
71 residents and qualified electors of the county within the
72 authorized operational area of the authority. If any director
73 ceases to be a resident of the county, he or she shall cease
74 to be a director, and the position shall remain vacant until a
75 successor is appointed in accordance with the articles and
76 this article.

77 (f) A director of an agriculture authority may not have
78 an interest, directly or indirectly, in any contract of work,
79 material, or services, or the profits therefrom, to be
80 furnished or performed for the authority under this article if
81 the director has, directly or indirectly, more than a 10
82 percent interest in any business, firm, or corporation, or
83 profits thereof, furnishing or providing work, materials, or
84 services.



85 (g) The board of directors may appoint former members
86 of the board to serve as directors emeritus. Directors
87 emeritus shall not have voting rights on the board or
88 otherwise directly participate in meetings of the board.
89 Directors emeritus shall receive no compensation for their
90 service, but may be granted benefits and may attend events of
91 the authority as guests of the authority at the discretion of
92 the board. The directors emeritus shall serve as goodwill
93 ambassadors for the authority and may perform duties at the
94 request of the authority. Directors emeritus shall be subject
95 to subsections (e) and (f)."

96 "§11-20-73

97 (a) An agriculture authority shall have the following
98 powers, which it may exercise in the agriculture authority's
99 authorized operational area:

100 (1) To have succession by its corporate name until
101 dissolved as provided in this article.

102 (2) To adopt bylaws making provisions for its actions
103 not inconsistent with this article.

104 (3) To institute and defend legal proceedings in any
105 court of competent jurisdiction and proper venue; provided,
106 however, that the board may not be sued in any trial court
107 other than the courts of the county of incorporation;
108 provided, further, that the officers, directors, agents, and
109 employees of an agriculture authority may not be sued for
110 their actions on behalf of the authority except for actions
111 that are unreasonable or known by the person to be unlawful or
112 are performed with reckless disregard for the lawfulness of



113 such actions.

114 (4) To plan for construction and development of an
115 agriculture center within the operational area of the
116 agriculture authority on property owned by the authority.
117 Construction and development may include, without limitation,
118 any or all of the following:

119 a. Buildings to hold offices for use by the federal
120 government, the state or any agency of the state, the county,
121 or one or more municipalities within the county.

122 b. Buildings to house or accommodate public facilities
123 of the federal government, the state or any agency of the
124 state, the county, or one or more municipalities within the
125 county.

126 c. Streets, boulevards, walkways, parkways, parks, or
127 other places of recreation.

128 d. Monuments, statues, or other structures beautifying
129 the agriculture center.

130 e. Community houses or meeting houses or auditoriums.

131 f. Arenas, convention halls, ~~or convention sites~~ sports
132 facilities, stadiums, hotels or other facilities for use as a
133 transient guest housing facility, multifamily housing,
134 dormitory housing, food courts or other food venue facilities,
135 any facilities which provide for or support any public or
136 private educational institution, and any other facilities
137 related to or incidental with the foregoing.

138 g. Music halls, art museums, art exhibits, or other
139 exhibits for the advancement of the humanities and cultural
140 development.



141 h. Any other buildings, structures, facilities, and
142 other improvements that the board of directors of the
143 agriculture authority determines are appropriate or useful or
144 expedient to the authority's purposes from time to time. The
145 determination of the authority board of directors shall be
146 conclusive.

147 (5) To acquire property and rights and interests in
148 property by gift, grant, lease, or purchase.

149 (6) To accept or receive gifts, bequests, and devises.

150 (7) To have and use a corporate seal and alter the seal
151 at its pleasure.

152 (8) To appoint officers, agents, employees, and
153 attorneys and to fix their compensation.

154 (9) To hire professionals and enter into contracts for
155 their services in designing and supervising the construction
156 of any building, agriculture center, auditorium, arena,
157 convention hall, music hall, art museum, place of recreation,
158 art exhibit, office building, or other structure that it
159 desires to construct.

160 (10) To make and enter into contracts and to execute
161 all instruments necessary or convenient to lease or purchase
162 and own real or personal property to be used for the
163 furtherance of the purposes for the accomplishment of which
164 the authority is created.

165 (11) To plan for programs and exhibits in the
166 agriculture center for the advancement of the agricultural,
167 cultural, and workforce development interests of the citizens
168 of the county and of the municipalities thereof.



169 (12) To purchase or lease real property and rights or
170 easements therein necessary or convenient for its purposes and
171 to use the same so long as its existence shall continue.

172 (13) To accept pledges of revenues or grants of money
173 from any person or governmental entity.

174 (14) To sell and lease its property to any person or
175 governmental entity.

176 (15) To enter into financing agreements with federal or
177 state agencies that may require the authority to mortgage its
178 property.

179 (16) To plan for programs and exhibits in the
180 agriculture center for the advancement of agricultural and
181 workforce development interests in the county.

182 (17) To enter into long-term contracts or agreements
183 for sewer service with any Class 5 municipality within three
184 miles of the authority or a utility board of the Class 5
185 municipality.

186 (18) To accept lease payments, loan repayments, or
187 other compensation to or for the authority or other public
188 person.

189 (19) To invest in bank deposits, U.S. Treasury bills,
190 projects, instruments, real, personal, or mixed property, or
191 any other investments as the board of directors of the
192 authority may from time to time determine to be appropriate
193 and convenient to accomplish any purpose for which an
194 agriculture authority is organized, including works of
195 internal improvement, interests in private or corporate
196 enterprises, loans of money or credit to individuals,



197 associations, or corporations; and to lend the authority's
198 credit, grant public money or things of value in aid of or to
199 any individual, association, or corporation whatsoever, or
200 become a stockholder in any such corporation, association, or
201 company by issuing bonds or otherwise even though they may be
202 in violation of Section 93 or Section 94 of the Constitution
203 of Alabama of ~~1901~~ 2022 if done by the state, a county, city,
204 town, or other subdivision of the state, notwithstanding the
205 fact that any such investment or action may involve the
206 expenditure or appropriation of funds received from a public
207 person. In particular, but not by way of limitation, an
208 authority may invest its funds, from whatever source, in the
209 stock, bonds, debentures, notes, or other securities issued by
210 any person locating a project in the authority's operational
211 area and may enter into contracts or options, including
212 contracts or options for the conveyance, sale, or lease of
213 property, to any such person and make direct grants of money,
214 property, or services for the purpose of inducing the person
215 to locate a project in the authority's operational area.

216 (20) To enter into deeds, mortgages, leases, loan
217 agreements, or other agreements with any person.

218 (21) To acquire real property for the purpose of
219 establishing one or more agriculture centers; to improve
220 agriculture center sites, whether owned by the authority or by
221 any other person, including the improvement of the centers or
222 sites by the construction of roads, curbing, gutters,
223 drainage, sewerage, utilities, railroad spurs, docks, harbors,
224 ports, grading, and the like; to construct, for its own



225 account or the account of others, improvements thereon,
226 including any project, for the purpose of conveying, leasing,
227 or selling the same to any person, including the power to
228 convey, lease, or sell the same for its own account or to
229 construct the same as an inducement for any person to locate
230 and operate a project in the agriculture center or operational
231 area, even though the person may not have been identified at
232 the time that the improvement may be constructed.

233 (22) To sell, exchange, donate, and convey any or all
234 of its properties whenever its board of directors finds the
235 action to be in furtherance of the purposes for which the
236 authority was organized.

237 (23) To issue its bonds for the purpose of carrying out
238 any of its powers and to apply proceeds from the sale of its
239 bonds, whether heretofore or hereafter issued, not only for
240 payment of interest thereon prior to and during the
241 construction and equipment of any buildings, structures,
242 facilities, or other improvements being financed thereby, but
243 also for payment of interest thereon.

244 (24) To mortgage and pledge any or all of its
245 properties both real and personal or any part or parts
246 thereof, as security for the payment of the principal of and
247 the interest on any bonds so issued and any agreements made in
248 connection therewith, whether then owned or thereafter
249 acquired, and to pledge the revenues and receipts therefrom or
250 from any thereof.

251 (25) To enter into contracts, agreements, options,
252 leases, loan agreements, deeds, and other instruments, and to



253 take other actions as may be necessary or convenient to
254 accomplish any purpose for which an authority is organized or
255 to exercise any power expressly granted hereunder.

256 (b) Contracts of an agriculture authority shall be
257 executed in the name of the authority by the chair and
258 attested by the secretary of the authority. The board may
259 provide by resolution for a different form for the execution
260 of a contract by an officer or agent other than the chair and
261 secretary. A contract, irrespective of its form and of the
262 persons executing the contract, shall not be binding unless
263 the contract is authorized or ratified by the board.

264 (c) An agriculture authority may deposit its funds not
265 needed to meet expenses or obligations in any bank or building
266 and loan association, provided the deposit is fully insured by
267 a federal corporation or agency of the federal government
268 insuring deposits in financial institutions.

269 (d) In exercising the powers enumerated in this
270 section, all mortgages, contracts, judgments, investments,
271 loans, debts, and other obligations of any sort of the
272 authority due to any third party shall be recovered and
273 enforced only against the authority unless the county
274 commission approving the formation of the authority
275 specifically agrees to accept the obligation by a separate
276 affirmative vote of a majority of the members of the county
277 commission.

278 (e) In addition to all other powers at any time
279 conferred on it by this section or otherwise by law, an
280 authority shall have the following powers together with all



281 powers incidental thereto or necessary to the discharge
282 thereof in corporate form:

283 (1) To participate as a shareholder in a corporation;
284 as a joint venturer in a joint venture, whether said joint
285 venture is to be memorialized contractually or through the
286 formation of one or more separate business entities; as a
287 general or limited partner in a limited partnership or a
288 general partnership; as a member in a nonprofit corporation,
289 limited liability company; or as a member of any other lawful
290 form of business organization, which may be involved in the
291 development or operational activities of any buildings,
292 structures, facilities, and other improvements that the board
293 of directors of the authority determines are appropriate or
294 useful or expedient to the authority's purposes from time to
295 time. In connection with the foregoing, an authority shall
296 have the power to elect or appoint an individual or
297 individuals to a governing body, enter into contracts or other
298 agreements with other parties for the development, operation,
299 design, marketing, maintenance, and use of any facilities upon
300 the terms as the board of directors of the authority
301 determines are appropriate or useful or expedient to the
302 authority's purposes. Any determination by the authority shall
303 be conclusive.

304 (2) To make or arrange for loans, contributions to
305 capital, and other debt and equity financing for the
306 activities of any corporation of which the authority is a
307 shareholder; any joint venture in which the authority is a
308 joint venture; any limited partnership or general partnership



309 of which the authority is a general or limited partnership;
310 any nonprofit corporation in which the authority is a member
311 of any other lawful form of business organization of which the
312 authority is a member; and to guarantee loans, issue bonds, or
313 incur other forms of indebtedness on behalf of the
314 corporation, joint venture, partnership, nonprofit
315 corporation, or other business entity, for such purposes. An
316 authority shall also have the power to loan funds which shall
317 include seller financing arrangements whereby the authority is
318 a seller to other governmental entities or other business
319 entities whether for profit or nonprofit and whether
320 affiliated or non-affiliated with the authority, upon the
321 terms as the authority shall determine appropriate, useful, or
322 expedient for the authority's purposes and the determination
323 by the authority shall be conclusive.

324 (3) To create, establish, acquire, operate, or support
325 subsidiaries and affiliates, either for profit or nonprofit,
326 to assist the authority in fulfilling its purposes.

327 (4) To create, establish, or support nonaffiliated for
328 profit or nonprofit corporations or other lawful business
329 organizations that operate and have as their purposes the
330 furtherance of the authority's purposes.

331 (5) Without limiting the generality of the preceding
332 subdivisions, to accomplish and facilitate the creation,
333 establishment, acquisition, development, operation, or support
334 of any subsidiary, affiliate, nonaffiliated corporation, or
335 other lawful business organization by means of loans of funds,
336 leases of real or personal property, gifts and grants of



337 funds, or guarantees of indebtedness of the subsidiaries,
338 affiliates, and non-affiliated corporations.

339 (6) In addition to any other authority to enter into
340 contracts, an authority may enter into contracts, agreements,
341 or understandings with any other public and private parties
342 including, but not limited to, the following:

343 a. Design-build, design-build-operate, design-build-own
344 -operate, design-build-own-operate-maintain, design-build-
345 finance-operate-maintain, or other similar arrangements or
346 agreements pursuant to which the design, right-of-way
347 acquisition, relocation of structures or utilities,
348 construction, financing, ownership, management, maintenance,
349 and operation, or any combination thereof, of a project is
350 accomplished by or on behalf of the authority.

351 b. Leases, licenses, franchises, concessions, or other
352 agreements for the development, operation, management, or
353 undertaking of all or any part of a project of or on behalf of
354 the authority.

355 (7) Notwithstanding any provision of law to the
356 contrary, proposals under this subsection may be evaluated and
357 awarded by the authority based on qualifications of
358 participants or best value, or both, as evaluated by
359 procedures of the authority and taking into consideration the
360 best interest of the authority. Evaluation criteria for a
361 contract procured pursuant to the preceding sentence shall be
362 set forth in the request for proposal for the contract. The
363 contract may also be awarded through any existing procurement
364 authority, proposals, or other means of procurement otherwise



365 available to the authority."

366 "§11-20-80

367 (a) An agriculture authority and all property in which
368 it may have any ownership, leasehold, or other interest,
369 direct or indirect, is exempt from all municipal planning
370 boards and municipal planning board requirements and all
371 municipal zoning ordinances and laws. This exemption shall not
372 apply to property owned by a private entity or private
373 entities in which an agriculture authority has no ownership,
374 leasehold, or other interest, direct or indirect.

375 (b) Any agriculture authority incorporated prior to the
376 effective date of the act adding this subsection shall be
377 exempt from any ordinance or regulation of any municipality
378 unless the board of the authority consents to the application
379 of the ordinance or regulation to the authority."

380 Section 2. This act shall become effective immediately
381 following its passage and approval by the Governor, or its
382 otherwise becoming law.