

SB288 ENROLLED



1 SB288
2 V7EK3PV-2
3 By Senator Melson
4 RFD: Agriculture, Conservation, and Forestry
5 First Read: 10-Feb-26



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1 Enrolled, An Act,

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4 Relating to agriculture authorities; to amend Sections
5 11-20-71, 11-20-73, and 11-20-81, as last amended by Act
6 2025-301, 2025 Regular Session, Code of Alabama 1975; to
7 provide the board of directors to appoint a successor for each
8 director on the board; to allow an agriculture authority to
9 purchase goods or services through a national or regional
10 governmental cooperative purchasing program; to provide that
11 tax proceeds from the sale of alcoholic beverages collected by
12 an agriculture authority are rebated to the agriculture
13 authority; and to make nonsubstantive, technical revisions to
14 update existing code language to current style.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

19 "§11-20-71

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

23 (2) When a director vacates his or her office prior to
24 the expiration of his or her term, the board of directors of
25 an agriculture authority incorporated prior to January 1,
26 2022, shall appoint a successor to serve the remainder of the
27 director's term.

28 (b) Each agriculture authority shall have a chair, vice



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29 chair, secretary, and treasurer to be elected by the board of
30 directors. The offices of secretary and treasurer may be held
31 by the same ~~person~~individual. A majority of the directors
32 shall constitute a quorum for the transaction of business. The
33 officers and directors shall serve for the terms provided for
34 in the articles. A director may not draw any salary for any
35 service rendered or for any duty performed as director. The
36 duties of the chair, vice chair, secretary, and treasurer
37 shall be those as are customarily performed by these officers
38 and as may be prescribed by the board of directors.

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

49 (d) All proceedings of the board of directors of an
50 agriculture authority shall be reduced to writing by the
51 secretary of the authority and shall be signed by at least two
52 directors present at the proceedings. Copies of the
53 proceedings, when certified by the secretary under the seal of
54 the agriculture authority, shall be received in all courts as
55 prima facie evidence of the matters and things therein
56 certified.



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

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

72 (g) The board of directors may appoint former members
73 of the board to serve as directors emeritus. Directors
74 emeritus shall not have voting rights on the board or
75 otherwise directly participate in meetings of the board.
76 Directors emeritus shall receive no compensation for their
77 service, but may be granted benefits and may attend events of
78 the authority as guests of the authority at the discretion of
79 the board. The directors emeritus shall serve as goodwill
80 ambassadors for the authority and may perform duties at the
81 request of the authority. Directors emeritus shall be subject
82 to subsections (e) and (f)."

83 "§11-20-73

84 (a) An agriculture authority shall have the following



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85 powers, which it may exercise in the agriculture authority's
86 authorized operational area:

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

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

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

101 (4) To plan for construction and development of an
102 agriculture center within the operational area of the
103 agriculture authority on property owned by the authority.
104 Construction and development may include, without limitation,
105 any or all of the following:

106 a. Buildings to hold offices for use by the federal
107 government, the state or any agency of the state, the county,
108 or one or more municipalities within the county.

109 b. Buildings to house or accommodate public facilities
110 of the federal government, the state or any agency of the
111 state, the county, or one or more municipalities within the
112 county.



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113 c. Streets, boulevards, walkways, parkways, parks, or
114 other places of recreation.

115 d. Monuments, statues, or other structures beautifying
116 the agriculture center.

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

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

125 g. Music halls, art museums, art exhibits, or other
126 exhibits for the advancement of the humanities and cultural
127 development.

128 h. Any other buildings, structures, facilities, and
129 other improvements that the board of directors of the
130 agriculture authority determines are appropriate, useful, or
131 expedient to the authority's purposes from time to time. The
132 determination of the authority board of directors shall be
133 conclusive.

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

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

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

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



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

147 (10) To make and enter into contracts and to execute
148 all instruments necessary or convenient to lease or purchase
149 and own real or personal property to be used for the
150 furtherance of the purposes for the accomplishment of which
151 the authority is created.

152 (11) To plan for programs and exhibits in the
153 agriculture center for the advancement of the agricultural,
154 cultural, and workforce development interests of the citizens
155 of the county and of the municipalities thereof.

156 (12) To purchase or lease real property and rights or
157 easements ~~therein~~ necessary or convenient for its purposes and
158 to use the ~~same~~ property so long as its existence shall
159 continue.

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

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

164 (15) To enter into financing agreements with federal or
165 state agencies that may require the authority to mortgage its
166 property.

167 (16) To plan for programs and exhibits in the
168 agriculture center for the advancement of agricultural and



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169 workforce development interests in the county.

170 (17) To enter into long-term contracts or agreements
171 for sewer service with any Class 5 municipality within three
172 miles of the authority or a utility board of the Class 5
173 municipality.

174 (18) To accept lease payments, loan repayments, or
175 other compensation to or for the authority or other public
176 person.

177 (19) To invest in bank deposits, U.S. Treasury bills,
178 projects, instruments, real, personal, or mixed property, or
179 any other investments as the board of directors of the
180 authority may from time to time determine to be appropriate
181 and convenient to accomplish any purpose for which an
182 agriculture authority is organized, including works of
183 internal improvement, interests in private or corporate
184 enterprises, loans of money or credit to individuals,
185 associations, or corporations; and to lend the authority's
186 credit, grant public money or things of value in aid of or to
187 any individual, association, or corporation whatsoever, or
188 become a stockholder in any such corporation, association, or
189 company by issuing bonds or otherwise even though they may be
190 in violation of Section 93 or Section 94 of the Constitution
191 of Alabama of 2022, if done by the state, a county, city,
192 town, or other subdivision of the state, notwithstanding the
193 fact that any such investment or action may involve the
194 expenditure or appropriation of funds received from a public
195 person. In particular, but not by way of limitation, an
196 authority may invest its funds, from whatever source, in the



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197 stock, bonds, debentures, notes, or other securities issued by
198 any person locating a project in the authority's operational
199 area and may enter into contracts or options, including
200 contracts or options for the conveyance, sale, or lease of
201 property, to the person and make direct grants of money,
202 property, or services for the purpose of inducing the person
203 to locate a project in the authority's operational area.

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

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

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



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

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

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

244 (26) To enter into contracts, agreements, leases, or
245 other instruments, either independently or through another
246 entity, to design, develop, construct, own, or operate any
247 commercial facility, to acquire lands or other assets for the
248 facility, to raise revenue from the operation of the facility,
249 and to use any revenue from the operation of the facility to
250 fund projects and operations in support of the authority's
251 mission, including the payment of any expenses and debt of the
252 authority. The power provided in this subdivision shall



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253 include the power to make advance payments to third parties
254 for services.

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

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

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

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

275 (d) In exercising the powers enumerated in this
276 section, all mortgages, contracts, judgments, investments,
277 loans, debts, and other obligations of any sort of the
278 authority due to any third party shall be recovered and
279 enforced only against the authority unless the county
280 commission approving the formation of the authority



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281 specifically agrees to accept the obligation by a separate
282 affirmative vote of a majority of the members of the county
283 commission.

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

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



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

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

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

336 (5) Without limiting the generality of subdivisions (1)



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337 through (4), to accomplish and facilitate the creation,
338 establishment, acquisition, development, operation, or support
339 of any subsidiary, affiliate, nonaffiliated corporation, or
340 other lawful business organization by means of loans of funds,
341 leases of real or personal property, gifts and grants of
342 funds, or guarantees of indebtedness of the subsidiaries,
343 affiliates, and ~~non-affiliated~~nonaffiliated corporations.

344 (6) In addition to any other authority to enter into
345 contracts, to enter into contracts, agreements, or
346 understandings with any other public and private parties
347 including, but not limited to, the following:

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

356 b. Leases, licenses, franchises, concessions, or other
357 agreements for the development, operation, management, or
358 undertaking of all or any part of a project of or on behalf of
359 the authority.

360 (7) Notwithstanding any provision of law to the
361 contrary, proposals under this subsection may be evaluated and
362 awarded by the authority based on qualifications of
363 participants or best value, or both, as evaluated by
364 procedures of the authority and taking into consideration the



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365 best interests of the authority. Evaluation criteria for a
366 contract procured pursuant to the preceding sentence shall be
367 set forth in the request for proposal for the contract. The
368 contract may also be awarded through any existing procurement
369 authority, proposals, or other means of procurement otherwise
370 available to the authority.

371 (f) (1) An agriculture authority may purchase or
372 otherwise obtain any item on the statewide public contract
373 list compiled by the Chief Procurement Officer on the terms
374 provided therein.

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

382 "§11-20-81

383 (a) An agriculture authority, as a governmental entity,
384 is exempt from the payment of all state, county, and municipal
385 sales and use taxes. An agriculture authority and its
386 contractors shall be granted a certificate of exemption from
387 sales and use taxes by the Department of Revenue as provided
388 in Sections 40-9-14.1 and 40-9-60, or other general law.

389 (b) (1) Any county or municipal sales and use tax
390 proceeds and any county or municipal tax proceeds from the
391 sale of alcoholic beverages that are collected by an
392 agriculture authority; a joint venture of the authority,



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393 including a public/private venture of the authority; or a
394 lessee or sublessee of the authority or a joint venture of the
395 authority, and remitted to a local taxing authority shall be
396 rebated by that local taxing authority to the agriculture
397 authority.

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

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

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

412 (e) All state and local lodging taxes collected by an
413 agriculture authority or by another entity operating a lodging
414 accommodation located on property owned by, leased from,
415 subleased from, or otherwise made available by an agriculture
416 authority and remitted to the state or local taxing authority
417 shall be rebated by that taxing authority to the agriculture
418 authority."

419 Section 2. This act shall become effective on October
420 1, 2026.



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President and Presiding Officer of the Senate

Speaker of the House of Representatives

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Senate 19-Feb-26

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives
Amended and passed: 02-Apr-26

Senate concurred in House amendment 07-Apr-26

By: Senator Melson