

SB327 ENROLLED



1 SB327
2 6GE4131-3
3 By Senator Elliott
4 RFD: County and Municipal Government
5 First Read: 16-Apr-24



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1 Enrolled, An Act,

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4 Relating to Capital Improvement Cooperative Districts
5 incorporated under Chapter 99B of Title 11, Code of Alabama
6 1975; to amend Sections 11-99B-5, 11-99B-7, 11-99B-9, and
7 11-99B-11 of the Code of Alabama 1975, to authorize the
8 articles of incorporation to be amended to add new areas to
9 the district and new projects authorized to be financed; and
10 to authorize the imposition of rates, fees, and other charges
11 from users of the projects or from business owners or property
12 owners in the district which would be required to be approved
13 by the governing body forming the district if required by the
14 certificate of incorporation; and to provide for the use of
15 any funds of the district to pay for the construction costs of
16 the new projects.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. Sections 11-99B-5, 11-99B-7, 11-99B-9, and
19 11-99B-11 of the Code of Alabama 1975, are amended to read as
20 follows:

21 "§11-99B-5

22 (a) The certificate of incorporation of any district
23 may at any time ~~and from time to time~~ be amended in the manner
24 provided in this section.

25 (b) (1) The board shall first adopt a resolution
26 proposing an amendment to the certificate of incorporation
27 which shall be set forth in full in the ~~said~~ resolution and
28 which amendment may include, without limitation:



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29 a. A change in the name of the district.

30 b. The addition to the project or projects of the
31 district of a new project or projects and the proposed
32 location thereof.

33 c. A change in the general description of the area or
34 areas in which the district proposes to acquire each project
35 or projects, including, but not limited to, the addition of
36 new or additional areas or property with the consent of the
37 owner or owners of the new or additional property.

38 ~~e.~~d. Any matters which might have been included in the
39 original certificate of incorporation, or any change in any
40 such matters.

41 (2) If any proposed amendment would add any new county,
42 municipality, or public corporation as a member of a district,
43 ~~such~~the proposed amendment shall include, in addition:

44 a. Provisions for election of at least one director by
45 the governing body of each ~~such~~ the new county, municipality,
46 or public corporation.

47 b. Provisions for any change in the total number of
48 directors that the board deems appropriate; and any provision
49 to give the directors proportional voting power based upon the
50 percentage of indebtedness and operating expenses of the
51 district for which the entities electing the directors will be
52 guarantors, or any other measure for establishing proportional
53 voting power of directors; provided, however, that the total
54 number of directors shall be at least equal to the number of
55 directors immediately before the amendment, plus the number
56 added pursuant to paragraph a. ~~of this subdivision (2).~~



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57 c. Any provision that the board deems appropriate for
58 apportioning of the properties of the district upon its
59 dissolution among its members.

60 (c) After the adoption by the board of a resolution
61 proposing an amendment to the certificate of incorporation of
62 the district, the chairman of the board or other chief
63 executive officer of the district and the secretary of the
64 district shall sign and file a written application in the name
65 of and on behalf of the district, under its seal, with the
66 governing body of each member and each additional county,
67 municipality, or public corporation proposed to be added as a
68 member of the district. ~~Such~~The application shall request each
69 governing body with which the application is filed to adopt a
70 resolution approving the proposed amendment and shall be
71 accompanied by a certified copy of the ~~said~~ resolution adopted
72 by the board proposing the ~~said~~ amendment to the certificate
73 of incorporation, together with ~~such~~any documents in support
74 of the application as the ~~said~~ chairman or other chief
75 executive officer may consider appropriate.

76 (d) As promptly as may be practicable after the filing
77 of the ~~said~~ application with any governing body pursuant to
78 ~~the provisions of~~ subsection (c), that governing body shall
79 review the ~~said~~ application and shall adopt a resolution
80 either denying the ~~said~~ application or authorizing the
81 proposed amendment.

82 (e) Following the adoption of ~~such~~ a resolution by that
83 governing body that was the last to adopt such a resolution,
84 but if ~~and only if~~ the governing body of each other county,



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85 public corporation, and municipality with whom ~~such~~ the
86 application was filed has theretofore adopted ~~such~~ a
87 resolution, the chairman of the board or other chief executive
88 officer of the district and the secretary of the district
89 shall sign and file for record in the office of the judge of
90 probate of the county where the certificate of incorporation
91 of the district was filed a certificate in the name of and in
92 behalf of the district, under its seal, reciting the adoption
93 of ~~said~~ the respective resolutions by the board and by each of
94 the ~~said~~ governing bodies and setting forth the ~~said~~ proposed
95 amendment. If the proposed amendment provides for a change in
96 the name of the district, there shall be filed, together with
97 the certificate required by the immediately preceding
98 sentence, a certificate of the Secretary of State showing that
99 the proposed new name of the district is not identical to that
100 of any other corporation then in existence and organized under
101 the laws of this state or so nearly similar to that of any
102 other ~~such~~ corporation so as to lead to confusion and
103 uncertainty. Upon the filing for record of each ~~such~~
104 certificate, the ~~said~~ amendment to the certificate of
105 incorporation shall become effective. If the proposed
106 amendment effects a change in the name of the district, the
107 judge of probate shall promptly send a notice to the Secretary
108 of State, ⁷ advising him or her of ~~such~~ the change."

109 "§11-99B-7

110 Each district shall have the following powers, together
111 with all powers incidental ~~thereto~~ or necessary to the
112 discharge thereof in corporate form:



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113 (1) To have succession by its corporate name for the
114 duration of time, which may be in perpetuity, subject to the
115 provisions of Section 11-99B-15, specified in its certificate
116 of incorporation.

117 (2) To sue and to be sued in its own name in civil
118 actions, and to defend civil actions against it; provided,
119 that the district shall be deemed to be a "governmental
120 entity" as defined in Chapter 93 of this title, for the
121 purposes of limiting the damages for which the district and
122 its members may be liable.

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

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

127 (5) To acquire, receive, and take, by purchase, gift,
128 lease, devise, or otherwise, and to hold property of every
129 description, whether located in one or more counties or
130 municipalities.

131 (6) To make, enter into, and execute ~~such~~ licences,
132 contracts, agreements, leases, and other instruments and to
133 take ~~such~~ other actions as may be necessary or convenient to
134 accomplish any purpose for which the district was organized or
135 to exercise any power expressly granted under this section.

136 (7) To plan, establish, develop, acquire, purchase,
137 lease, construct, reconstruct, enlarge, improve, maintain,
138 equip, and operate a project or projects or any part or
139 combination of any thereof, whether located in one or more
140 counties or municipalities, and to acquire franchises and



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141 easements deemed necessary or desirable in connection
142 therewith.

143 (8) To sell and issue bonds of the district in order to
144 provide funds for any corporate function, use, or purpose, any
145 ~~such~~ bonds to be payable solely out of the revenues derived
146 from any project or projects of the district, or pursuant to
147 any guarantees by any of its members.

148 (9) To assume obligations secured by a lien on or
149 payable out of or secured by a pledge of the revenues from any
150 project or any part of any thereof that may be acquired by the
151 district, any obligation so assumed to be payable by the
152 district solely out of the revenues derived from the operation
153 of any project or any thereof of the district.

154 (10) To pledge for payment of any bonds issued or
155 obligations assumed by the district any revenues from which
156 those bonds or obligations are made payable as provided in
157 this chapter.

158 (11) To execute and deliver trust indentures in
159 accordance with the provisions of this chapter.

160 (12) To exercise the power of eminent domain in the
161 manner provided in and subject to the provisions of Title 18;
162 provided, that this subdivision shall not be deemed to
163 authorize the district to acquire, without the consent of the
164 owner or owners thereof, any property or interests therein at
165 the time dedicated to public use.

166 (13) To appoint, employ, contract with, and provide for
167 the compensation of such officers, employees, and agents,
168 including, but without limitation to, engineers, attorneys,



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169 accountants, architects, management consultants, and fiscal
170 advisers as the business of the district may require.

171 (14) To make and enforce reasonable rules and
172 regulations governing the use of any project owned or
173 controlled by the district.

174 (15) To provide for ~~such~~ insurance as the board may
175 deem advisable.

176 (16) To invest any funds of the district that the board
177 may determine are not presently needed in the operation of its
178 properties in any investment which may be made by any of its
179 members.

180 (17) To cooperate with the United States of America,
181 any agency or instrumentality thereof, the state, any county,
182 municipality, or other political subdivision of the state, and
183 any public corporation and to make such contracts with them ~~or~~
184 ~~any of them,~~ as the board may deem advisable to accomplish the
185 purpose for which the district was established.

186 (18) To sell and convey any of its properties that may
187 have become obsolete or worn out or that may no longer be
188 needed or useful as a part of any project of the district.

189 (19) To sell and convey, with or without valuable
190 consideration, any of its projects or any portion thereof to
191 any one or more counties, municipalities, or public
192 corporations which have the corporate power to operate the
193 project or portions thereof so conveyed and the property and
194 income of which are not subject to taxation; provided, that
195 ~~any such~~ sale and conveyance may be made only with the consent
196 of each member of the district, ~~any such~~ consent to be



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197 evidenced by a resolution adopted by the governing body of
198 each ~~such~~ member and only if any ~~such~~ conveyance would not
199 constitute a breach of any then outstanding trust indenture or
200 other agreement to which the district is a party.

201 (20) To enter into a management agreement or agreements
202 with any person for the management by the district of any
203 project or any part thereof upon ~~such~~ the terms and conditions
204 as may be mutually agreeable.

205 (21) To fix and revise from time to time reasonable
206 rentals, ~~licences~~ licenses, rates, fees, and other charges for
207 the use of any project or portion thereof, owned or operated
208 by the district, from the users of the project or projects, or
209 from the businesses or property owners within the district,
210 which shall be approved by each governing body that is a
211 member of the district to the extent required by its
212 certificate of incorporation, and to collect all charges made
213 by it.

214 (22) To require any user of any of its projects or any
215 part thereof to make a reasonable deposit with the district in
216 advance to ~~insure~~ ensure the payment of rentals, licences,
217 rates, fees, or charges, or costs of repair to any damage to
218 the project and to be subject to the application to the
219 payment thereof if and when delinquent."

220 "§11-99B-9

221 As security for payment of the principal of and the
222 interest on bonds issued or obligations assumed by it, the
223 district may enter into a contract or contracts binding itself
224 for the proper application of the proceeds of bonds and other



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225 funds, for the continued operation and maintenance of any
226 project owned by it or any part or parts thereof, for the
227 imposition and collection of reasonable rates,
228 ~~licences~~licenses, rentals, fees, and charges for and the
229 ~~promulgation~~adoption of reasonable regulations respecting any
230 such project, for the disposition and application of its gross
231 revenues or any part thereof, and for any other act or series
232 of acts not inconsistent with the provisions of this chapter
233 for the protection of the bonds and other obligations being
234 secured and the assurance that the revenues from ~~such~~ the
235 project will be sufficient to operate ~~such~~ the project,
236 maintain the same in good repair and in good operating
237 condition, pay the principal of and the interest on any bonds
238 payable from ~~such~~ the revenues and maintain ~~such~~ reserves as
239 may be deemed appropriate for the protection of the bonds, the
240 efficient operation of ~~such~~ the project, and the making of
241 replacements thereof and capital improvements thereto.

242 Any contract pursuant to the provisions of this section
243 may be set forth in any resolution of the board authorizing
244 the issuance of bonds or the assumption of obligations or in
245 any trust indenture made by the district under this chapter."

246 "§11-99B-11

247 Rates, fees, charges, rentals, and licenses for
248 services rendered by the district or facilities provided by
249 the district from any of its projects shall be so fixed and,
250 from time to time, revised as at all times to provide funds at
251 least sufficient, taking into account other sources for the
252 payment thereof, to:



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253 (1) Pay the cost of constructing, operating,
254 maintaining, repairing, replacing, extending, and improving
255 the project or projects of the district and to pay the cost of
256 any new or additional projects.

257 (2) Pay the principal of and the interest on all bonds
258 issued and obligations assumed by the district that are
259 payable out of the revenues derived from operation of the
260 project or projects of the district as the ~~said~~ principal and
261 interest become due and payable.

262 (3) Create and maintain ~~such~~ reserves for the foregoing
263 purposes ~~or any of them~~ as may be provided in any trust
264 indenture executed by the district under this chapter or in
265 any resolutions of the board authorizing the issuance of
266 bonds, the assumption of any obligation, or the acquisition of
267 any ~~such~~ project.

268 (4) Make ~~such~~ annual payments, if any, to the United
269 States of America or any agency or instrumentality thereof,
270 the state, municipalities, counties, departments, authorities,
271 agencies, and political subdivisions of the state, and any
272 public corporations organized under the laws of the state as
273 the district may have contracted to make."

274 Section 2. This act shall become effective on October
275 1, 2024.



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President and Presiding Officer of the Senate

Speaker of the House of Representatives

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Senate 25-Apr-24

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

Patrick Harris,
Secretary.

House of Representatives

Passed: 08-May-24

By: Senator Elliott