

SB317 INTRODUCED



1 SB317
2 SLB3H87-1
3 By Senators Singleton, Gudger, Livingston, Smitherman
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 08-Apr-25



SYNOPSIS:

Under existing law, the Alabama Innovation Corporation, also known as Innovate Alabama, is a public corporation created to support, financially or otherwise, growth in technology, innovation, and entrepreneurship sectors in the state.

This bill would provide staggered terms for the board of directors.

A BILL
TO BE ENTITLED
AN ACT

Relating to the Alabama Innovation Corporation; to amend Section 41-10-803, Code of Alabama 1975; to provide staggered terms for the board of directors.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 41-10-803 of the Code of Alabama 1975, is amended to read as follows:

"§41-10-803

(a) The corporation shall be under the management and control of a board of directors, and all powers necessary or appropriate for the management and control of the corporation shall be vested solely in the board. The board shall be



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comprised of both ex officio directors and at-large directors, all of whom shall be voting members of the board and shall be considered in determining whether a quorum is present.

(b) The board shall have five ex officio directors, consisting of the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the House and Senate minority caucus leaders, or their designees. The service of each ex officio director shall begin and end concurrently with the beginning and end of his or her tenure in office or service as a minority caucus leader, respectively. Each ex officio director may appoint a person to serve in his or her place at any meeting of the board, or may designate a person to serve in his or her place at all meetings of the board until the term of the ex officio director should end, and the appointee or designee shall be counted for purposes of a quorum and voting.

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

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

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

a. Making more than one investment in seed or pre-seed stage startup companies or managing, or making investments in,



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one or more seed stage funds or venture capital funds.

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

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

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

(3) a. In making appointments of at-large directors, the Governor shall coordinate his or her appointments ~~so that diversity of gender, race, and geographical areas of the board of directors is reflective of the makeup~~ to assure the board membership is inclusive and reflects the racial, gender, geographic, urban, rural, and economic diversity of the state. The ~~service term~~ term of each at-large director shall begin upon written acceptance of his or her appointment. ~~The at-large directors selected by the Governor shall serve on the board for a term ending on the date of the second year following his or her appointment as an at-large director.~~ and shall end on December 31.

b. For the six at-large directors serving on October 1, 2025, the Governor shall designate that the terms of two shall expire on December 31, 2025; the terms of two shall be extended by one year so that their terms shall expire on December 31, 2026; and the terms of two shall be extended by two years so that their terms shall expire on December 31, 2027. Thereafter, successor at-large directors appointed by



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85 the Governor shall serve for terms of two years.

86 c. Each at-large director, regardless of whether a
87 prior Governor selected him or her, shall continue to serve
88 until the director is reappointed, or a successor is
89 appointed, to the office. An at-large director appointed by
90 the Governor may only serve a maximum of two consecutive terms
91 of office, but may be reappointed after he or she has spent at
92 least two years without serving as an at-large director.
93 At-large directors may resign or may be removed by the
94 Governor at any time and for any reason, at which time the
95 Governor shall appoint a different person to serve, so long as
96 that person satisfies the requirements set forth in this
97 section. A person appointed to fill a vacancy shall serve out
98 the remainder of the unexpired term and may be appointed to
99 serve two additional consecutive terms.

100 (d) No director shall receive compensation because of
101 his or her service as a director. Each director shall be
102 reimbursed for actual travel expenses incurred in the
103 performance of his or her duties as a director.

104 (e) Notwithstanding subsections (a) through (d),
105 inclusive, upon the incorporation of the corporation, the
106 Governor shall select as one of the initial at-large directors
107 the individual serving in the leadership of the Alabama
108 Innovation Commission as of January 1, 2021. As long as that
109 individual is serving on the board, he or she shall be the
110 chair and presiding officer of the board. The individual shall
111 serve on the board for a term ending on the date of the second
112 year following his or her appointment as an at-large director



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and may be reappointed for additional consecutive two-year terms as an at-large director. At the time that the individual ~~shall resign, be~~ resigns, is removed, or otherwise no longer ~~serve~~ serves as chair, the position shall be subject to the appointment provisions for at-large directors provided by this section and, thereafter, the Governor shall appoint any member of the board to be the chair of the board.

(f) Notwithstanding ~~any provision of~~ Chapter 25A of Title 36, a majority of the directors shall constitute a quorum for the transaction of business by the board, and decisions shall be made on the basis of a majority of the quorum then present and voting. No vacancy in the membership of the board or the voluntary disqualification or abstention of any director shall impair the right of a quorum to exercise all of the powers and duties of the board. Members of the board may participate in meetings of the board in person, by means of telephone conference, video conference, or other similar communications equipment, so that all individuals participating in the meeting may hear each other at the same time. Participation by any such means shall constitute presence in person at a meeting for all purposes, including for purposes of establishing a quorum.

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

(h) In addition to regular meetings of the board, as may be provided by law or by bylaws adopted by the board, special meetings of the board may be called by the chair



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141 acting alone or by any three other directors acting in
142 concert, in each case upon notice to each director given in
143 person, by email, by registered letter, or by other means.
144 Notice to each director may be waived upon the unanimous
145 written consent of all directors, either before or after the
146 meeting with respect to which the notice would otherwise be
147 required.

148 (i) All proceedings of the board, except executive
149 sessions, shall be reduced to writing on behalf of the board
150 and maintained in the permanent records of the corporation, a
151 copy of which shall be filed in the principal office of the
152 corporation and shall be open for public inspection during
153 regular business hours. The principal office of the
154 corporation shall be the principal office of the director of
155 finance."

156 Section 2. This act shall become effective on October
157 1, 2025.