



OFFERED BY SENATOR GUDGER

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SYNOPSIS:

Under the constitution, the state may not lend money or lend its credit except as expressly authorized by the constitution and may not incur certain debt. Also under the constitution, the Legislature may not authorize any county or municipality to lend its credit or grant public money to any person.

This bill would propose an amendment to the Constitution of Alabama of 2022, to authorize the Legislature, by law, to authorize counties and municipalities to provide for the incorporation of innovation districts as public corporations and provide for their powers and to authorize innovation districts to provide any public funds, revenues, or property of or under the control of innovation districts to, or for the benefit of, any public or private person or entity.

This bill would also provide that all financial obligations incurred by an innovation district shall be exclusively the obligation of the innovation district and not the state.

A BILL  
TO BE ENTITLED  
AN ACT



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Proposing an amendment to the Constitution of Alabama of 2022, relating to economic development; to authorize the Legislature, by law, to authorize counties and municipalities to provide for the incorporation of innovation districts as public corporations and provide for their powers; to authorize innovation districts to provide any public funds, revenues, or property of or under the control of a district to or for the benefit of a public or private person or entity; and to provide that all financial obligations of an innovation district shall be exclusively the obligation of the innovation district and not the state.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The following amendment to the Constitution of Alabama of 2022, is proposed:

PROPOSED AMENDMENT

(a) Notwithstanding any provision of the constitution to the contrary, including, but not limited to, Sections 93, 94, and 213, the Legislature, by general law, may authorize all of the following:

(1) Counties and municipalities in this state to provide for the incorporation of innovation districts and their corporate nature, governance, operations, and powers as public corporations of the state.

(2) An innovation district, in its sole discretion, to provide any public funds, revenues, or property of or under the control of the innovation district to, or for the benefit of, any public or private person or entity.



57 (b) All financial obligations assumed, incurred, or  
58 issued by an innovation district shall be solely and  
59 exclusively an obligation of the innovation district and shall  
60 not create a direct, indirect, or contingent obligation or  
61 pecuniary liability, or general obligation, or charge against  
62 the general assets, credit, funds, property, revenues, or  
63 taxing power of the state or any subdivision, including, but  
64 not limited to, any county or municipality that authorizes an  
65 innovation district.

66 Upon ratification of this constitutional amendment, the  
67 Code Commissioner shall number and place this amendment as  
68 appropriate in the constitution omitting this instructional  
69 paragraph and may make the following nonsubstantive revisions:  
70 change capitalization, hierarchy, spelling, and punctuation  
71 for purposes of style and uniformity; correct manifest  
72 grammatical, clerical, and typographical errors; revise  
73 internal or external citations and cross-references; harmonize  
74 language; and translate effective dates.

75 END OF PROPOSED AMENDMENT

76 Section 2. An election upon the proposed amendment  
77 shall be held in accordance with Sections 284 and 285 of the  
78 Constitution of Alabama of 2022, and the election laws of this  
79 state. The appropriate election official shall assign a ballot  
80 number for the proposed constitutional amendment on the  
81 election ballot and shall set forth the following description  
82 of the substance or subject matter of the proposed  
83 constitutional amendment:

84 "Proposing an amendment to the Constitution of Alabama



85 of 2022, to allow the Legislature, by general law, to  
86 authorize counties and municipalities to provide for the  
87 incorporation of innovation districts as public corporations  
88 and provide for their powers, to authorize innovation  
89 districts to provide public funds or property of or under the  
90 control of the district to any public or private person or  
91 entity, and to provide that all financial obligations of an  
92 innovation district shall be exclusively the obligation of the  
93 innovation district and not the state or any subdivision of  
94 the state.

95 Proposed by Act \_\_\_\_."

96 This description shall be followed by the following  
97 language:

98 "Yes( ) No( )."

99 Section 3. The proposed amendment shall become valid as  
100 a part of the Constitution of Alabama of 2022, when approved  
101 by a majority of the qualified electors voting thereon.

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