



SYNOPSIS:

Existing law provides for multiple types of community development districts.

This bill would allow a certain type of community development district to be annexed by a municipality upon petition by the district's board and approval by the municipality's governing body.

This bill would also provide further specifications on articles of establishment of a certain type of community development district.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to community development districts; to amend Sections 35-8B-1 and 35-8B-2, Code of Alabama 1975, as last amended by Act 2024-365 of the 2024 Regular Session, to authorize the annexation of a certain type of community development district by a wet municipality in the county where the district is situated; and to further provide for the establishment of a certain type of community development district.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:



Section 1. Sections 35-8B-1 and 35-8B-2, Code of Alabama 1975, as last amended by Act 2024-365 of the 2024 Regular Session, are amended to read as follows:

"§35-8B-1

(a) (1) "Community development district" means a private residential development that meets all of the following criteria:

a. Is a size of at least 250 acres of contiguous land area.

b. Has at least 100 residential sites, platted and recorded in the probate office of the county as a residential subdivision.

c. Has streets that were or will be built with private funds.

d. Has a social club with all of the following:

1. An 18-hole golf course of regulation size.

2. A restaurant or eatery used exclusively for the purpose of preparing and serving meals, with a seating capacity of at least 60 patrons.

3. Social club memberships with at least 100 paid-up members who have paid a membership initiation fee of not less than two hundred fifty dollars (\$250) per membership.

4. Membership policies whereby membership is not denied or impacted by an applicant's race, color, creed, religion, or national origin.

5. A full-time management staff for the social activities of the club, including the management of the premises where food and drink are sold.



57           (2) The sale of any alcoholic beverages in any  
58 community development district established under this  
59 subsection shall be subject to a tax levied by the county on  
60 any sale at the same rate as the tax on any sale of liquor in  
61 the largest municipality in the county in which the district  
62 is established and shall be distributed as provided in Section  
63 35-8B-5.

64           (b) "Community development district" also means  
65 privately owned property used for social purposes that meets  
66 all of the following criteria:

67           (1) Is a size of at least 250 acres of contiguous land  
68 area.

69           (2) Is located in a dry county that has one or more wet  
70 municipalities, but outside the corporate limits of any  
71 municipality.

72           (3) Is a social club with all of the following:

73           a. An 18-hole golf course of regulation size.

74           b. A marina and boat storage facility with at least 35  
75 spaces.

76           c. A clubhouse with more than 20,000 square feet.

77           d. A restaurant or eatery used exclusively for the  
78 purpose of preparing and serving meals, with a seating  
79 capacity of at least 88 patrons.

80           e. At least 600 paid-up golf or social members who have  
81 paid a membership initiation fee of not less than two thousand  
82 dollars (\$2,000) per family or individual membership.

83           f. Membership policies whereby membership is not denied  
84 or impacted by an applicant's race, color, creed, religion, or



85 national origin.

86 g. A full-time management staff for the social  
87 activities of the club, including the management of the  
88 premises where food and drink are sold.

89 (c) In addition to the limitations specified in Section  
90 35-8B-3, with regard to a community development district  
91 defined in subsections (a) and (b), alcoholic beverages shall  
92 be sold only for on-premises consumption, as defined in  
93 Section 35-8B-3(a)(3), and in regard to a community  
94 development district defined in subsection (b), alcoholic  
95 beverages shall not be sold within 3,000 feet of the south  
96 right-of-way of any state or federal highway adjacent to any  
97 such district.

98 (d)(1) "Community development district" also means a  
99 private residential development that may or may not include  
100 additional contiguous privately-owned property used for  
101 residential, social, commercial, or charitable purposes that  
102 meets all of the following criteria:

103 a. Is the size of at least 650 acres of contiguous land  
104 area, but may also contain noncontiguous land if so divided by  
105 a public highway which shall be made part of the district per  
106 the articles of establishment.

107 b. Is located in a dry county that has one or more wet  
108 municipalities, but may be outside the corporate limits of any  
109 municipality or within the corporate limits of a municipality.

110 c. Has all of the following:

111 1. At least a 9-hole golf course.

112 2. An amenity complex to include a fitness center and a



113 swimming pool.

114 3. A clubhouse with at least 7,000 square feet.

115 4. A restaurant or eatery used for the purpose of  
116 preparing and serving meals, with a seating capacity of at  
117 least 50 patrons.

118 5. A recreational lake of at least 30 acres.

119 6. At least 200 paid-up golf or club memberships paid  
120 initially by either the developer, residential landowners, or  
121 commercial entities located within the district at the rate of  
122 at least five hundred dollars (\$500) per membership provided  
123 the developer reserves the right through residential and  
124 commercial lease and purchase agreements to require additional  
125 membership and initiation fees and further provided the  
126 developer has the discretion to restrict use of the golf  
127 course to district landowners and guests or at the developer's  
128 discretion to extend use of the golf course to the general  
129 public subject to fees set and determined by the developer  
130 which may differ from fees applicable to residential and  
131 commercial lease and purchase agreements.

132 7. Membership policies whereby membership is not denied  
133 or impacted by an applicant's race, color, religion, or  
134 national origin.

135 d. May include a multi-purpose use entertainment  
136 facility with a minimum capacity to accommodate at least 7,500  
137 patrons.

138 e. May include commercial establishments.

139 (2) Notwithstanding any other provisions of law, the  
140 sale and distribution of alcoholic beverages, including draft



141 or keg beer, by licensees of the Alcoholic Beverage Control  
142 Board shall be authorized in a community development district  
143 defined under this subsection, and Section 35-8B-3 shall not  
144 apply.

145 (e) "Community development district" also means a  
146 commercial district located in a wet county that does not  
147 authorize Sunday sales and outside the corporate limits and  
148 police jurisdiction of any municipality and which has a  
149 restaurant with a seating capacity of at least 120, a  
150 grocery-delicatessen, riding stables and riding trails, a  
151 community information center, outdoor programming activities,  
152 and rural lifestyle demonstrations.

153 (f) "Community development district" also means a  
154 commercial district located in a wet county that does not  
155 authorize Sunday sales, has a restaurant with a seating  
156 capacity of at least 120, is adjacent to a marina with at  
157 least 34 boat slips, and is located on property where the  
158 marina and restaurant are under common ownership.

159 (g) "Community development district" also means a  
160 commercial district that includes a marina located on a river  
161 in an unincorporated area of a wet county that does not  
162 authorize seven-day sales with two separate food and beverage  
163 buildings with a combined space of at least 7,500 square feet  
164 connected by a boardwalk and separated by a patio with an  
165 entertainment stage.

166 (h) "Community development district" also means a  
167 commercial district located in a dry county that shares a  
168 geographic border with another state, has an elevation of at



169 least 1,500 feet, and has a recreational waterway, specialty  
170 shops and restaurants, summer camps and retreat centers, an  
171 art gallery, and annual festivals showcasing the area.

172 (i)(1) "Community development district" also means a  
173 commercial district that borders on a lake that is formed by  
174 an impounded reservoir of a river whose source is in a federal  
175 wilderness area and has a marina with not less than 30 boat  
176 slips and a restaurant with seating capacity of not less than  
177 100 seats of which not less than 50 seats must be inside  
178 seating and is located on property where the marina and  
179 restaurant are under common ownership. In addition to any  
180 other requirements by law, the restaurant shall obtain a  
181 business license from the local governing body having primary  
182 jurisdiction of the property where the restaurant is located  
183 and shall be subject to additional regulation as determined  
184 necessary by the local governing body. Only one restaurant  
185 license per community development district shall be allowed.

186 (2) The sale of any alcoholic beverages in any  
187 community development district established under this  
188 subsection shall be subject to a tax levied by the county on  
189 any sale at the same rate as the tax on any sale of liquor in  
190 the largest municipality in the county in which the district  
191 is established and shall be distributed as provided in Section  
192 35-8B-5.

193 (j) "Community development district" also means a  
194 parcel of real property that meets all of the following  
195 criteria:

196 (1) It is owned by the same person or entity.



197           (2) It consists of not less than 160 acres.

198           (3) It is located partially in a dry county and  
199 partially in a wet county.

200           (4) It contains a lake of not less than 70 acres with a  
201 fishing resort consisting of a rental boathouse, campsites,  
202 and a community room.

203           (k) "Community development district" also means a  
204 parcel of real property that meets all of the following:

205               (1) Consists of at least 1,600 acres.

206               (2) Holds concerts and other family-oriented events.

207               (3) Is located in a dry county with at least one wet  
208 municipality.

209           (l) "Community development district" also means a  
210 commercial district located in a wet county that does not  
211 authorize Sunday sales which district is composed of resort  
212 property consisting of 3,000 or more contiguous acres under  
213 common ownership, has a public golf course with a practice  
214 area and clubhouse, has a restaurant on the property, has  
215 overnight accommodations consisting of 40 or more guest  
216 suites, and has a shooting range.

217           (m) "Community development district" also means a  
218 parcel of land in a resort area consisting of a lodge for  
219 overnight accommodations and homesites that include vacation  
220 rentals and meets all of the following:

221               (1) The development was originally developed by  
222 entities owned by the same family.

223               (2) It consists of not less than 180 acres located in a  
224 dry county which borders an adjoining state and has an





elevation of not less than 1,100 feet.

(3) It has a lodge providing overnight accommodations, including a dining facility with a seating capacity of not less than 50 which is open to the public.

(4) It contains a platted subdivision of not less than 90 homesites, including homes available for vacation rental with plans for additional development.

(5) It is located on a bluff over the backwaters of a major river that flows through an adjoining state and flows through or borders on another adjoining state.

(n) "Community development district" also means a commercial district located in a wet county that does not authorize Sunday sales, has a restaurant with a seating capacity of at least 96 seats inside and 24 seats outside, is located on a lake and adjacent to docking facilities and boat slips for at least 24 boats, is licensed only to sell beer and wine, and is located on property where the restaurant and boat slips and docking facilities are under common ownership.

(o) "Community development district" also means privately owned property that meets all of the following criteria:

(1) It is used for social purposes.

(2) It is located in a dry county that has one or more wet municipalities, but outside the corporate limits of any municipality.

(3) It has a marina and a boat storage facility with at least 150 spaces.

(4) It has a shipstore with at least 2,200 square feet.



(5) It is adjacent to a lake of at least 100,000 acres.

(6) It has a restaurant or eatery used for the purpose of preparing and serving meals, with a seating capacity of at least 40 patrons.

(p) "Community development district" also means an area owned by an industrial development board located in a dry county with a wet municipality, but in a municipality that has more than 750 persons, according to the 2010 federal decennial census, and the property meets all of the following:

(1) The property is in a county bordering on two other states.

(2) The property is on a bluff overlooking a river flowing through two adjoining states.

(3) The property would be used only for a hotel having not less than 50 rooms and a restaurant.

(q)(1) "Community development district" also means privately owned property that meets all of the following criteria:

a. It is located in a dry county that has one or more wet municipalities, but outside the corporate limits of any municipality.

b. It consists of at least 60 acres.

c. It has facilities on the property which employ a full-time management staff for the social activities of the facilities, including the management of the premises where food and drink are sold.

d. It has a restaurant or eatery used for the purpose of preparing and serving meals, with a seating capacity of at



least 500 patrons operated on the property.

e. It has concerts and other family-oriented events held on the property.

f. It has overnight accommodations with the capacity to sleep at least 70 individuals.

g. It has at least five fishing ponds.

h. It has an amphitheater for outdoor entertainment events.

i. It has a chapel for wedding services.

j. It has an RV park with a capacity of at least four RVs.

k. It has five reception halls with a seating capacity of at least 1,900 individuals.

l. It has an outdoor stage.

(2) The sale of any alcoholic beverages in any community development district established under this subsection shall be subject to a tax levied by the county on any sale at the same rate as the tax on any sale of liquor in the largest municipality in the county in which the district is established and shall be distributed as provided in Section 35-8B-5.

(r) (1) "Community development district" also means property that meets all of the following criteria:

a. It is located in a dry county that shares a border with another state and which contains at least one wet municipality, but the property is located outside the corporate limits of any municipality.

b. It is adjacent to a river flowing through two



adjoining states.

c. It has at least one restaurant with a seating capacity of at least 40 patrons.

d. It contains a contiguous land area of private residential development amounting to more than 250 acres.

e. It contains over 100 residential sites, platted and recorded.

f. It contains streets that are, or will be, built with private funds.

g. It contains an 18-hole public golf course of regulation size, which offers an annual subscription or membership to cover the cost of greens fees.

(2) Notwithstanding any other provisions of law, the sale and distribution of alcoholic beverages, including draft or keg beer, by licensees of the Alcoholic Beverage Control Board shall be authorized in a community development district defined under this subsection and Section 35-8B-3 shall not apply.

(s) (1) "Community development district" also means a commercial district or resort that borders on a lake that is formed by an impounded reservoir of a river whose source is in a federal wilderness area that meets the following criteria:

a. Is a size of at least 500 or more acres of contiguous land area;

b. Is located in a dry county that has one or more wet municipalities, but is located outside the corporate limits of any wet municipality;

c. Has a hotel or lodge or rental homes with a minimum



of 100 rooms;

d. Has at least one 18-hole golf course of regulation size;

e. Has a marina with not less than 50 boat slips or storage spaces;

f. Has a clubhouse;

g. Has more than one restaurant, bar, or tavern or other eatery used exclusively for the purpose of preparing and serving meals or beverages or both, seven days per week, with at least one restaurant having a seating capacity for at least 50 patrons;

h. Has a conference center; and

i. Has membership policies that provide that membership is not denied or impacted by an applicant's race, color, creed, religion, or national origin.

(2) In a community development district as defined in this subsection, alcoholic beverages shall be sold only by licensees of the Alabama Alcoholic Beverage Control Board for consumption, including Sunday sales, within or on a licensee's property and as otherwise provided herein. An Alcoholic Beverage Control licensee in the district may operate a resort-owned luxury fine dining dinner cruise and special events yacht which may serve meals or alcoholic beverages, or both, while on the water, provided, the following minimum criteria are met: (i) length of not less than 60 feet; (ii) U.S. Coast Guard approved seating capacity of not less than 40; and (iii) operated by a USCG licensed captain. The restaurant or tavern shall obtain a business license from the



365 local governing body having primary jurisdiction of the  
366 property where the restaurant is located and shall be subject  
367 to additional regulation as determined necessary by the local  
368 governing body.

369 (3)a. Notwithstanding any other provision of law  
370 relating to annexations, the real property within a community  
371 development district defined in this subsection may be annexed  
372 by a wet municipality in the same county upon petition by the  
373 district's board and approval by the municipality's governing  
374 body; provided, however, at least 30 days prior to the  
375 approval of the annexation by the municipality's governing  
376 body, a plat or map of the territory being annexed is  
377 furnished to the judge of probate of the county where the  
378 proposed annexation is located. Any annexation of real  
379 property within a community development district by a wet  
380 municipality may be made subject to such conditions as may be  
381 determined and agreed upon by the district's board and the  
382 annexing municipality's governing body.

383 b. An annexation conducted pursuant to this subdivision  
384 does not require contiguity between the real property within  
385 the community development district and the annexing  
386 municipality.

387 c. Notwithstanding any annexation, a county shall  
388 retain the right to provide all environmental services in a  
389 community development district, including, but not limited to,  
390 garbage services.

391 d. An annexation implemented pursuant to this  
392 subdivision must commence by June 1, 2026.



393 e. The property cannot be used as a site for a casino,  
394 nor may any other commercial or charitable gambling activities  
395 be conducted on the property.

396 (t) If a community development district is located in  
397 any county, including within any wet or dry municipality  
398 located within the county, the county shall participate in the  
399 distribution of taxes and license fees pursuant to Chapters 3  
400 and 3A of Title 28.

401 (u) Any alcohol revenues received by a county under Act  
402 2007-417 shall offset in an equal amount any T.V.A.  
403 in-lieu-of-taxes payments received by the county. Any T.V.A.  
404 in-lieu-of-taxes payments replaced by alcohol revenues under  
405 this subsection shall be distributed to T.V.A.-served  
406 counties.

407 (v) If a community development district established  
408 prior to June 1, 2014, becomes a new municipality pursuant to  
409 Sections 11-41-1 and 11-41-2, the section requiring a vote of  
410 the residents of the property described in the petition, the  
411 new municipality created thereby shall be wet and the sale and  
412 distribution of alcoholic beverages therein shall be  
413 authorized to the full extent of any other wet municipality.  
414 In addition to the other requirements for incorporating into a  
415 municipality set forth in Sections 11-41-1 and 11-41-2, the  
416 petition shall provide notice to potential voters that if the  
417 new municipality is incorporated it shall be wet."

418 "§35-8B-2

419 The exclusive and uniform method for the establishment  
420 of a community development district shall be by the filing of



the articles of establishment of a community development district with the judge of probate of the county in which the district is to be located, or if located in more than one county, of the county wherein is located the largest area of the community development district.

(1) The articles of establishment of a district defined in subsection (a) of Section 35-8B-1 shall contain the following:

a. The written consent to the establishment of the district by the owner or owners of at least 51 percent of the real property to be included in the district, or documentation demonstrating that the petitioner has control by deed, trust agreement, contract, or option of at least 51 percent of the real property to be included in the district.

b. A metes and bounds description of the external boundaries of the district, with a specific metes and bounds description of any real property within the external boundaries of the district, which is to be excluded from the district.

c. A schematic layout of the proposed district with a map of the proposed and existing residential subdivisions, streets, and roads in the district, and of the building and grounds to be used in common by members of the club operating in the district, together with a commitment that the owner or owners of the real property located within the district will bear the costs of the construction of such proposed streets and roads, if such proposed roads and streets do not exist on the day the articles of establishment are filed.





d. The proposed name of the district, and the location and the mailing address of the principal office of the district.

e. A designation of five persons to be the initial members of the board of control of the district, two of whom shall serve in that office until replaced by elected members; provided, the two elected members of the board of control shall be elected by the members of the club who may vote in person or by proxy in writing at an annual meeting of the district, which date shall be specified in the petition. Each club member shall be entitled to cast one vote. The two candidates receiving the highest number of votes shall be elected to the board of control for a period of one year, or until his or her successor shall be duly elected. Upon the death or resignation of a non-elected member of the board of control, the remaining board members shall elect, by majority vote at a called board meeting, a new non-elected board member.

(2) The articles of establishment of a district defined in subsections (b) and (d) of Section 35-8B-1 shall contain the following:

a. The written consent to the establishment of the district by the owner of the real property to be included in the district.

b. A metes and bounds description of the external boundaries of the district.

c. A schematic layout of the proposed district with a map of the buildings and grounds to be used in common by the



members of the club operating in the district.

d. The proposed name of the district and the location and the mailing address of the principal office of the district.

e. A designation of members of the board of governors of the club operating in the district who shall be the members of the board of control of the district.

(3) The articles of establishment of a district described in Section 35-8B-1(e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), or (s) shall contain the following:

a. The written consent to the establishment of the district by the owner of the real property to be included within the district.

b. A metes and bounds description of the external boundaries of the district.

c. A schematic layout of the proposed district with a map of the buildings and grounds to be used in common by guests in the district.

d. The proposed name of the district and the location and the mailing address of the principal office of the district.

e. 1. Except for a district described in Section 35-8B-1(s), a designation of members of the board of governors of the district who shall be elected by the owner of the real property included in the district.

2. For a district described in Section 35-8B-1(s), a designation of three natural persons to serve as members of



the board of governors of the district, who shall be elected by the majority vote of the owners of the real property located in the district. The members of the board of governors shall each serve for a period of four years or until his or her successor is duly elected.

(4) The articles of establishment and two copies thereof shall be delivered to the judge of probate who shall, upon the payment of the fees hereinafter prescribed:

a. Endorse on the articles and on each of the copies the word "Filed," and the hour, day, month, and year of the filing thereof;

b. File the articles in his or her office and certify the two copies thereof; and

c. Issue a certificate of establishment to which he or she shall affix one certified copy of the articles of establishment, and return the certificate with a certified copy of the articles of establishment affixed thereto to the district.

(5) Upon the filing of the articles of establishment of the community development district with the judge of probate, the district's existence shall begin.

(6) In lieu of all other charges and fees for a community development district formed under Section 35-8B-1(a), (b), or (d), the judge of probate shall charge and collect for filing the articles of establishment and issuing a certificate of establishment, one thousand dollars (\$1,000) payable to the municipality in which is located the largest area of the community development district if located in a



municipality, and if not, to the county in which is located the largest area of the community development district and three hundred fifty dollars (\$350) to the county for the purpose of providing additional funds for the office of the judge of probate. On or before the anniversary date of the filing of the articles of establishment, excluding the actual year of filing, the board of control shall pay to the judge of probate a fee of three hundred fifty dollars (\$350) and a fee of one thousand dollars (\$1,000) payable to the municipality in which is located the largest area of the community development district if located in a municipality, and if not, to the county in which is located the largest area of the community development district for the purpose of providing additional funds for the office of the judge of probate.

(7) In lieu of all other charges and fees for a community development district formed under Section 35-8B-1(e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), or (s), the judge of probate shall charge and collect a one-time fee for filing the articles of establishment and issuing a certificate of establishment of five hundred dollars (\$500) payable to the county in which is located the largest area of the district for the purpose of providing additional funds to the judge of probate."

Section 2. This act shall become effective on October 1, 2025.