



**House County and Municipal Government Reported  
Substitute for SB288**

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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) When a director vacates his or her office prior to



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29 the expiration of his or her term, the board of directors of  
30 an agriculture authority incorporated prior to January 1,  
31 2022, shall appoint a successor to serve the remainder of the  
32 director's term.

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



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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



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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<sup>+</sup><sub>L</sub> provided<sup>+</sup>  
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,



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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.



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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.



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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,



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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



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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



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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



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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



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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.



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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.



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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



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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 **or sublessee** of the authority or a joint venture of the  
400 authority, and remitted to a local taxing authority shall be  
401 rebated by that local taxing authority to the agriculture  
402 authority.

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

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

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

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



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421 authority and remitted to the state or local taxing authority  
422 shall be rebated by that taxing authority to the agriculture  
423 authority."

424 Section 2. This act shall become effective on October  
425 1, 2026.