

SB288 ENGROSSED



1 SB288

2 NRVG6J8-2

3 By Senator Melson

4 RFD: Agriculture, Conservation, and Forestry

5 First Read: 10-Feb-26



SB288 Engrossed

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A BILL
TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§11-20-71

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

(2) Notwithstanding Section 11-20-70(d)(9), the board



SB288 Engrossed

29 of directors of an agriculture authority incorporated prior to
30 January 1, 2022, shall appoint the successor of each director
31 upon the expiration of the director's term or a vacancy
32 otherwise occurring.

33 (b) Each agriculture authority shall have a chair, vice
34 chair, secretary, and treasurer to be elected by the board of
35 directors. The offices of secretary and treasurer may be held
36 by the same ~~person~~individual. A majority of the directors
37 shall constitute a quorum for the transaction of business. The
38 officers and directors shall serve for the terms provided for
39 in the articles. A director may not draw any salary for any
40 service rendered or for any duty performed as director. The
41 duties of the chair, vice chair, secretary, and treasurer
42 shall be those as are customarily performed by these officers
43 and as may be prescribed by the board of directors.

44 (c) All directors shall serve until their successors
45 are appointed or until they cease to be qualified. Vacancies
46 on the board shall be filled as provided for in the articles,
47 but any individual appointed to fill a vacancy shall serve
48 only for the unexpired portion of the term. ~~In the event any~~
49 ~~uncertainty arises as to the terms of office of the directors,~~
50 ~~the county commission or individual authorized to appoint the~~
51 ~~directors may clarify the term by adoption of an appropriate~~
52 ~~resolution or by execution of an appropriate certificate, and~~
53 ~~the term of office shall be as so clarified.~~

54 (d) All proceedings of the board of directors of an
55 agriculture authority shall be reduced to writing by the
56 secretary of the authority and shall be signed by at least two



SB288 Engrossed

57 directors present at the proceedings. Copies of the
58 proceedings, when certified by the secretary under the seal of
59 the agriculture authority, shall be received in all courts as
60 prima facie evidence of the matters and things therein
61 certified.

62 (e) Directors of an agriculture authority must be
63 residents and qualified electors of the county within the
64 authorized operational area of the authority. If any director
65 ceases to be a resident of the county, he or she shall cease
66 to be a director, and the position shall remain vacant until a
67 successor is appointed in accordance with the articles and
68 this article.

69 (f) A director of an agriculture authority may not have
70 an interest, directly or indirectly, in any contract of work,
71 material, or services, or the profits therefrom, to be
72 furnished or performed for the authority under this article if
73 the director has, directly or indirectly, more than a 10
74 percent interest in any business, firm, or corporation, or
75 profits thereof, furnishing or providing work, materials, or
76 services.

77 (g) The board of directors may appoint former members
78 of the board to serve as directors emeritus. Directors
79 emeritus shall not have voting rights on the board or
80 otherwise directly participate in meetings of the board.
81 Directors emeritus shall receive no compensation for their
82 service, but may be granted benefits and may attend events of
83 the authority as guests of the authority at the discretion of
84 the board. The directors emeritus shall serve as goodwill



SB288 Engrossed

85 ambassadors for the authority and may perform duties at the
86 request of the authority. Directors emeritus shall be subject
87 to subsections (e) and (f)."

88 "§11-20-73

89 (a) An agriculture authority shall have the following
90 powers, which it may exercise in the agriculture authority's
91 authorized operational area:

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

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

96 (3) To institute and defend legal proceedings in any
97 court of competent jurisdiction and proper venue, ~~provided,~~
98 ~~however,~~ that the board may not be sued in any trial court
99 other than the courts of the county of incorporation;
100 provided, further, that the officers, directors, agents, and
101 employees of an agriculture authority may not be sued for
102 their actions on behalf of the authority except for actions
103 that are unreasonable or known by the person to be unlawful or
104 are performed with reckless disregard for the lawfulness of
105 such actions.

106 (4) To plan for construction and development of an
107 agriculture center within the operational area of the
108 agriculture authority on property owned by the authority.
109 Construction and development may include, without limitation,
110 any or all of the following:

111 a. Buildings to hold offices for use by the federal
112 government, the state or any agency of the state, the county,



SB288 Engrossed

113 or one or more municipalities within the county.

114 b. Buildings to house or accommodate public facilities
115 of the federal government, the state or any agency of the
116 state, the county, or one or more municipalities within the
117 county.

118 c. Streets, boulevards, walkways, parkways, parks, or
119 other places of recreation.

120 d. Monuments, statues, or other structures beautifying
121 the agriculture center.

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

123 f. Arenas, convention halls, sports facilities,
124 stadiums, hotels or other facilities for use as a transient
125 guest housing facility, multifamily housing, dormitory
126 housing, food courts or other food venue facilities, any
127 facilities that provide for or support any public or private
128 educational institution, and any other facilities related to
129 or incidental to the foregoing.

130 g. Music halls, art museums, art exhibits, or other
131 exhibits for the advancement of the humanities and cultural
132 development.

133 h. Any other buildings, structures, facilities, and
134 other improvements that the board of directors of the
135 agriculture authority determines are appropriate, useful, or
136 expedient to the authority's purposes from time to time. The
137 determination of the authority board of directors shall be
138 conclusive.

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



SB288 Engrossed

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

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

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

146 (9) To hire professionals and enter into contracts for
147 their services in designing and supervising the construction
148 of any building, agriculture center, auditorium, arena,
149 convention hall, music hall, art museum, place of recreation,
150 art exhibit, office building, or other structure that it
151 desires to construct.

152 (10) To make and enter into contracts and to execute
153 all instruments necessary or convenient to lease or purchase
154 and own real or personal property to be used for the
155 furtherance of the purposes for the accomplishment of which
156 the authority is created.

157 (11) To plan for programs and exhibits in the
158 agriculture center for the advancement of the agricultural,
159 cultural, and workforce development interests of the citizens
160 of the county and of the municipalities thereof.

161 (12) To purchase or lease real property and rights or
162 easements ~~therein~~ necessary or convenient for its purposes and
163 to use the ~~same~~ property so long as its existence shall
164 continue.

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

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



SB288 Engrossed

169 (15) To enter into financing agreements with federal or
170 state agencies that may require the authority to mortgage its
171 property.

172 (16) To plan for programs and exhibits in the
173 agriculture center for the advancement of agricultural and
174 workforce development interests in the county.

175 (17) To enter into long-term contracts or agreements
176 for sewer service with any Class 5 municipality within three
177 miles of the authority or a utility board of the Class 5
178 municipality.

179 (18) To accept lease payments, loan repayments, or
180 other compensation to or for the authority or other public
181 person.

182 (19) To invest in bank deposits, U.S. Treasury bills,
183 projects, instruments, real, personal, or mixed property, or
184 any other investments as the board of directors of the
185 authority may from time to time determine to be appropriate
186 and convenient to accomplish any purpose for which an
187 agriculture authority is organized, including works of
188 internal improvement, interests in private or corporate
189 enterprises, loans of money or credit to individuals,
190 associations, or corporations; and to lend the authority's
191 credit, grant public money or things of value in aid of or to
192 any individual, association, or corporation whatsoever, or
193 become a stockholder in any such corporation, association, or
194 company by issuing bonds or otherwise even though they may be
195 in violation of Section 93 or Section 94 of the Constitution
196 of Alabama of 2022, if done by the state, a county, city,



SB288 Engrossed

197 town, or other subdivision of the state, notwithstanding the
198 fact that any such investment or action may involve the
199 expenditure or appropriation of funds received from a public
200 person. In particular, but not by way of limitation, an
201 authority may invest its funds, from whatever source, in the
202 stock, bonds, debentures, notes, or other securities issued by
203 any person locating a project in the authority's operational
204 area and may enter into contracts or options, including
205 contracts or options for the conveyance, sale, or lease of
206 property, to the person and make direct grants of money,
207 property, or services for the purpose of inducing the person
208 to locate a project in the authority's operational area.

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

211 (21) To acquire real property for the purpose of
212 establishing one or more agriculture centers; to improve
213 agriculture center sites, whether owned by the authority or by
214 any other person, including the improvement of the centers or
215 sites by the construction of roads, curbing, gutters,
216 drainage, sewerage, utilities, railroad spurs, docks, harbors,
217 ports, grading, and the like; to construct, for its own
218 account or the account of others, improvements thereon,
219 including any project, for the purpose of conveying, leasing,
220 or selling the same to any person, including the power to
221 convey, lease, or sell the same for its own account or to
222 construct the same as an inducement for any person to locate
223 and operate a project in the agriculture center or operational
224 area, even though the person may not have been identified at



SB288 Engrossed

225 the time that the improvement may be constructed.

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

230 (23) To issue its bonds for the purpose of carrying out
231 any of its powers and to apply proceeds from the sale of its
232 bonds, whether heretofore or hereafter issued, not only for
233 payment of interest thereon prior to and during the
234 construction and equipment of any buildings, structures,
235 facilities, or other improvements being financed thereby, but
236 also for payment of interest thereon.

237 (24) To mortgage and pledge any or all of its
238 properties both real and personal or any part or parts
239 thereof, as security for the payment of the principal of and
240 the interest on any bonds so issued and any agreements made in
241 connection therewith, whether then owned or thereafter
242 acquired, and to pledge the revenues and receipts therefrom or
243 from any thereof.

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

249 (26) To enter into contracts, agreements, leases, or
250 other instruments, either independently or through another
251 entity, to design, develop, construct, own, or operate any
252 commercial facility, to acquire lands or other assets for the



SB288 Engrossed

253 facility, to raise revenue from the operation of the facility,
254 and to use any revenue from the operation of the facility to
255 fund projects and operations in support of the authority's
256 mission, including the payment of any expenses and debt of the
257 authority. The power provided in this subdivision shall
258 include the power to make advance payments to third parties
259 for services.

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

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

267 (b) Contracts of an agriculture authority shall be
268 executed in the name of the authority by the chair and
269 attested by the secretary of the authority. The board may
270 provide by resolution for a different form for the execution
271 of a contract by an officer or agent other than the chair and
272 secretary. A contract, irrespective of its form and of the
273 persons executing the contract, shall not be binding unless
274 the contract is authorized or ratified by the board.

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

280 (d) In exercising the powers enumerated in this



SB288 Engrossed

281 section, all mortgages, contracts, judgments, investments,
282 loans, debts, and other obligations of any sort of the
283 authority due to any third party shall be recovered and
284 enforced only against the authority unless the county
285 commission approving the formation of the authority
286 specifically agrees to accept the obligation by a separate
287 affirmative vote of a majority of the members of the county
288 commission.

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

294 (1) To participate: As a shareholder in a corporation;
295 as a joint venturer in a joint venture, whether the joint
296 venture is to be memorialized contractually or through the
297 formation of one or more separate business entities; as a
298 general or limited partner in a limited partnership or a
299 general partnership; as a member in a nonprofit corporation or
300 limited liability company; or as a member of any other lawful
301 form of business organization that may be involved in the
302 development or operational activities of any buildings,
303 structures, facilities, and other improvements that the board
304 of directors of the authority determines are appropriate,
305 useful, or expedient to the authority's purposes. In
306 connection with the foregoing, an authority may elect or
307 appoint an individual or individuals to a governing body and
308 enter into contracts or other agreements with other parties



SB288 Engrossed

309 for the development, operation, design, marketing,
310 maintenance, and use of any facilities upon the terms as the
311 board of directors of the authority determines are
312 appropriate, useful, or expedient to the authority's purposes.
313 Any determination by the authority shall be conclusive.

314 (2) To make or arrange for loans, contributions to
315 capital, and other debt and equity financing for the
316 activities of any corporation of which the authority is a
317 shareholder; any joint venture in which the authority is a
318 joint venture; any limited partnership or general partnership
319 of which the authority is a general or limited partnership;
320 any nonprofit corporation in which the authority is a member
321 of any other lawful form of business organization of which the
322 authority is a member; and to guarantee loans, issue bonds, or
323 incur other forms of indebtedness on behalf of the
324 corporation, joint venture, partnership, nonprofit
325 corporation, or other business entity, for such purposes. An
326 authority may loan funds that include seller financing
327 arrangements whereby the authority is a seller to other
328 governmental entities or other business entities whether for
329 profit or nonprofit and whether affiliated or
330 ~~non-affiliated~~nonaffiliated with the authority, upon the terms
331 as the authority shall determine appropriate, useful, or
332 expedient for the authority's purposes and the determination
333 by the authority shall be conclusive.

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



SB288 Engrossed

337 (4) To create, establish, or support nonaffiliated for
338 profit or nonprofit corporations or other lawful business
339 organizations that operate and have as their purposes the
340 furtherance of the authority's purposes.

341 (5) Without limiting the generality of subdivisions (1)
342 through (4), to accomplish and facilitate the creation,
343 establishment, acquisition, development, operation, or support
344 of any subsidiary, affiliate, nonaffiliated corporation, or
345 other lawful business organization by means of loans of funds,
346 leases of real or personal property, gifts and grants of
347 funds, or guarantees of indebtedness of the subsidiaries,
348 affiliates, and ~~non-affiliated~~nonaffiliated corporations.

349 (6) In addition to any other authority to enter into
350 contracts, to enter into contracts, agreements, or
351 understandings with any other public and private parties
352 including, but not limited to, the following:

353 a. Design-build, design-build-operate,
354 design-build-own-operate, design-build-own-operate-maintain,
355 design-build-finance-operate-maintain, or other similar
356 arrangements or agreements pursuant to which the design,
357 right-of-way acquisition, relocation of structures or
358 utilities, construction, financing, ownership, management,
359 maintenance, and operation, or any combination ~~thereof~~ of a
360 project is accomplished by or on behalf of the authority.

361 b. Leases, licenses, franchises, concessions, or other
362 agreements for the development, operation, management, or
363 undertaking of all or any part of a project of or on behalf of
364 the authority.



SB288 Engrossed

365 (7) Notwithstanding any provision of law to the
366 contrary, proposals under this subsection may be evaluated and
367 awarded by the authority based on qualifications of
368 participants or best value, or both, as evaluated by
369 procedures of the authority and taking into consideration the
370 best interests of the authority. Evaluation criteria for a
371 contract procured pursuant to the preceding sentence shall be
372 set forth in the request for proposal for the contract. The
373 contract may also be awarded through any existing procurement
374 authority, proposals, or other means of procurement otherwise
375 available to the authority.

376 (f) (1) An agriculture authority may purchase or
377 otherwise obtain any item on the statewide public contract
378 list compiled by the Chief Procurement Officer on the terms
379 provided therein.

380 (2) An agriculture authority may also purchase or
381 otherwise obtain goods and services through a purchasing
382 cooperative sponsored by the National Association of Counties,
383 its successor organization, or any other national or regional
384 governmental cooperative purchasing program that uses
385 competitive procurement processes, as provided under
386 subdivision 41-16-51(a)(16)."

387 "§11-20-81

388 (a) An agriculture authority, as a governmental entity,
389 is exempt from the payment of all state, county, and municipal
390 sales and use taxes. An agriculture authority and its
391 contractors shall be granted a certificate of exemption from
392 sales and use taxes by the Department of Revenue as provided



SB288 Engrossed

393 in Sections 40-9-14.1 and 40-9-60, or other general law.

394 (b) (1) Any county or municipal sales and use tax
395 proceeds and any county or municipal tax proceeds from the
396 sale of alcoholic beverages that are collected by an
397 agriculture authority; a joint venture of the authority,
398 including a public/private venture of the authority; or a
399 lessee of the authority or a joint venture of the authority,
400 and remitted to a local taxing authority shall be rebated by
401 that local taxing authority to the agriculture authority.

402 (2) For an agriculture authority established pursuant
403 to this article, after May 1, 2022, the county commission, at
404 the time of the formation of the authority, may ~~opt-out~~ opt out
405 of the requirement to rebate sales taxes collected by a
406 private entity, joint venture partner, or public-private
407 partnership.

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

410 (d) An agriculture authority is exempt from paying any
411 other taxes levied by a county, municipality, or other
412 political subdivision of the state, including, but not limited
413 to, license and excise taxes imposed relating to the privilege
414 of engaging in any activities that the authority may engage
415 in.

416 (e) All state and local lodging taxes collected by an
417 agriculture authority or by another entity operating a lodging
418 accommodation located on property owned by, leased from,
419 subleased from, or otherwise made available by an agriculture
420 authority and remitted to the state or local taxing authority



SB288 Engrossed

421 shall be rebated by that taxing authority to the agriculture
422 authority."

423 Section 2. This act shall become effective on October
424 1, 2026.

SB288 Engrossed



425
426
427 Senate

428 Read for the first time and referred10-Feb-26
429 to the Senate committee on
430 Agriculture, Conservation, and
431 Forestry

432
433 Read for the second time and placed12-Feb-26
434 on the calendar:
435 0 amendments

436
437 Read for the third time and passed19-Feb-26
438 as amended
439 Yeas 26
440 Nays 1
441 Abstains 0

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Patrick Harris,
Secretary.