

1 SB11
2 168718-4
3 By Senators Figures and Glover (N & P)
4 RFD: Local Legislation, Mobile County
5 First Read: 08-SEP-15

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8 SYNOPSIS: This bill would apply only to Class 2
9 municipalities and would authorize the
10 establishment of Redevelopment Authorities in the
11 municipalities to finance projects in development
12 areas to revitalize and redevelop blighted or
13 economically distressed areas of the
14 municipalities.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT

19
20 Relating to Class 2 municipalities; to authorize the
21 establishment of Redevelopment Authorities in the
22 municipalities to finance projects in development areas to
23 revitalize and redevelop blighted or economically distressed
24 areas of the municipalities.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. This act shall only apply in a Class 2
27 municipality.

1 Section 2. Chapter 54C is added to Title 11, Code of
2 Alabama 1975, to read as follows:

3 Chapter 54C. REDEVELOPMENT AUTHORITIES IN CLASS 2
4 MUNICIPALITIES.

5 §11-54C-1. Purposes; Legislative intent.

6 The revitalization and redevelopment of areas within
7 Class 2 municipalities which are used predominantly for
8 business, commercial, industrial, or residential purposes
9 within the development area thereof, develop and promote the
10 public good and general welfare of municipalities and the
11 state by creating a climate favorable to the location of new
12 industry, trade, commerce, and housing opportunities. The
13 establishment and financing of projects under this chapter
14 will be in furtherance of such purposes. It is therefore in
15 the public interest and is vital to the public welfare of the
16 people of Class 2 municipalities and it is hereby declared to
17 be the public purpose of this chapter, to so revitalize and
18 redevelop areas which are used predominately for business,
19 commercial, industrial, and residential purposes within the
20 development area.

21 §11-54C-2. Definitions.

22 The following words and phrases used in this
23 chapter, and others evidently intended as the equivalent
24 thereof, in the absence of clear implication herein otherwise,
25 shall be given the following respective interpretations
26 herein:

1 (1) APPLICANT. A natural person who files a written
2 application with the governing body of any city in accordance
3 with Section 11-54C-4.

4 (2) AUTHORITY. Any redevelopment authority organized
5 pursuant to this chapter.

6 (3) AUTHORIZING RESOLUTION. A resolution adopted by
7 the governing body of any city in accordance with Section
8 11-54C-4, that authorizes the incorporation of the authority.

9 (4) BLIGHTED OR ECONOMICALLY DISTRESSED AREA. A
10 blighted or economically distressed area as defined in Section
11 11-99-2(1), as that section may hereafter be modified or
12 amended.

13 (5) BOARD. The board of directors of the authority.

14 (6) BONDS. Shall include bonds, notes, and
15 certificates representing an obligation to pay money.

16 (7) CENTRAL BUSINESS DISTRICT. The central business
17 district of the municipality as defined and determined by the
18 governing body of the municipality from time to time for
19 purposes of this chapter.

20 (8) CITY. Any Class 2 municipality in the State of
21 Alabama with respect to which a redevelopment authority may be
22 organized.

23 (9) DIRECTOR. A member of the board of the
24 authority.

25 (10) DEVELOPMENT AREA. The central business district
26 and any area or district within the municipality which is not

1 more than five miles from the perimeter of the central
2 business district.

3 (11) GOVERNING BODY. With respect to any Class 2
4 municipality, its city council, board of commissioners, or
5 other like governing body.

6 (12) INCORPORATORS. The persons forming a public
7 corporation organized pursuant to this chapter.

8 (13) PERSON. Unless limited to a natural person by
9 the context in which it is used, includes a public or private
10 corporation, a municipality, a county, or an agency,
11 department, or instrumentality of the state, or of a county or
12 municipality.

13 (14) PRINCIPAL OFFICE. The place at which the
14 certificate of incorporation and amendments thereto, the
15 bylaws, and the minutes of the proceedings of the board of the
16 authority are kept.

17 (15) PROJECT. Interests in land, buildings,
18 structures, facilities, or other real property or improvements
19 located or to be located within the development area, and any
20 fixtures, machinery, equipment, furniture, or other property
21 of any kind and nature whatsoever used on, in, or in
22 connection with any such land, interest in land, building,
23 structure, facility, or other improvements, all for the
24 essential public purpose of the development of housing, trade,
25 commerce, industry, and employment opportunities in the
26 development area. A project may be for:

1 a. If located within the central business district,
2 any industrial, commercial, business, office, parking,
3 utility, residential, including, without limitation, homes,
4 apartments, townhouses, condominiums, hotels, and motels,
5 retail commercial or other use, provided that a majority of
6 the members of the authority determine, by a resolution duly
7 adopted, that the project and the use thereof would further
8 the public purpose of this chapter.

9 b. If located outside the central business district
10 and three miles or less from the perimeter of the central
11 business district,

12 1. Any industrial, commercial, business, office,
13 parking, utility, retail commercial or other use, provided
14 that a majority of the members of the authority determine, by
15 a resolution duly adopted, that the project and the use
16 thereof would further the public purpose of this chapter; or

17 2. Any residential use, including, without
18 limitation, homes, apartments, townhouses, condominiums,
19 hotels, and motels, provided that a majority of the authority
20 determine, by a resolution duly adopted, that the project is
21 in a blighted or economically distressed area and that the
22 project and the use thereof would further the public purpose
23 of this chapter.

24 c. If located more than three miles but less than
25 five miles from the perimeter of the central business
26 district; any industrial, commercial, business, office,
27 parking, utility, residential, including, without limitation,

1 homes, apartments, townhouses, condominiums, hotels, and
2 motels, retail commercial or other use, provided that a
3 majority of the members of the authority determine, by a
4 resolution duly adopted, that the project is in a blighted or
5 economically distressed area and that the project and the use
6 thereof would further the public purpose of this chapter.

7 (16) STATE. The State of Alabama.

8 §11-54C-3. Use of phrases.

9 The following provisions shall be applied wherever
10 appropriate in this chapter:

11 "Herein," "hereby," "hereunder," "hereof," and other
12 equivalent words refer to this chapter as an entirety and not
13 solely to the particular section or portion thereof in which
14 any such word is used.

15 The definitions set forth in Section 11-54C-2 shall
16 be deemed to include both singular and plural and to cover all
17 genders.

18 §11-54C-4. Filing of application; authorization of
19 incorporation by governing body of city.

20 An authority may be organized pursuant to the
21 provisions of this chapter. In order to incorporate such a
22 public corporation, any number of natural persons, not less
23 than three, who are duly qualified electors of the city, shall
24 first file a written application with the governing body of
25 the city, which application shall:

1 (1) Contain a statement that the applicants propose
2 to incorporate the authority pursuant to the provisions of
3 this chapter;

4 (2) State the proposed location of the principal
5 office of the authority, which shall be within the corporate
6 limits of the city;

7 (3) State that each of the applicants is a duly
8 qualified elector of the city; and

9 (4) Request that the governing body of the city
10 adopt a resolution declaring that it is wise, expedient, and
11 necessary that the proposed authority be formed and
12 authorizing the applicants to proceed to form the proposed
13 authority by the filing for record of a certificate of
14 incorporation in accordance with the provisions of Section
15 11-54C-5. Every application shall be accompanied by such
16 supporting documents or evidence as the applicants may
17 consider appropriate. As promptly as may be practicable after
18 the filing of the application with it in accordance with the
19 provisions of this section, the governing body of the city
20 shall review the contents of the application, and shall adopt
21 a resolution either (1) denying the application or (2)
22 declaring that it is wise, expedient, and necessary that the
23 proposed authority be formed and authorizing the applicants to
24 proceed to form the proposed authority by filing for record of
25 a certificate of incorporation in accordance with the
26 provisions of Section 11-54C-5. The governing body with which
27 the application is filed shall also cause a copy of the

1 application to be spread upon or otherwise made a part of the
2 minutes of the meeting of such governing body at which final
3 action upon the application is taken.

4 §11-54C-5. Procedure to incorporate; contents and
5 execution of certificate of incorporation.

6 Within 40 days following the adoption of the
7 authorizing resolution, the applicants shall proceed to
8 incorporate the authority by filing for record in the office
9 of the judge of probate of the county wherein the city is
10 located a certificate of incorporation which shall comply in
11 form and substance with the requirements of this section and
12 which shall be in the form and executed in the manner herein
13 provided.

14 The certificate of incorporation of the authority
15 shall state all of the following:

16 (1) The names of the persons forming the authority,
17 and that each of them is a duly qualified elector of the city.

18 (2) The name of the authority, which shall include
19 the name of the city in its title as follows:

20 The _____ Redevelopment Authority.

21 (3) The period for the duration of the authority, if
22 the duration is to be perpetual, subject to the provisions of
23 Section 11-54C-20, that fact shall be stated.

24 (4) The name of the city together with the date on
25 which the governing body thereof adopted the authorizing
26 resolution.

1 (5) The location of the principal office of the
2 authority, which shall be within the corporate limits of the
3 city.

4 (6) That the authority is organized pursuant to the
5 provisions of this chapter.

6 (7) Any other matters relating to the authority that
7 the incorporators may choose to insert and that are not
8 inconsistent with this chapter or with the laws of the state.
9 The certificate of incorporation shall be signed and
10 acknowledged by the incorporators before an officer authorized
11 by the laws of the state to take acknowledgments to deeds.
12 When the certificate of incorporation is filed for record,
13 there shall be attached to it (1) a copy of the application as
14 filed with the governing body of the city in accordance with
15 Section 11-54C-4, and (2) a certified copy of the authorizing
16 resolution adopted by the governing body of the city. Upon the
17 filing for record of the certificate of incorporation and the
18 documents required by the preceding sentence to be attached
19 thereto, the authority shall come into existence and shall
20 constitute a public corporation under the name set forth in
21 the certificate of incorporation. The judge of probate shall
22 thereupon send notice to the Secretary of State that the
23 certificate of incorporation of the authority has been filed
24 for record.

25 §11-54C-6. Amendment to certificate of incorporation
26 of authority formed under this chapter or under Chapter 54A of
27 this title.

1 Any authority incorporated by a Class 2 municipality
2 and existing under this chapter, or existing under Chapter 54A
3 of this title (Sections 11-54A-1 through 11-54A-25,
4 inclusive), as amended, may at any time amend its certificate
5 of incorporation under the provisions of this chapter so as to
6 include in the certificate of incorporation any provision that
7 may lawfully be included in an original certificate of
8 incorporation made and filed under this chapter. Any such
9 amendment shall be effected and made in the manner provided in
10 this chapter. The board shall first adopt a resolution
11 proposing an amendment to the certificate of incorporation
12 which shall be set forth in full in the resolution and which
13 amendment may include any matters which might have been
14 included in an original certificate of incorporation made and
15 filed under this chapter.

16 After the adoption by the board of a resolution
17 proposing an amendment to the certificate of incorporation of
18 the authority, the chair of the board and the secretary of the
19 authority shall sign and file a written application in the
20 name of and on behalf of the authority, under its seal, with
21 the governing body of the city, requesting such governing body
22 to adopt a resolution approving the proposed amendment, and
23 accompanied by a certified copy of the resolution adopted by
24 the board proposing the amendment to the certificate of
25 incorporation, together with such documents in support of the
26 application as the chair may consider appropriate. As promptly
27 as may be practicable after the filing of the application with

1 the governing body of the city pursuant to the foregoing
2 provisions of this section, that governing body shall review
3 the application and shall adopt a resolution either denying
4 the application or authorizing the proposed amendment. Such
5 governing body shall also cause a copy of the application and
6 all accompanying documents to be spread upon or otherwise made
7 a part of the minutes of the meeting of the governing body at
8 which final action upon the application is taken.

9 Within 40 days following the adoption by the
10 governing body of the city of a resolution approving the
11 proposed amendment the chair of the board of the authority and
12 the secretary of the authority shall sign and file for record
13 in the office of the judge of probate of the county of
14 incorporation a certificate in the name of and in behalf of
15 the authority under its seal reciting the adoption of the
16 respective resolutions by the board and by the governing body
17 and setting forth the proposed amendment. The judge of probate
18 for such county shall thereupon record such certificate in an
19 appropriate book in his or her office. When such certificate
20 has been so filed and recorded, such amendment shall become
21 effective and the certificate of incorporation shall thereupon
22 be amended to the extent provided in the amendment. No
23 certificate of incorporation of the authority shall be amended
24 except in the manner provided in this section.

25 §11-54C-7. Board of directors; election, terms,
26 eligibility, etc.

1 Each authority shall be governed by a board of
2 directors. All powers of the authority shall be exercised by
3 the board or pursuant to its authorization. The board shall
4 consist of 11 directors. Each director shall be a duly
5 qualified elector of the city and shall demonstrate to the
6 respective appointing authority training or professional
7 qualifications in at least one of the following subjects: (1)
8 community or economic development; (2) planning, architecture,
9 or urban design; (3) engineering or construction management;
10 (4) finance; (5) law; (6) public relations or marketing; or
11 (7) public administration. The directors shall be selected as
12 follows: eight appointed by the city council, of which one
13 appointment shall be a member of the council appointed to
14 serve as an ex officio member, and three appointed by the
15 mayor of the city. The initial board of directors shall serve
16 staggered terms as hereinafter provided: One mayoral appointee
17 and two council appointees shall serve two years; one mayoral
18 appointee and three council appointees shall serve three
19 years; and one mayoral appointee and two council appointees
20 shall serve four years. Thereafter, the term of office of each
21 director shall be six years except that the term of the ex
22 officio member shall be limited to two years or less. The ex
23 officio member shall not serve consecutive terms. If at the
24 expiration of any term of office of any director, a successor
25 thereto shall not have been elected, then the director whose
26 term of office shall have expired shall continue to hold
27 office until his or her successor shall be so appointed. If at

1 any time there should be a vacancy on the board, a successor
2 director to serve for the unexpired term applicable to such
3 vacancy shall be appointed by the mayor, if the mayor
4 appointed the director whose position has been vacated, or the
5 city council, if the city council appointed the director whose
6 position has been vacated. Directors shall be eligible for
7 reappointment. Each director shall be reimbursed for expenses
8 actually incurred by him or her in and about the performance
9 of his or her duties. Any director of the authority may be
10 impeached and removed from office in the same manner and on
11 the same grounds provided in Section 175 of the Constitution
12 of Alabama of 1901 and the general laws of the state for
13 impeachment and removal of the officers mentioned in Section
14 175.

15 §11-54C-8. Officers of authority.

16 The officers of the authority shall consist of a
17 chair, vice chair, secretary, treasurer, and such other
18 officers as its board shall deem necessary or appropriate. The
19 offices of secretary and treasurer may, but need not, be held
20 by the same person. The chair and vice chair of the authority
21 shall be elected by the board from the membership thereof; the
22 secretary, the treasurer, and any other officers of the
23 authority may, but need not, be members of the board and shall
24 also be elected by the board. The chair, vice chair,
25 secretary, and treasurer of the authority shall also be the
26 chair, vice chair, secretary, and treasurer of the board,
27 respectively.

1 Prior to receipt by the authority of any tax
2 revenues from the city, any county, state, or federal
3 governments, the treasurer of the authority shall provide
4 evidence to the governmental entity from which the funds are
5 to be received of procurement of a fidelity bond in an amount
6 equal to or greater than the amount of tax funds to be
7 received and that the company issuing the bond is qualified to
8 issue fidelity bonds in the State of Alabama.

9 §11-54C-9. Powers of authority; all projects to be
10 in development area.

11 The authority shall have the following powers,
12 together with all powers incidental thereto or necessary to
13 the discharge thereof in corporate form:

14 (1) To have succession by its corporate name for the
15 duration of time, which may be perpetuity, subject to Section
16 11-54C-20, specified in its certificate of incorporation.

17 (2) To sue and be sued in its own name and to
18 prosecute and defend civil actions in any court having
19 jurisdiction of the subject matter and of the parties.

20 (3) To adopt and make use of a corporate seal and to
21 alter the same at pleasure.

22 (4) To adopt and alter bylaws for the regulation and
23 conduct of its affairs and business.

24 (5) To acquire, whether by purchase, construction,
25 exchange, gift, lease, or otherwise and to refinance existing
26 indebtedness on, improve, maintain, equip, and furnish one or
27 more projects, including all real and personal properties

1 which the board of the authority may deem necessary in
2 connection therewith, regardless of whether or not any such
3 projects shall then be in existence.

4 (6) To lease to others any or all of its projects
5 and to charge and collect rent therefor, and to terminate any
6 such lease upon the failure of the lessee to comply with any
7 of the obligations thereof.

8 (7) To sell, exchange, donate, or convey and to
9 grant options to any lessee to acquire any of its projects and
10 any or all of its properties whenever its board shall find any
11 such action to be in furtherance of the purposes for which the
12 authority was organized.

13 (8) To issue its bonds for the purpose of carrying
14 out any of its powers.

15 (9) To mortgage and pledge any or all of its
16 projects or any part or parts thereof, as security for the
17 payment of the principal of and interest on any bonds so
18 issued and any agreements made in connection therewith,
19 whether then owned or thereafter acquired, and to pledge the
20 revenues and receipts therefrom or from any thereof.

21 (10) To execute and deliver, in accordance with this
22 section and Section 11-54C-10, mortgages and deeds of trust
23 and trust indentures, or either.

24 (11) To finance, by loan, grant, lease, or
25 otherwise, construct, erect, assemble, purchase, acquire, own,
26 repair, remodel, renovate, rehabilitate, modify, maintain,
27 extend, improve, install, sell, equip, expand, add to,

1 operate, or manage projects and to pay the cost of any project
2 from the proceeds of bonds, or any other funds of the
3 authority, or from any contributions or loans by persons,
4 corporations, partnerships, limited or general, or other
5 entities, all of which the authority is hereby authorized to
6 receive and accept and use.

7 (12) To issue and use the proceeds thereof for the
8 purpose of paying, or loaning the proceeds thereof to pay all
9 or any part of the cost of any project and otherwise to
10 further or carry out the public purpose of the authority and
11 to pay all costs of the authority incident to, or necessary
12 and appropriate to, furthering or carrying out such purpose.

13 (13) To make application directly or indirectly to
14 any federal, state, county, or municipal government or agency
15 or to any other source, public or private, for loans, grants,
16 guarantees, or other financial assistance in furtherance of
17 the authority's public purpose and to accept and use the same
18 upon such terms and conditions as are prescribed by such
19 federal, state, county, or municipal government or agency or
20 other source.

21 (14) To enter into agreements with the federal
22 government or any agency thereof to use facilities or the
23 services of the federal government or any agency thereof in
24 order to further or carry out the public purposes of the
25 authority.

26 (15) To contract for any period with the state,
27 state institutions, or any city, town, municipality, or county

1 of the state for the use by the authority of any facilities or
2 services of the state or any such state institution, city,
3 town, municipality, or county, or for the use by any state
4 institution or any city, town, municipality, or county of any
5 facilities or services of the authority, provided such
6 contracts shall deal with such activities and transactions as
7 the authority and any such political subdivision with which
8 the authority contracts are by law authorized to undertake.

9 (16) To extend credit or make loans to any person,
10 corporation, partnership, limited or general, or other entity
11 for the costs of any project or any part of the costs of any
12 project, which credit or loans may be evidenced or secured by
13 loan agreements, notes, mortgages, deeds to secure debt, trust
14 deeds, security agreements, assignments, or such other
15 instruments, or by rentals, revenues, fees, or charges, upon
16 such terms and conditions as the authority shall determine to
17 be reasonable in connection with such extension of credit or
18 loans, including provision for the establishment and
19 maintenance of reserve funds, and, in the exercise of powers
20 granted hereby in connection with any project, the authority
21 may require the inclusion in any such loan agreement, note,
22 mortgage, deed to secure debt, trust deed, security agreement,
23 assignment, or other instrument of the provisions or
24 requirements for guaranty of any obligations, insurance,
25 construction, use, operation, maintenance, and financing of a
26 project, and such other terms and conditions, as the authority
27 may deem necessary or desirable.

1 (17) To acquire, accept, or retain equitable
2 interests, security interests, or other interests in any real
3 property, personal property, or fixtures by loan agreement,
4 note, mortgage, deed to secure debt, trust deed, security
5 agreement, assignment, pledge, conveyance, contract, lien,
6 loan agreement, or other consensual transfer in order to
7 secure the repayment of any moneys loaned or credit extended
8 by the authority.

9 (18) To appoint, employ, contract with, and provide
10 for the compensation of, such officers, employees, and agents,
11 including without limitation, engineers, attorneys,
12 contractors, consultants, and fiscal advisors, as the board
13 shall deem necessary for the conduct of the business of the
14 authority.

15 (19) To provide the insurance as the board may deem
16 advisable.

17 (20) To make, enter into, and execute such
18 contracts, agreements, leases, and other instruments and to
19 take such other actions as may be necessary or convenient to
20 accomplish any purpose for which the authority was organized
21 or to exercise any power expressly granted hereunder.

22 (21) To require payments in lieu of taxes, other
23 than any sales or use taxes levied by the state or the local
24 sales, use, or excise taxes required by state laws to be
25 administered in a parallel manner to state sales or use taxes,
26 to be made by the lessee of the project to either the
27 authority or the city. The powers granted in this subdivision

1 must be specifically approved, in each instance, by formal
2 action of the governing body of the city at the time it grants
3 any tax waiver or tax exemption under this chapter.

4 (22) To receive and use the proceeds of any tax
5 levied by a municipal corporation to pay the costs of any
6 project or for any other purpose for which the authority may
7 use its own funds pursuant to this chapter.

8 (23) To encourage and promote the improvement and
9 revitalization of the development area and to make, contract
10 for, or otherwise cause to be made long-range plans or
11 proposals for the development area in cooperation with the
12 city or the county.

13 (24) To exercise any power granted by the laws of
14 this state to public or private corporations which is not in
15 conflict with the public purpose of the authority.

16 (25) To do all things necessary or convenient to
17 carry out the powers conferred by this chapter.

18 §11-54C-10. Bonds of authority.

19 (a) Source of payment. All bonds issued by the
20 authority shall be payable solely out of the revenues and
21 receipts derived from the leasing or sale by the board of its
22 projects or of any thereof as may be designated in the
23 proceedings of the board under which the bonds shall be
24 authorized to be issued.

25 (b) Pledge of revenues, receipts, and other
26 security. The principal of an interest on any bonds issued by
27 the authority shall be secured by a pledge of the revenues and

1 receipts out of which the same may be payable and may be
2 secured by a mortgage and deed of trust or trust indenture
3 conveying as security for such bonds all or any part of the
4 property of the authority from which the revenues or receipts
5 so pledged may be derived. The resolution under which the
6 bonds are authorized to be issued and any such mortgage and
7 deed of trust or trust indenture may contain any agreements
8 and provisions respecting the operation, maintenance, and
9 insurance of the property covered by the mortgage and deed of
10 trust or trust indenture, the use of the revenues and receipts
11 subject to such mortgage and deed of trust or trust indenture,
12 the creation and maintenance of special funds from such
13 revenues and receipts, the rights, duties, and remedies of the
14 parties to any such instrument and the parties for the benefit
15 of whom such instrument is made and the rights and remedies
16 available in the event of default as the board shall deem
17 advisable and which are not in conflict with the provisions of
18 this chapter. Each pledge, agreement, mortgage, and deed of
19 trust or trust indenture made for the benefit or security of
20 any of the bonds of the authority shall continue effective
21 until the principal of and interest on the bonds for the
22 benefit of which the same were made shall have been fully
23 paid. In the event of default in such payment or in any
24 agreements of the authority made as a part of the contract
25 under which the bonds were issued, whether contained in the
26 proceedings authorizing the bonds or in any mortgage and deed
27 of trust or trust indenture executed as security therefore,

1 the rights of any holder of the bonds may be enforced by
2 mandamus, the appointment of a receiver, or either of these
3 remedies, and foreclosure of such mortgage and deed of trust
4 or trust indenture may, if provided for in the instrument, be
5 had.

6 (c) Execution. All bonds issued by the authority
7 shall be signed by the chair of its board and attested by its
8 secretary, and the seal of the authority shall be affixed
9 thereto, and any interest coupons applicable to the bonds of
10 the authority shall be signed by the chair of its board;
11 provided, that as long as the registrar of the bonds has
12 manually signed an authentication certificate for the bonds,
13 facsimile signatures of both of the officers may be printed or
14 otherwise reproduced on any such bonds in lieu of each
15 manually signing the same, a facsimile of the seal of the
16 authority may be printed or otherwise reproduced on any such
17 bonds in lieu of being manually affixed thereto, and a
18 facsimile of the signature of the chair of the board may be
19 printed or otherwise reproduced on any interest coupons in
20 lieu of the chair manually signing the same.

21 (d) General provisions respecting form, interest
22 rate, maturities, sale, and negotiability. Any bonds may be
23 executed and delivered by the authority at any time and from
24 time to time, shall be in the form and denominations and of
25 the tenor and maturities, shall contain the provisions not
26 inconsistent with the provisions of this chapter, and shall
27 bear the rate or rates of interest, payable and evidenced in

1 the manner, as may be provided by resolution of its board.
2 Bonds of the authority may be sold at either public or private
3 sale in the manner and at the price or prices and at the time
4 or times as may be determined by the board to be most
5 advantageous. The authority may pay all expenses, premiums,
6 and commissions in connection with any financing done by it.
7 All bonds, except bonds registered as to principal or as to
8 both principal and interest, and any interest coupons
9 applicable thereto issued by the authority shall be construed
10 to be negotiable instruments although payable solely from a
11 specified source.

12 (e) Nature of obligation and source of payment. All
13 obligations created or assumed and all bonds issued or assumed
14 by the authority shall be solely and exclusively an obligation
15 of the authority and shall not create an obligation or debt of
16 the state or of any county or of the city; provided that the
17 provisions of this sentence shall not be construed to release
18 the original obligor from liability on any bond or other
19 obligation assumed by the authority. Any bonds issued by the
20 authority shall be limited or special obligations of the
21 authority payable solely out of its revenues and receipts of
22 the authority specified in the proceedings authorizing those
23 bonds.

24 (f) Eligibility for investment. Bonds of the
25 authority are hereby made legal investments for executors,
26 administrators, trustees, and other fiduciaries, unless
27 otherwise directed by the court having jurisdiction of the

1 fiduciary relation or by the document that is the source of
2 the fiduciary's authority, and for savings banks and insurance
3 companies organized under the laws of the state.

4 §11-54C-11. Proceeds from sale of bonds.

5 All moneys derived from the sale of any bonds issued
6 by the authority shall be used solely for the purpose or
7 purposes for which the same are authorized, including, but
8 without limitation to, the use of bond proceeds to establish
9 reserve funds as security for the payment of the principal of,
10 and premium, if any, and interest on the bonds, and any costs
11 and expenses incidental thereto. The costs and expenses may
12 include but shall not be limited to (1) the fiscal,
13 engineering, legal and other expenses incurred in connection
14 with the issuance of the bonds, and (2) except in the case of
15 refunding bonds, interest to accrue on such bonds for a period
16 ending not later than two years from their date.

17 §11-54C-12. Refunding bonds.

18 Any bonds issued by the authority may from time to
19 time be refunded by the issuance, by sale or exchange, of
20 refunding bonds payable from the same or different sources for
21 the purpose of paying all or any part of the principal of the
22 bonds to be refunded, any redemption premium required to be
23 paid as a condition to the redemption prior to maturity of any
24 such bonds that are to be so redeemed in connection with such
25 refunding, any accrued and unpaid interest on the bonds to be
26 refunded, any interest to accrue on each bond to be refunded
27 to the date on which it is to be paid, whether at maturity or

1 by redemption prior to maturity, and the expenses incurred in
2 connection with refunding; provided, that unless duly called
3 for redemption pursuant to provisions contained therein; the
4 holders of any such bonds then outstanding and proposed to be
5 refunded shall not be compelled without their consent to
6 surrender their outstanding bonds for such refunding. Any
7 refunding bonds may be sold by the authority at public or
8 private sale at such price or prices as may be determined by
9 its board to be most advantageous, or may be exchanged for the
10 bonds or other obligations to be refunded. Any such refunding
11 bonds may be executed and delivered by the authority at any
12 time and from time to time, shall be in such form and
13 denominations and have such tenor and maturities, shall
14 contain such provisions not inconsistent with the provisions
15 of this chapter, and shall bear such rate or rates of
16 interest, payable and evidenced in such manner, as may be
17 provided by resolution of its board.

18 Any refunding bonds issued by the authority shall be
19 issued and may be secured in accordance with the provisions of
20 Section 11-54C-10.

21 §11-54C-13. Notice of bond resolution; 30 days to
22 bring action to question bond validity.

23 Upon the adoption by the board of the authority of
24 any resolution providing for the issuance of bonds, the
25 authority may cause to be published once a week for two
26 consecutive weeks, in a newspaper published or having general
27 circulation in the city, a notice in substantially the

1 following form (the blanks being properly filled in) at the
2 end of which shall be printed the name and title of either the
3 chair or secretary of such authority.

4 "The _____ Redevelopment Authority, a
5 public corporation under the laws of the State of Alabama, on
6 the _____ day of _____ authorized the issuance of
7 \$_____ principal amount of bonds of the public corporation
8 for purposes authorized in the act of the Legislature of
9 Alabama under which the public corporation was organized. Any
10 action or proceeding questioning the validity of the bonds, or
11 the pledge and the mortgage and deed of trust or trust
12 indenture to secure the same, or the proceedings authorizing
13 the same, must be commenced within 30 days after the first
14 publication of this notice."

15 A newspaper shall be deemed to be published in the
16 city, within the meaning of this section, if its principal
17 editorial office is located in the city.

18 Any action or proceeding in any court to set aside
19 or question the proceedings for the issuance of the bonds
20 referred to in the notice or to contest the validity of any
21 such bonds, or the validity of any pledge and mortgage and
22 deed of trust or trust indenture made therefor, must be
23 commenced within 30 days after the first publication of the
24 notice. After the expiration of that period, no right of
25 action or defense questioning or attacking the validity of the
26 proceedings or of the bonds or the pledge or mortgage and deed
27 of trust or trust indenture shall be asserted, nor shall the

1 validity of the proceedings, bonds, pledge, mortgage, and deed
2 of trust or trust indenture be open to question in any court
3 on any ground whatsoever except in an action commenced within
4 the period.

5 §11-54C-14. Exemptions from taxation.

6 The authority formed under this chapter, the
7 property and income of the authority, whether used by it or
8 leased to others, all bonds issued by the authority, the
9 income from such bonds or from other sources, the interest and
10 other profits from such bonds enuring to and received by the
11 holders thereof, conveyances by and to the authority, and
12 leases, mortgages, and deed of trust by and to the authority,
13 shall be exempt from all taxation in the state. The authority
14 shall not be obligated to pay any fees, taxes, or costs to the
15 judge of probate of any county in connection with its
16 incorporation or with any amendment to its certificate of
17 incorporation or otherwise or to any judge of probate of any
18 county in connection with the recording by it of any document
19 or otherwise, the authority being hereby exempted from the
20 payment of any such fees, taxes, and costs. No license or
21 excise tax may be imposed by any authority with respect to the
22 privilege of engaging in any of the activities authorized by
23 this chapter.

24 The provisions of Section 11-54A-9(c) and of Chapter
25 9B of Title 40, and of any other law, rule of law, or
26 regulation of the state to the contrary notwithstanding, all
27 property owned by the authority in the development area of the

1 authority shall be exempt from all taxation in the state,
2 except any property of the authority with respect to which any
3 individual, or entity organized for profit, is or will be
4 treated as the owner of such property for federal income tax
5 purposes.

6 §11-54C-15. Liability of city.

7 The city shall not in any event be liable for the
8 payment of the principal of or interest on any bonds of the
9 authority or for the performance of any pledge, mortgage,
10 obligation, or agreement of any kind whatsoever which may be
11 undertaken by the authority, and none of the bonds of the
12 authority or any of its agreements or obligations shall be
13 construed to constitute an indebtedness of the city within the
14 meaning of any constitutional or statutory provision
15 whatsoever.

16 §11-54C-16. Exemption from usury and interest laws.

17 The authority shall be exempt from the laws of the
18 state governing usury or prescribing or limiting interest
19 rates, including, but without limitation to, the provisions of
20 Chapter 8 of Title 8, as it may at any time be amended.

21 §11-54C-17. Compliance with competitive bid laws.

22 An authority shall, solely with respect to any
23 contract under which the obligations of the authority
24 thereunder are to be paid, in whole or in part, with public
25 funds, as defined herein, comply with the laws of the state
26 requiring competitive bids for a contract to be entered into
27 by municipalities or public corporations authorized by them.

1 For purposes hereof, public funds shall mean funds provided to
2 or for the benefit of the authority which are derived from
3 taxation and shall not include any funds from a private
4 source.

5 §11-54C-18. Freedom of authority from state
6 supervision and control.

7 This chapter is intended to aid the state through
8 the furtherance of the purposes of the chapter by providing an
9 appropriate and independent instrumentality of the state with
10 full and adequate powers to fulfill its functions. Except as
11 expressly provided in this chapter, no proceeding, notice, or
12 approval shall be required for the incorporation of the
13 authority or the amendment of its certificate of
14 incorporation, the issuance of any bonds, the execution of any
15 mortgage and deed of trust or trust indenture, or the exercise
16 of any other of its powers by the authority. Neither a public
17 hearing nor the consent of the Department of Finance shall be
18 prerequisite to the issuance of bonds by the authority.

19 The authority shall hold a public hearing before
20 approving or obligating the expenditure of any tax revenues
21 received by the authority from the city, any county, the
22 state, or federal governments.

23 The notice shall be advertised in a newspaper of
24 general circulation in the county of incorporation of the
25 authority and the notice shall be published not less than
26 seven days prior to the hearing.

27 §11-54C-19. Earnings of authority.

1 The authority shall be a nonprofit corporation and
2 no part of its net earnings remaining after payment of its
3 expenses shall inure to the benefit of any individual, firm,
4 or corporation, except that in the event a board shall
5 determine that sufficient provision has been made for the full
6 payment of the expenses, bonds, and other obligations of the
7 authority, then any net earnings of the authority thereafter
8 accruing shall be paid to the city.

9 §11-54C-20. Dissolution of corporation and vesting
10 of title to property in city.

11 At any time when the authority has no bonds or other
12 obligations outstanding, its board may adopt a resolution,
13 which shall be duly entered upon its minutes, declaring that
14 the authority shall be dissolved. Upon filing for record of a
15 certified copy of the resolution in the office of the judge of
16 probate of the county, the authority shall thereupon stand
17 dissolved and in the event it owned any property at the time
18 of its dissolution, the title to all its properties shall
19 thereupon pass to the city.

20 §11-54C-21. Existence of authority to prevent
21 incorporation of another by city.

22 The existence of an authority incorporated under the
23 provisions of this chapter shall prevent the subsequent
24 incorporation hereunder of another authority pursuant to
25 authority granted by this chapter.

26 §11-54C-22. Loans, sales, grants, etc., of money,
27 property, etc., to authority by the city.

1 For the purpose of effecting the revitalization and
2 redevelopment of the development area, any county, city, or
3 other political subdivision, public corporation, agency, or
4 instrumentality of this state, upon such terms and with or
5 without consideration, as it may determine:

6 (1) Lend or donate money to or perform services for
7 the benefit of the authority;

8 (2) Donate, sell, convey, transfer, lease, or grant
9 to the authority, without the necessity of authorization at
10 any election of qualified voters, any property of any kind,
11 any interest therein, and any franchise; and

12 (3) Do any and all things, whether or not
13 specifically authorized in this chapter and not otherwise
14 prohibited by law, that are necessary or convenient in
15 connection with aiding and cooperating with the authority in
16 its efforts to revitalize and redevelop the development area
17 of the city as provided in this chapter.

18 §11-54C-23. Provisions cumulative.

19 The provisions of this chapter are cumulative and
20 shall not be deemed to repeal existing laws, except to the
21 extent such laws are clearly inconsistent with provisions of
22 this chapter.

23 §11-54C-24. Authorities organized under prior acts.

24 Any authority existing under Chapter 54A of this
25 title may, by amending its certificate of incorporation as
26 provided in this chapter, come under and be controlled and
27 governed by the provisions of this chapter, and shall

1 thereupon have and may exercise all jurisdictions, powers,
2 rights, benefits and interests in property provided to any
3 authority under this chapter, as fully as if such authority
4 had been originally incorporated under this chapter.

5 All bonds, leases, mortgages, indentures, inducement
6 agreements, preliminary bond resolutions and other
7 instruments, contracts, documents, and agreements issued,
8 entered into, authorized, or approved by such authorities are
9 hereby validated, ratified, and approved ab initio.

10 §11-54C-25. Locations of Projects; Determinations of
11 an Authority and the city conclusive.

12 (a) All projects of the authority shall be located
13 wholly within the corporate limits of the city and the
14 development area thereof.

15 (b) The determination of the central business
16 district by the city council pursuant to this section shall be
17 final and conclusive.

18 (c) The determination of the development area by an
19 authority and the city council pursuant to this section and
20 this chapter shall be final and conclusive.

21 (d) The determination by an authority that a project
22 is located in a blighted or economically distressed area shall
23 be final and conclusive.

24 (e) The determination by an authority that a project
25 furthers the public purpose of this chapter shall be final and
26 conclusive.

1 Section 3. The provisions of this act are severable.
2 If any part of this act is declared invalid or
3 unconstitutional, that declaration shall not affect the part
4 which remains.

5 Section 4. This act shall become effective
6 immediately following its passage and approval by the
7 Governor, or its otherwise becoming law.