

SB219 INTRODUCED



1 SB219
2 2H2DISK-1
3 By Senators Shelnutt, Smitherman, Roberts, Waggoner
4 RFD: Agriculture, Conservation, and Forestry
5 First Read: 19-Mar-24



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SYNOPSIS:

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

Also under existing law, economic development organizations may receive incentives for certain projects undertaken in this state for the betterment of this state's economy.

This bill would provide for the creation of the Agriculture Exhibition Center Corporation to operate the Alabama Farm Center and vest the corporation with certain powers and privileges.

This bill would provide for the composition and operation of a board of directors to govern the corporation.

This bill would permit certain counties and municipalities to sell property and appropriate public funds to the corporation.

This bill would permit the corporation to allow the consumption of alcohol on the center's premises.

This bill would exempt the corporation and its property from municipal ordinances and rules.

This bill would exempt the corporation and its



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29 property from certain state, county, and municipal
30 taxes.

31 This bill would provide that the Alabama Farm
32 Center is an economic development organization for the
33 purposes of the Growing Alabama Act.

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A BILL

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TO BE ENTITLED

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AN ACT

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40 Relating to agriculture; to authorize the creation of
41 the Agriculture Exhibition Center Corporation to operate the
42 Alabama Farm Center; to create and provide for the operation
43 of a board to govern the corporation; to provide specific
44 powers and privileges to the corporation; to permit certain
45 counties and municipalities to sell property and appropriate
46 public funds to the corporation; to exempt the corporation
47 from municipal ordinances; to exempt the corporation from
48 certain taxes; and to deem the Agriculture Exhibition Center
49 Corporation an economic development organization for the
50 purposes of the Growing Alabama Act.

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BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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53 Section 1. (a) The Agriculture Exhibition Center
54 Corporation may be established and created by any number of
55 individuals filing articles of incorporation in the office of
56 the judge of probate of the county in which the Alabama Farm
Center will be located.



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57 (b) The Agriculture Exhibition Center Corporation shall
58 operate the Alabama Farm Center for the purposes of promoting,
59 showcasing, and facilitating education regarding all facets of
60 the agricultural industry and advancing agricultural business
61 and workforce development in this state.

62 (c) The Alabama Farm Center shall be located on an
63 approximately 500-acre parcel of real property located in the
64 county having the largest population in this state according
65 to the last federal decennial census.

66 (d) The Agriculture Exhibition Center Corporation shall
67 be governed by, and all powers of the corporation shall be
68 exercised by, pursuant to the corporation's authorization, a
69 board of directors that shall have five members appointed as
70 follows, subject to confirmation by the Senate:

71 (1) One member appointed by the Governor.

72 (2) One member appointed by the Commissioner of
73 Agriculture and Industries.

74 (3) One member appointed by the county commission of
75 the county in which the Alabama Farm Center will be located
76 who shall be a farmer and resident of that county.

77 (4) Two members appointed by the Alabama Farmers
78 Federation who shall each be a farmer. One appointee shall
79 reside in any county north of or in Pickens, Tuscaloosa, Bibb,
80 Shelby, Coosa, Tallapoosa, or Chambers County; and the other
81 appointee shall reside in any county south of or in Sumter,
82 Greene, Hale, Perry, Chilton, Elmore, Macon, or Lee County.

83 (e) The appointing authorities shall coordinate their
84 appointments to assure that the membership of the board is



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85 inclusive and reflects the racial, gender, geographic, urban,
86 rural, and economic diversity of this state.

87 (f) Each member shall serve a term of five years,
88 except the initial members shall serve terms as follows:

89 (1) The member appointed by the Governor shall serve a
90 term of one year.

91 (2) The member appointed by the Commissioner of
92 Agriculture and Industries shall serve a term of two years.

93 (3) The member appointed by the county commission of
94 the county in which the Alabama Farm Center will be located
95 shall serve a term of three years.

96 (4) One member appointed by the Alabama Farmers
97 Federation shall serve a term of four years and the other
98 member appointed by the federation shall serve a term of five
99 years, as determined by the federation at the time of the
100 members' appointments.

101 (g) The board shall elect a chair, who shall be a
102 farmer, and a secretary from among its membership.

103 (h) Any vacancy on the board shall be filled by the
104 appointing authority who appointed the vacating member. Any
105 member may be removed for cause upon a majority vote by all
106 other members.

107 (i) No member may have an interest, directly or
108 indirectly, in any contract for work, materials, or services,
109 or profits therefrom, to be performed under the authority
110 conferred by this act if the member, directly or indirectly,
111 has more than a 10 percent interest in any business, firm,
112 corporation, or profits thereof, furnishing or providing the



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113 work, materials, or services.

114 (j) The board may appoint an advisory council
115 consisting of not more than 10 members to advise the board.
116 Advisory-council members shall serve two-year terms and may be
117 appointed to additional terms by the board.

118 Section 2. (a) The Agriculture Exhibition Center
119 Corporation shall have the following powers:

120 (1) To adopt bylaws necessary for the implementation
121 and administration of this act.

122 (2) To institute and defend legal proceedings in any
123 court of competent jurisdiction and proper venue; provided,
124 however, that the corporation may not be sued in any trial
125 court other than the courts of the county of incorporation;
126 provided, further, that the officers, directors, agents, and
127 employees of the corporation may not be sued for their actions
128 on behalf of the corporation except for actions that are
129 unreasonable or known by the individual to be unlawful or are
130 performed with reckless disregard for the lawfulness of such
131 actions.

132 (3) To plan for construction and development of the
133 Alabama Farm Center on property owned by the corporation.
134 Construction and development may include, without limitation,
135 any of the following:

136 a. Buildings to hold offices for use by, and to house
137 or accommodate public facilities of, any governmental entity.

138 b. Streets, boulevards, walkways, parkways, parks, or
139 other places of recreation.

140 c. Monuments, statues, or other structures beautifying



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141 the Alabama Farm Center.

142 d. Community houses, meeting houses, or auditoriums.

143 e. Arenas, convention halls, sports facilities,
144 stadiums, hotels or other facilities for use as a transient
145 guest housing facility, multifamily housing, dormitory
146 housing, food courts or other food venue facilities, any
147 facilities that provide for or support any public or private
148 educational institution, and any other facilities related to
149 or incidental to the foregoing.

150 f. Music halls, art museums, art exhibits, or other
151 exhibits for the advancement of the humanities and cultural
152 development.

153 g. Any other buildings, structures, facilities, and
154 other improvements that the corporation determines are
155 appropriate, useful, or expedient to the center's purposes.
156 The determination of the corporation shall be conclusive.

157 (4) To acquire property, both real and personal, and
158 rights and interests in such property, by gift, grant, lease,
159 or purchase.

160 (5) To accept or receive gifts, bequests, and devises.

161 (6) To have and use a corporate seal and alter the seal
162 at its pleasure.

163 (7) To appoint officers, agents, employees, and
164 attorneys and to fix their compensation.

165 (8) To hire professionals and enter into contracts for
166 their services in designing and supervising the construction
167 of any building, agriculture center, auditorium, arena, barn,
168 convention hall, music hall, art museum, place of recreation,



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169 art exhibit, office building, or other structure that it
170 desires to construct.

171 (9) To make and enter into contracts and to execute all
172 instruments necessary or convenient to lease or purchase and
173 own real or personal property to be used for the furtherance
174 of the purposes for which the center is created.

175 (10) To plan for programs and exhibits in the center
176 for the advancement of the agricultural, cultural, and
177 workforce development interests of the residents of this
178 state.

179 (11) To accept pledges of revenues or grants of money
180 from any person or governmental entity.

181 (12) To sell and lease its property to any person or
182 governmental entity.

183 (13) To enter into financing agreements with federal or
184 state agencies that may require the authority to mortgage its
185 property.

186 (14) To plan for programs and exhibits in the center
187 for the advancement of agricultural and workforce development
188 interests in this state.

189 (15) To enter into long-term contracts or agreements
190 for utility services.

191 (16) To accept lease payments, loan repayments, or
192 other compensation to or for the center or other public
193 person.

194 (17) To invest in bank deposits, U.S. Treasury bills,
195 projects, instruments, real, personal, or mixed property, or
196 any other investments as the corporation may from time to time



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197 determine to be appropriate and convenient to accomplish any
198 purpose for which the center is organized, including works of
199 internal improvement, interests in private or other corporate
200 enterprises, loans of money or credit to individuals,
201 associations, or other corporations; and to lend the
202 corporation's credit, grant public money or things of value in
203 aid of or to any individual, association, or other corporation
204 whatsoever, or become a stockholder in any other corporation,
205 association, or company by issuing bonds or otherwise, even
206 though they may be in violation of Section 93 or Section 94 of
207 the Constitution of Alabama of 2022, if done by the state or a
208 subdivision thereof, notwithstanding the fact that any
209 investment or action may involve the expenditure or
210 appropriation of funds received from a public person. In
211 particular, but not by way of limitation, the corporation may
212 invest its funds, from whatever source, in the stock, bonds,
213 debentures, notes, or other securities issued by any person
214 locating a project in this state and may enter into contracts
215 or options, including contracts or options for the conveyance,
216 sale, or lease of property, to any such person and make direct
217 grants of money, property, or services for the purpose of
218 inducing the person to locate a project in this state.

219 (18) To issue its bonds for the purpose of carrying out
220 any of its powers and to apply proceeds from the sale of its
221 bonds, whether heretofore or hereafter issued, not only for
222 payment of interest thereon prior to and during the
223 construction and equipment of any buildings, structures,
224 facilities, or other improvements being financed thereby, but



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225 also for payment of interest thereon.

226 (19) To mortgage and pledge any or all of its
227 properties, both real and personal, or any part or parts
228 thereof, as security for the payment of the principal of and
229 the interest on any bonds so issued and any agreements made in
230 connection therewith, whether then owned or thereafter
231 acquired, and to pledge the revenues and receipts therefrom or
232 from any thereof.

233 (b) Contracts of the corporation shall be executed in
234 the name of the corporation by the chair of the board and
235 attested by the secretary of the board. The board may provide
236 by resolution for a different form for the execution of a
237 contract by an officer or agent other than the chair and
238 secretary. A contract, irrespective of its form and of the
239 persons executing the contract, shall not be binding unless
240 the contract is authorized or ratified by the board.

241 (c) The corporation may deposit its funds not needed to
242 meet expenses or obligations in any bank or building and loan
243 association, provided the deposit is fully insured by a
244 federal corporation or agency of the federal government
245 insuring deposits in financial institutions.

246 (d) In addition to all other powers at any time
247 conferred on it by this section or otherwise by law, the
248 corporation shall have the following powers together with all
249 powers incidental thereto or necessary to the discharge
250 thereof in corporate form:

251 (1) To participate: As a shareholder in any other
252 corporation; as a joint venturer in a joint venture, whether



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253 the joint venture is to be memorialized contractually or
254 through the formation of one or more separate business
255 entities; as a general or limited partner in a limited
256 partnership or a general partnership; as a member in a
257 nonprofit corporation or limited liability company; or as a
258 member of any other lawful form of business organization, that
259 may be involved in the development or operational activities
260 of any buildings, structures, facilities, and other
261 improvements that the corporation determines are appropriate,
262 useful, or expedient to the center's purposes. In connection
263 with the foregoing, the corporation may elect or appoint an
264 individual to a governing body and enter into contracts or
265 other agreements with other parties for the development,
266 operation, design, marketing, maintenance, and use of any
267 facilities upon the terms as the corporation determines are
268 appropriate, useful, or expedient to the center.

269 (2) To make or arrange for loans, contributions to
270 capital, and other debt and equity financing for the
271 activities of any other corporation of which the corporation
272 is a shareholder; any joint venture in which the corporation
273 is a joint venture; any limited partnership or general
274 partnership of which the corporation is a general or limited
275 partnership; any nonprofit corporation in which the
276 corporation is a member; or any other lawful form of business
277 organization of which the corporation is a member; and to
278 guarantee loans, issue bonds, or incur other forms of
279 indebtedness on behalf of the corporation, joint venture,
280 partnership, nonprofit corporation, or other business entity



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309 2. Leases, licenses, franchises, concessions, or other
310 agreements for the development, operation, management, or
311 undertaking of all or any part of a project of or on behalf of
312 the corporation.

313 b. Notwithstanding any provision of law to the
314 contrary, proposals under paragraph a. may be evaluated and
315 awarded by the corporation based on qualifications of
316 participants or best value, or both, as evaluated by
317 procedures of the corporation and taking into consideration
318 the best interests of the corporation. Evaluation criteria for
319 a contract procured pursuant to the preceding sentence shall
320 be set forth in the request for proposal for the contract. The
321 contract may also be awarded through any existing procurement
322 authority, proposals, or other means of procurement otherwise
323 available to the corporation.

324 Section 3. (a) Subject to the conditions,
325 qualifications, and restrictions set forth in subsection (b),
326 the Agriculture Exhibition Center Corporation may borrow money
327 from any person or governmental entity. As security for any
328 money borrowed, together with interest thereon, and any
329 obligations incurred or assumed, the corporation may mortgage,
330 pledge, or otherwise transfer and convey its real, personal,
331 and mixed property, or any part or parts thereof, whether then
332 owned or thereafter acquired, including any franchises then
333 owed or thereafter adopted and all or any part of any funds of
334 the corporation. In a resolution authorizing the mortgage
335 given to secure the payment thereof, the corporation, in
336 addition to its other powers, shall have the power to agree



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337 with the several holders of the mortgage to make, enter, and
338 perform covenants and agreements as to all of the following:

339 (1) The conduct, management, and maintenance of the
340 properties held by the corporation or of the activities,
341 operations, and enterprises then or thereafter conducted by
342 the corporation.

343 (2) Insurance of the properties of the corporation.

344 (3) Restrictions on the exercise of the powers of the
345 corporation to dispose or to limit or regulate the use of all
346 or any part of the properties of the corporation.

347 (4) The use and disposition of any monies of the
348 corporation, including taxes payable to the corporation under
349 any act of the Legislature and revenues derived or to be
350 derived from the activities, operations, and enterprises of
351 the properties of the corporation, including any part or parts
352 theretofore constructed or acquired and any parts, extensions,
353 replacements, or improvements thereafter constructed or
354 acquired.

355 (5) The setting aside of the taxes payable to the
356 corporation under any act of the Legislature or use of the
357 revenues or the monies of the corporation or reserves and
358 sinking funds, and the source, custody, security, regulation,
359 application, and disposition thereof.

360 (6) The assumption or payment or discharge of any
361 indebtedness, liens, or other claims relating to any part of
362 the properties of the corporation or any obligations
363 constituting, or which may constitute, a lien on the
364 properties or any part thereof.



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365 (7) Limitations or other evidences of indebtedness or
366 upon the incurrence of indebtedness of the corporation.

367 (b) The power vested in the corporation to pledge taxes
368 to be paid to the corporation or to pledge revenue of the
369 corporation shall not be construed as undertaking or
370 purporting to empower the corporation to pledge any tax or any
371 revenue if the pledge is prohibited by the Constitution of
372 Alabama of 2022. It is expressly provided that the corporation
373 shall have the power to pledge any tax paid to the corporation
374 or revenue of the corporation, the pledge of which is
375 authorized by the Constitution of Alabama of 2022.

376 (c) The powers and authority set forth in this section
377 shall only be exercised if necessary in order for the
378 corporation to receive federal funding or grants for any
379 projects or activities of the corporation.

380 Section 4. The county in which the Alabama Farm Center
381 is located and each municipality therein may lease, sell,
382 donate, or otherwise convey to the Agriculture Exhibition
383 Center Corporation real or personal property, including park
384 properties, without authorization by election of the qualified
385 voters of the county or of the municipality; and the county in
386 which the center is located and each municipality therein are
387 authorized, but not required, to appropriate public funds of
388 the county or of the municipality to the corporation to be
389 used by the corporation for purposes of this act. The county
390 in which the center is located shall not lease, sell, donate,
391 or convey any property to the corporation, or appropriate any
392 money to the corporation, unless the county commission of that



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393 county has determined that the lease, sale, donation,
394 conveyance, or appropriation will benefit the people of that
395 county or municipality to such an extent as to fully warrant
396 and justify the lease, sale, donation, conveyance, or
397 appropriation.

398 Section 5. The Agriculture Exhibition Center
399 Corporation may permit the consumption of alcoholic beverages
400 any day of the week, purchased from licensees of the Alcoholic
401 Beverage Control Board, to be consumed by purchasers within
402 the boundaries of the Alabama Farm Center.

403 Section 6. The Agriculture Exhibition Center
404 Corporation and all property in which it may have any
405 ownership, leasehold, or other interest, direct or indirect,
406 is exempt from all municipal ordinances and rules, including
407 zoning ordinances, unless the corporation consents to the
408 application of ordinance or rule.

409 Section 7. (a) The Agriculture Exhibition Center
410 Corporation, as a governmental entity, is exempt from the
411 payment of all state, county, and municipal sales and use
412 taxes. The corporation and its contractors shall be granted a
413 certificate of exemption from sales and use taxes by the
414 Department of Revenue as provided in Sections 40-9-14.1 and
415 40-9-60, Code of Alabama 1975, or other general law.

416 (b) (1) Any county or municipal sales and use tax
417 proceeds that are collected by the corporation; a joint
418 venture of the corporation, including a public or private
419 venture of the corporation; or a lessee of the corporation or
420 a joint venture of the corporation, and remitted to a local



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421 taxing authority shall be rebated by that local taxing
422 authority to the corporation.

423 (2) The county commission of the county in which the
424 Alabama Farm Center will be located, at the time of the
425 formation of the corporation, may opt-out of the requirement
426 to rebate sales taxes collected by a private entity, joint
427 venture partner, or public-private partnership.

428 (3) The corporation may enter into revenue sharing
429 agreements with the county commission of the county in which
430 the center will be located and municipalities therein to share
431 any tax revenue generated by the corporation outside of the
432 operational area outlined in the corporation's articles of
433 incorporation.

434 (c) The corporation is exempt from paying all state,
435 county, and local ad valorem taxes.

436 (d) The corporation is exempt from paying any other
437 taxes levied by a county, municipality, or other political
438 subdivision of this state, including, but not limited to,
439 license and excise taxes imposed relating to the privilege of
440 engaging in any activities that the corporation may engage in.

441 Section 8. The Agriculture Exhibition Center
442 Corporation shall be deemed an economic development
443 organization, and the Alabama Farm Center shall be deemed a
444 site, for the purposes of Article 19A, Chapter 18, Title 40 of
445 the Code of Alabama 1975.

446 Section 9. This act shall become effective immediately.