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SYNOPSIS:

Under existing law, the directors of an agriculture authority's board of directors are appointed by a combination of the county commission and legislative delegation where the agriculture authority is located.

This bill would require the board of directors to appoint a successor upon the expiration of each director's term five years after an agriculture authority is established.

Under existing law, an agriculture authority may only purchase items on the statewide public contract list.

This bill would authorize an agriculture authority to make purchases through a national or regional governmental cooperative purchasing program.

Under existing law, county and municipal sales and use tax proceeds collected by an agriculture authority are rebated to the agriculture authority.

This bill would provide that county and municipal tax proceeds from the sale of alcoholic beverages collected by an agriculture authority are rebated to the agriculture authority.

This bill would also make nonsubstantive, technical revisions to update existing code language to



29 current style.

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A BILL

33

TO BE ENTITLED

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AN ACT

35

36 Relating to agriculture authorities; to amend Sections
37 11-20-71, 11-20-73, and 11-20-81, as last amended by Act
38 2025-301, 2025 Regular Session, Code of Alabama 1975; to
39 provide the board of directors to appoint a successor for each
40 director on the board; to allow an agriculture authority to
41 purchase goods or services through a national or regional
42 governmental cooperative purchasing program; to provide that
43 tax proceeds from the sale of alcoholic beverages collected by
44 an agriculture authority are rebated to the agriculture
45 authority; and to make nonsubstantive, technical revisions to
46 update existing code language to current style.

47 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

48 Section 1. Sections 11-20-71, 11-20-73, and 11-20-81,
49 as last amended by Act 2025-301, 2025 Regular Session, Code of
50 Alabama 1975, are amended to read as follows:

51 "§11-20-71

52 (a) (1) The board of directors of an agriculture
53 authority shall be as specified in the articles and in
54 accordance with Section 11-20-70.

55 (2) Notwithstanding Section 11-20-70(d)(9), five years
56 after an agriculture authority is incorporated, the board of



57 directors of an agriculture authority shall appoint the
58 successor of each director upon the expiration of the
59 director's term.

60 (b) Each agriculture authority shall have a chair, vice
61 chair, secretary, and treasurer to be elected by the board of
62 directors. The offices of secretary and treasurer may be held
63 by the same ~~person~~individual. A majority of the directors
64 shall constitute a quorum for the transaction of business. The
65 officers and directors shall serve for the terms provided for
66 in the articles. A director may not draw any salary for any
67 service rendered or for any duty performed as director. The
68 duties of the chair, vice chair, secretary, and treasurer
69 shall be those as are customarily performed by these officers
70 and as may be prescribed by the board of directors.

71 (c) All directors shall serve until their successors
72 are appointed or until they cease to be qualified. Vacancies
73 on the board shall be filled as provided for in the articles,
74 but any individual appointed to fill a vacancy shall serve
75 only for the unexpired portion of the term. ~~In the event any~~
76 ~~uncertainty arises as to the terms of office of the directors,~~
77 ~~the county commission or individual authorized to appoint the~~
78 ~~directors may clarify the term by adoption of an appropriate~~
79 ~~resolution or by execution of an appropriate certificate, and~~
80 ~~the term of office shall be as so clarified.~~

81 (d) All proceedings of the board of directors of an
82 agriculture authority shall be reduced to writing by the
83 secretary of the authority and shall be signed by at least two
84 directors present at the proceedings. Copies of the



85 proceedings, when certified by the secretary under the seal of
86 the agriculture authority, shall be received in all courts as
87 prima facie evidence of the matters and things therein
88 certified.

89 (e) Directors of an agriculture authority must be
90 residents and qualified electors of the county within the
91 authorized operational area of the authority. If any director
92 ceases to be a resident of the county, he or she shall cease
93 to be a director, and the position shall remain vacant until a
94 successor is appointed in accordance with the articles and
95 this article.

96 (f) A director of an agriculture authority may not have
97 an interest, directly or indirectly, in any contract of work,
98 material, or services, or the profits therefrom, to be
99 furnished or performed for the authority under this article if
100 the director has, directly or indirectly, more than a 10
101 percent interest in any business, firm, or corporation, or
102 profits thereof, furnishing or providing work, materials, or
103 services.

104 (g) The board of directors may appoint former members
105 of the board to serve as directors emeritus. Directors
106 emeritus shall not have voting rights on the board or
107 otherwise directly participate in meetings of the board.
108 Directors emeritus shall receive no compensation for their
109 service, but may be granted benefits and may attend events of
110 the authority as guests of the authority at the discretion of
111 the board. The directors emeritus shall serve as goodwill
112 ambassadors for the authority and may perform duties at the



113 request of the authority. Directors emeritus shall be subject
114 to subsections (e) and (f)."

115 "§11-20-73

116 (a) An agriculture authority shall have the following
117 powers, which it may exercise in the agriculture authority's
118 authorized operational area:

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

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

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

133 (4) To plan for construction and development of an
134 agriculture center within the operational area of the
135 agriculture authority on property owned by the authority.
136 Construction and development may include, without limitation,
137 any or all of the following:

138 a. Buildings to hold offices for use by the federal
139 government, the state or any agency of the state, the county,
140 or one or more municipalities within the county.



141 b. Buildings to house or accommodate public facilities
142 of the federal government, the state or any agency of the
143 state, the county, or one or more municipalities within the
144 county.

145 c. Streets, boulevards, walkways, parkways, parks, or
146 other places of recreation.

147 d. Monuments, statues, or other structures beautifying
148 the agriculture center.

149 e. Community houses, meeting houses, or auditoriums.

150 f. Arenas, convention halls, sports facilities,
151 stadiums, hotels or other facilities for use as a transient
152 guest housing facility, multifamily housing, dormitory
153 housing, food courts or other food venue facilities, any
154 facilities that provide for or support any public or private
155 educational institution, and any other facilities related to
156 or incidental to the foregoing.

157 g. Music halls, art museums, art exhibits, or other
158 exhibits for the advancement of the humanities and cultural
159 development.

160 h. Any other buildings, structures, facilities, and
161 other improvements that the board of directors of the
162 agriculture authority determines are appropriate, useful, or
163 expedient to the authority's purposes from time to time. The
164 determination of the authority board of directors shall be
165 conclusive.

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

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



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

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

173 (9) To hire professionals and enter into contracts for
174 their services in designing and supervising the construction
175 of any building, agriculture center, auditorium, arena,
176 convention hall, music hall, art museum, place of recreation,
177 art exhibit, office building, or other structure that it
178 desires to construct.

179 (10) To make and enter into contracts and to execute
180 all instruments necessary or convenient to lease or purchase
181 and own real or personal property to be used for the
182 furtherance of the purposes for the accomplishment of which
183 the authority is created.

184 (11) To plan for programs and exhibits in the
185 agriculture center for the advancement of the agricultural,
186 cultural, and workforce development interests of the citizens
187 of the county and of the municipalities thereof.

188 (12) To purchase or lease real property and rights or
189 easements ~~therein~~ necessary or convenient for its purposes and
190 to use the ~~same~~property so long as its existence shall
191 continue.

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

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

196 (15) To enter into financing agreements with federal or



225 fact that any such investment or action may involve the
226 expenditure or appropriation of funds received from a public
227 person. In particular, but not by way of limitation, an
228 authority may invest its funds, from whatever source, in the
229 stock, bonds, debentures, notes, or other securities issued by
230 any person locating a project in the authority's operational
231 area and may enter into contracts or options, including
232 contracts or options for the conveyance, sale, or lease of
233 property, to the person and make direct grants of money,
234 property, or services for the purpose of inducing the person
235 to locate a project in the authority's operational area.

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

238 (21) To acquire real property for the purpose of
239 establishing one or more agriculture centers; to improve
240 agriculture center sites, whether owned by the authority or by
241 any other person, including the improvement of the centers or
242 sites by the construction of roads, curbing, gutters,
243 drainage, sewerage, utilities, railroad spurs, docks, harbors,
244 ports, grading, and the like; to construct, for its own
245 account or the account of others, improvements thereon,
246 including any project, for the purpose of conveying, leasing,
247 or selling the same to any person, including the power to
248 convey, lease, or sell the same for its own account or to
249 construct the same as an inducement for any person to locate
250 and operate a project in the agriculture center or operational
251 area, even though the person may not have been identified at
252 the time that the improvement may be constructed.



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

257 (23) To issue its bonds for the purpose of carrying out
258 any of its powers and to apply proceeds from the sale of its
259 bonds, whether heretofore or hereafter issued, not only for
260 payment of interest thereon prior to and during the
261 construction and equipment of any buildings, structures,
262 facilities, or other improvements being financed thereby, but
263 also for payment of interest thereon.

264 (24) To mortgage and pledge any or all of its
265 properties both real and personal or any part or parts
266 thereof, as security for the payment of the principal of and
267 the interest on any bonds so issued and any agreements made in
268 connection therewith, whether then owned or thereafter
269 acquired, and to pledge the revenues and receipts therefrom or
270 from any thereof.

271 (25) To enter into contracts, agreements, options,
272 leases, loan agreements, deeds, and other instruments, and to
273 take other actions as may be necessary or convenient to
274 accomplish any purpose for which an authority is organized or
275 to exercise any power expressly granted hereunder.

276 (26) To enter into contracts, agreements, leases, or
277 other instruments, either independently or through another
278 entity, to design, develop, construct, own, or operate any
279 commercial facility, to acquire lands or other assets for the
280 facility, to raise revenue from the operation of the facility,



281 and to use any revenue from the operation of the facility to
282 fund projects and operations in support of the authority's
283 mission, including the payment of any expenses and debt of the
284 authority. The power provided in this subdivision shall
285 include the power to make advance payments to third parties
286 for services.

287 (27)a. To terminate or relocate an easement on property
288 owned by the authority using the same power of eminent domain
289 as the state possesses, which shall be exercised in the same
290 manner and under the same conditions as are provided by law
291 for the exercise of the power of eminent domain by the state.

292 b. This subdivision shall not apply to any easement to
293 which an electric utility has the right to enter ~~upon~~.

294 (b) Contracts of an agriculture authority shall be
295 executed in the name of the authority by the chair and
296 attested by the secretary of the authority. The board may
297 provide by resolution for a different form for the execution
298 of a contract by an officer or agent other than the chair and
299 secretary. A contract, irrespective of its form and of the
300 persons executing the contract, shall not be binding unless
301 the contract is authorized or ratified by the board.

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

307 (d) In exercising the powers enumerated in this
308 section, all mortgages, contracts, judgments, investments,



309 loans, debts, and other obligations of any sort of the
310 authority due to any third party shall be recovered and
311 enforced only against the authority unless the county
312 commission approving the formation of the authority
313 specifically agrees to accept the obligation by a separate
314 affirmative vote of a majority of the members of the county
315 commission.

316 (e) In addition to all other powers at any time
317 conferred on it by this section or otherwise by law, an
318 authority shall have the following powers together with all
319 powers incidental ~~thereto~~ or necessary to the discharge
320 thereof in corporate form:

321 (1) To participate: As a shareholder in a corporation;
322 as a joint venturer in a joint venture, whether the joint
323 venture is to be memorialized contractually or through the
324 formation of one or more separate business entities; as a
325 general or limited partner in a limited partnership or a
326 general partnership; as a member in a nonprofit corporation or
327 limited liability company; or as a member of any other lawful
328 form of business organization that may be involved in the
329 development or operational activities of any buildings,
330 structures, facilities, and other improvements that the board
331 of directors of the authority determines are appropriate,
332 useful, or expedient to the authority's purposes. In
333 connection with the foregoing, an authority may elect or
334 appoint an individual or individuals to a governing body and
335 enter into contracts or other agreements with other parties
336 for the development, operation, design, marketing,



337 maintenance, and use of any facilities upon the terms as the
338 board of directors of the authority determines are
339 appropriate, useful, or expedient to the authority's purposes.
340 Any determination by the authority shall be conclusive.

341 (2) To make or arrange for loans, contributions to
342 capital, and other debt and equity financing for the
343 activities of any corporation of which the authority is a
344 shareholder; any joint venture in which the authority is a
345 joint venture; any limited partnership or general partnership
346 of which the authority is a general or limited partnership;
347 any nonprofit corporation in which the authority is a member
348 of any other lawful form of business organization of which the
349 authority is a member; and to guarantee loans, issue bonds, or
350 incur other forms of indebtedness on behalf of the
351 corporation, joint venture, partnership, nonprofit
352 corporation, or other business entity, for such purposes. An
353 authority may loan funds that include seller financing
354 arrangements whereby the authority is a seller to other
355 governmental entities or other business entities whether for
356 profit or nonprofit and whether affiliated or
357 ~~non-affiliated~~nonaffiliated with the authority, upon the terms
358 as the authority shall determine appropriate, useful, or
359 expedient for the authority's purposes and the determination
360 by the authority shall be conclusive.

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

364 (4) To create, establish, or support nonaffiliated for



365 profit or nonprofit corporations or other lawful business
366 organizations that operate and have as their purposes the
367 furtherance of the authority's purposes.

368 (5) Without limiting the generality of subdivisions (1)
369 through (4), to accomplish and facilitate the creation,
370 establishment, acquisition, development, operation, or support
371 of any subsidiary, affiliate, nonaffiliated corporation, or
372 other lawful business organization by means of loans of funds,
373 leases of real or personal property, gifts and grants of
374 funds, or guarantees of indebtedness of the subsidiaries,
375 affiliates, and ~~non-affiliated~~nonaffiliated corporations.

376 (6) In addition to any other authority to enter into
377 contracts, to enter into contracts, agreements, or
378 understandings with any other public and private parties
379 including, but not limited to, the following:

380 a. Design-build, design-build-operate,
381 design-build-own-operate, design-build-own-operate-maintain,
382 design-build-finance-operate-maintain, or other similar
383 arrangements or agreements pursuant to which the design,
384 right-of-way acquisition, relocation of structures or
385 utilities, construction, financing, ownership, management,
386 maintenance, and operation, or any combination ~~thereof~~ of a
387 project is accomplished by or on behalf of the authority.

388 b. Leases, licenses, franchises, concessions, or other
389 agreements for the development, operation, management, or
390 undertaking of all or any part of a project of or on behalf of
391 the authority.

392 (7) Notwithstanding any provision of law to the



393 contrary, proposals under this subsection may be evaluated and
394 awarded by the authority based on qualifications of
395 participants or best value, or both, as evaluated by
396 procedures of the authority and taking into consideration the
397 best interests of the authority. Evaluation criteria for a
398 contract procured pursuant to the preceding sentence shall be
399 set forth in the request for proposal for the contract. The
400 contract may also be awarded through any existing procurement
401 authority, proposals, or other means of procurement otherwise
402 available to the authority.

403 (f) (1) An agriculture authority may purchase or
404 otherwise obtain any item on the statewide public contract
405 list compiled by the Chief Procurement Officer on the terms
406 provided therein.

407 (2) An agriculture authority may also purchase or
408 otherwise obtain goods and services through a purchasing
409 cooperative sponsored by the National Association of Counties,
410 its successor organization, or any other national or regional
411 governmental cooperative purchasing program that uses
412 competitive procurement processes, as provided under
413 subdivision 41-16-51(a)(16)."

414 "§11-20-81

415 (a) An agriculture authority, as a governmental entity,
416 is exempt from the payment of all state, county, and municipal
417 sales and use taxes. An agriculture authority and its
418 contractors shall be granted a certificate of exemption from
419 sales and use taxes by the Department of Revenue as provided
420 in Sections 40-9-14.1 and 40-9-60, or other general law.



421 (b) (1) Any county or municipal sales and use tax
422 proceeds and any county or municipal tax proceeds from the
423 sale of alcoholic beverages that are collected by an
424 agriculture authority; a joint venture of the authority,
425 including a public/private venture of the authority; or a
426 lessee of the authority or a joint venture of the authority,
427 and remitted to a local taxing authority shall be rebated by
428 that local taxing authority to the agriculture authority.

429 (2) For an agriculture authority established pursuant
430 to this article, after May 1, 2022, the county commission, at
431 the time of the formation of the authority, may ~~opt-out~~ opt out
432 of the requirement to rebate sales taxes collected by a
433 private entity, joint venture partner, or public-private
434 partnership.

435 (c) An agriculture authority is exempt from paying all
436 state, county, and local ad valorem taxes.

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

443 (e) All state and local lodging taxes collected by an
444 agriculture authority and remitted to the state or local
445 taxing authority shall be rebated by that taxing authority to
446 the agriculture authority."

447 Section 2. This act shall become effective on October
448 1, 2026.