

SB336 INTRODUCED



1 SB336
2 9S1FMPP-1
3 By Senator Waggoner
4 RFD: County and Municipal Government
5 First Read: 18-Apr-24



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SYNOPSIS:

This bill would authorize counties and Class 1 municipalities to authorize the incorporation of a research and development corridor within the county or Class 1 municipality as a public corporation for the purpose of undertaking activities or acquiring property by the corridor, and using public revenues for the establishment, benefit, or support of qualified enterprises.

This bill would provide procedures for the creation and dissolution of a research and development corridor.

This bill would provide for the powers of a research and development corridor, and provide for the powers of the board of directors of a research and development corridor.

This bill would exempt corridors from fees and charges imposed by a judge of probate and from certain taxation.

This bill would exempt districts from competitive bid laws and from other specified state oversight.

A BILL



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29 TO BE ENTITLED

30 AN ACT

31

32 Relating to research and development; to provide for
33 the establishment of research and development corridors to
34 support economic development activities using state, federal,
35 and other public support; to provide for the creation and
36 dissolution of research and development corridors; to provide
37 the powers of research and development corridors and the
38 powers and duties of their boards of directors; to exempt
39 research and development corridors from certain laws and
40 requirements, including taxation and competitive bid laws.

41 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

42 Section 1. Definitions.

43 When used in this act, the following terms have the
44 following meanings unless the context clearly indicates
45 otherwise:

46 (1) APPLICANT. Each natural person who has executed and
47 filed a written application with the governing body of any
48 subdivision for the incorporation of a research and
49 development corridor.

50 (2) AUTHORIZING RESOLUTION. A resolution adopted by the
51 governing body of a subdivision to authorize the incorporation
52 of a research and development corridor with powers to operate
53 within the corporate limits of the subdivision.

54 (3) AUTHORIZING SUBDIVISION. Any county or Class 1
55 municipality the governing body of which has adopted an
56 authorizing resolution.



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57 (4) BOARD. The board of directors of a research and
58 development corridor.

59 (5) CORPORATE PERSON. Any corporation, partnership,
60 association, or organization which may be incorporated or
61 organized under any chapter of Title 10 of the Code of Alabama
62 1975, or under the laws of any state of the United States.

63 (6) CORRIDOR. A research and development corridor
64 incorporated pursuant to this act as a public corporation.

65 (7) DIRECTOR. A natural person who is member of the
66 board of directors of a corridor.

67 (8) ELIGIBLE FUNDS. a. Any of the following:

68 1. Any federal funds received by the corridor, by grant
69 or otherwise, for use in support of the corridor or its
70 operations.

71 2. Any state appropriations, grants, or other public
72 and private sources of funds made available for the corridor.

73 3. Any tax levied by an authorizing subdivision within
74 the geographical boundaries of a corridor which may be abated
75 in accordance with the procedures of the Tax Incentive Reform
76 Act of 1992, Chapter 9B of Title 40, Code of Alabama 1975;
77 provided that only the authorizing subdivision may abate the
78 taxes levied by that authorizing subdivision. If such tax is
79 abated by the authorizing subdivision, the may, in accordance
80 with Section 6(10), impose a fee up to the amount of the
81 abated tax provided that such a fee expires if the abatement
82 is withdrawn. This authorization does not apply to taxes
83 specifically excluded in paragraph b.

84 b. The term specifically excludes:



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85 1. Any tax that funds public schools; and

86 2. Any incremental ad valorem tax that is required by
87 state law to be paid to a tax increment district.

88 (9) FINANCIAL OBLIGATION. Any contractual obligation of
89 any person, whether direct, indirect, or contingent, to pay or
90 provide money to, or for the benefit of, any person or
91 persons, as evidenced by any agreement or instrument,
92 including, but not limited to, any bond, certificate, economic
93 incentive grant agreement, funding or guaranty agreement,
94 installment sale agreement, lease agreement, negotiable
95 instrument, note, or warrant.

96 (10) GOVERNING BODY. The elected group of natural
97 persons which is organized for the purposes of exercising the
98 legislative functions and powers of a public entity.

99 (11) NATURAL PERSON. A natural person who is 21 years
100 of age or older.

101 (12) PERSON. Collectively, corporate persons, natural
102 persons, and public entities.

103 (13) PRINCIPAL OFFICE. The principal office of a
104 research and development corridor as stated in the certificate
105 of incorporation.

106 (14) PROJECT. Any activity undertaken, or property
107 acquired or provided in whole or in part, by a research and
108 development corridor for the establishment, benefit, or
109 support of a qualified enterprise.

110 (15) PROPERTY. Any tangible or intangible property and
111 interests therein, including all property characterized under
112 state law as real, personal, or mixed.



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113 (16) PUBLIC CORPORATION. Any public corporation
114 organized under the laws of the state other than a municipal
115 corporation.

116 (17) PUBLIC ENTITY. Any county or municipality, or any
117 political subdivision or other instrumentality of the state.

118 (18) PUBLIC NOTICE REQUIREMENT. Notice and the holding
119 of a public meeting by a research and development corridor or
120 an authorizing subdivision at which time the corridor or
121 authorizing subdivision proposes to take an action, as
122 authorized pursuant to this act. Notice shall be by
123 publication at least seven days prior to the public meeting in
124 a newspaper of general circulation in the authorizing
125 subdivision or by electronic posting on the primary public
126 website of the authorizing subdivision, which describes in
127 reasonable detail the applicable action proposed to be taken
128 by the corridor and the authorizing subdivision, the public
129 benefits expected to be achieved by the applicable action, and
130 the person or persons expected to benefit by the applicable
131 action

132 (19) QUALIFIED ENTERPRISE. Any activity, business, or
133 trade that is described in one of the following categories:

134 a. Advanced Manufacturing: (i) aerospace/aviation; (ii)
135 automotive; (iii) agriculture products/food production; (iv)
136 metal and advanced metals; (v) chemicals; (vi) forestry
137 products; (vii) alternative energy, battery/fuel cell, and
138 similar facilities.

139 b. Bioscience: (i) medical equipment and supplies; (ii)
140 pharmaceuticals; (iii) biotechnology.



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141 c. Foundational Targets: (i) cybersecurity; (ii) data
142 centers; (iii) distribution/logistics; (iv) information
143 technology; (v) research and development.

144 d. Corporate operations for any of the foregoing.

145 (20) SUBDIVISION. Any county or Class 1 municipality.

146 Section 2. Legislative Findings and Intent.

147 (a) The Legislature finds and determines the public
148 good and welfare and the economy of the state are best served
149 by the exercise of the police power of the Legislature to
150 provide public resources for the development, growth,
151 improvement, and support of new and creative economic
152 opportunities for existing and future qualified enterprises to
153 establish and continue projects in this state for innovative
154 processes and products, specifically including those business
155 sectors expressly identified in Accelerate Alabama 2.0, the
156 economic development strategic plan developed by the
157 Department of Commerce.

158 (b) In furtherance of subsection (a) the legislative
159 intent and public purpose of this act is:

160 (1) To provide authority to Class 1 municipalities and
161 counties for the creation of research and development
162 corridors with corporate authority and power to provide, in
163 the discretion of the corridors, public resources; and

164 (2) To provide authority to public entities to provide
165 public resources to, or for the benefit of, corridors.

166 Section 3. Incorporation and Organization of a Research
167 and Development Corridor; Certificate of Incorporation.

168 (a) The governing body of any subdivision, or the



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169 governing bodies of any two or more subdivisions, may
170 authorize the incorporation and organization of a research and
171 development corridor as a public corporation of the state,
172 with powers set forth in this act, for the purpose of
173 establishing or undertaking any project.

174 (b) In order to incorporate and organize a research and
175 development corridor, not less than three natural persons who
176 are duly qualified electors of a proposed authorizing
177 subdivision shall file a written application with the
178 governing body of each proposed authorizing subdivision. The
179 application shall:

180 (1) State that the applicants propose to incorporate
181 research and development corridor pursuant to this act;

182 (2) State the name of each subdivision with which the
183 application is filed;

184 (3) State that each of the applicants is a duly
185 qualified elector of a proposed subdivision;

186 (4) Attach the proposed certificate of incorporation of
187 the proposed corridor and state that the proposed certificate
188 of incorporation is attached to the application and made a
189 part thereof;

190 (5) Attach an affidavit of publication from a newspaper
191 of circulation in each authorizing subdivision of the intent
192 to form a research and development corridor and the geographic
193 boundaries of the corridor; and

194 (6) Request the governing body of each proposed
195 subdivision to adopt a resolution that the proposed corridor
196 be formed, that the proposed certificate of incorporation of



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197 the corridor be approved, and that the applicants are
198 authorized and directed to proceed to form the proposed
199 corridor by the filing for record of a certificate of
200 incorporation in accordance with the provisions of this act.

201 (c) The certificate of incorporation of corridor shall
202 state all of the following:

203 (1) The names of the individuals forming the corridor,
204 and that each of them is a duly qualified elector of an
205 authorizing subdivision.

206 (2) The name of the corridor, which may be a name
207 indicating in a general way the area proposed to be included
208 within or served by the corridor and shall include the words
209 "_____ Research and Development Corridor," or "The
210 Research and Development Corridor of _____," the blank
211 spaces to be filled in with the name of the authorizing
212 subdivisions or other geographically descriptive word or
213 words, such descriptive word or words not, however, to
214 preclude the corridor from locating facilities or otherwise
215 exercising its powers in other consenting geographical areas.

216 (3) That the corridor is organized pursuant to the
217 provisions of this act.

218 (4) The name of each authorizing subdivision together
219 with the date on which the governing body thereof adopted an
220 authorizing resolution.

221 (5) The period for the duration of the corridor, which
222 may be perpetual subject to the provisions of this act.

223 (6) The location of the principal office of the
224 corridor, which must be within the boundaries of an



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225 authorizing subdivision.

226 (7) The number of members, which must be an odd number
227 not less than three, of the board of directors of the corridor
228 and the duration of the term of office, which shall not be in
229 excess of six years.

230 (8) A description of the geographic boundaries of the
231 corridor, which boundaries must be within the corporate limits
232 or jurisdiction of an authorizing subdivision that adopted an
233 authorizing resolution to create the corridor and which
234 description may be by reference to tax assessment tracts in
235 accordance with the tax assessor's system, by metes and
236 bounds, by subdivision lot, by reference to recorded deeds,
237 or by other reasonable reference method.

238 (9) The terms of any prohibition, limitation, or
239 condition with respect to the exercise of any authority or
240 power of the corridor or the duration of the corridor, if any.

241 (10) Any provision that provides for the vesting of
242 title to its property upon dissolution of the corridor which
243 must not be in violation of this act or other state law.

244 (11) That the corridor shall be a nonprofit corporation
245 and no part of its net earnings remaining after payment of its
246 expenses shall inure to the benefit of any individual, firm,
247 or corporation.

248 (d) (1) The governing body of a subdivision with which
249 an application is filed pursuant to this act, as promptly as
250 practicable, shall review the application and the attached
251 form of certificate of incorporation.

252 (2) The governing body of each subdivision that has



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253 adopted an authorizing resolution shall cause the resolution
254 to be made a part of the minutes and record of the meeting of
255 the governing body during which the authorizing resolution was
256 adopted.

257 (3) An authorizing resolution shall operate and be
258 construed only as historical and evidential. An authorizing
259 resolution shall not operate or be construed as of general and
260 permanent nature or operation, may be adopted at the same
261 meeting at which it is introduced, and shall be effective
262 immediately upon adoption without posting or publication by
263 any electronic, printed, or other means.

264 (e) As soon as practicable after the adoption of an
265 authorizing resolution by each authorizing subdivision, the
266 applicants shall do all of the following:

267 (1) Execute and acknowledge the certificate of
268 incorporation as approved by each of the authorizing
269 subdivisions before an officer authorized by law to take
270 acknowledgments to deeds.

271 (2) Attach to the certificate of incorporation both of
272 the following:

273 a. A certified copy of each authorizing resolution.

274 b. A certificate by the Secretary of State stating that
275 the name proposed for the corridor is not identical to that of
276 any other corporation organized under state law or so nearly
277 similar as to lead to confusion and uncertainty.

278 (3) File the certificate of incorporation for record in
279 the office of the judge of probate of the county in which the
280 principal office of the corridor is to be located.



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281 (f) Upon the filing for record of the certificate of
282 incorporation, the corridor shall come into existence and
283 shall constitute a public corporation under the name set forth
284 in the certificate of incorporation, whereupon the corridor
285 shall be vested with all authority, powers, and rights granted
286 by this act, and the judge of probate shall send a notice to
287 the Secretary of State that the certificate of incorporation
288 of the corridor has been filed for record.

289 (g) The certificate of incorporation of any corridor
290 may be amended in the following manner:

291 (1) The board shall first adopt a resolution proposing
292 an amendment to the certificate of incorporation which must be
293 set forth in full in the resolution. The amendment may include
294 any matters that may have been included in the original
295 certificate of incorporation.

296 (2) After the adoption by the board of a resolution
297 proposing an amendment to the certificate of incorporation of
298 the corridor, the chair of the board and the secretary of the
299 corridor shall sign and file a written application in the name
300 of and on behalf of the corridor with the governing body of
301 each authorizing subdivision, requesting the governing body to
302 adopt a resolution approving the proposed amendment, and
303 accompanied by a certified copy of the resolution adopted by
304 the board proposing the amendment to the certificate of
305 incorporation, together with documents in support of the
306 application as the chair considers appropriate.

307 (3) As promptly as practicable after the filing of the
308 application with the authorizing subdivision, the governing



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309 body shall review the application. The governing body of each
310 subdivision that has adopted a resolution approving the
311 amendment shall cause the resolution to be made a part of the
312 minutes and record of the meeting of the governing body during
313 which the resolution was adopted. A resolution approving an
314 amendment shall operate and be construed only as historical
315 and evidential. An authorizing resolution shall not operate or
316 be construed as of general and permanent nature or operation,
317 may be adopted at the same meeting at which it is introduced,
318 and shall be effective immediately without posting or
319 publication by any electronic, printed, or other means.

320 (4) As soon as practicable after the adoption of a
321 resolution approving the amendment by each authorizing
322 subdivision, the chair of the board of the corridor and the
323 secretary of the corridor shall sign and file for record in
324 the office of the judge of probate with which the certificate
325 of incorporation of the corridor was originally filed a
326 certificate in the name of and on behalf of the corridor
327 reciting the adoption of the respective resolutions by the
328 board and by the governing body of each authorizing
329 subdivision, setting forth the proposed amendment. The judge
330 of probate for the county shall thereupon record the
331 certificate in an appropriate book in his or her office. When
332 the certificate has been so filed and recorded, the amendment
333 shall become effective and the certificate of incorporation
334 shall thereupon be amended to the extent provided in the
335 amendment. No certificate of incorporation of a research and
336 development corridor shall be amended except in the manner



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337 provided in this section.

338 Section 4. Board of Directors of Corridor.

339 (a) Each corridor shall be governed by a board of
340 directors that shall exercise, or authorize the exercise of,
341 all powers of the corridor.

342 (b) The board of each corridor shall consist of the
343 number of directors provided in the certificate of
344 incorporation.

345 (c) Any natural person may serve on the board of a
346 corridor; provided, however a majority of the directors must
347 be natural persons who are residents of any of the authorizing
348 subdivisions of the corridor and, to the extent there are
349 multiple authorizing subdivisions, a majority of the directors
350 must be appointed by a single authorizing subdivision. A
351 minority of the directors may be natural persons who are not
352 residents of any of the authorizing subdivisions; provided,
353 however that any non-resident director must also be approved
354 by the governing body of each authorizing subdivision. The
355 appointment of all voting members of a board must be approved
356 by the authorizing subdivisions of the corridor in a manner
357 set forth by the respective authorizing subdivisions. In
358 addition, the Alabama Innovation Corporation may appoint a
359 single non-voting member who shall not count towards the
360 establishment of a quorum.

361 (d) Notwithstanding any other provision of this act,
362 board membership shall be inclusive and reflect the racial,
363 gender, geographic, and economic diversity of the authorizing
364 subdivisions of the corridor.



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365 (e) Each director of the corridor shall hold a place on
366 the board and shall be appointed for the term of such place by
367 the person or persons, which may include the board, any
368 natural person, any corporate person, any public entity, or
369 the state, having the authority and power of appointment of
370 the director for such place, all as provided in the
371 certificate of incorporation of the corridor. Except as may be
372 otherwise provided in the certificate of incorporation of a
373 corridor, an officer or employee of any authorizing
374 subdivision shall be eligible for appointment and may serve as
375 a member of the board for the first to expire of the term for
376 which such officer is appointed or the term thereof as an
377 officer of the authorizing subdivision.

378 (f) Each director may hold a place on the board for
379 successive terms without limit. If at the expiration of any
380 term of office of any director a successor has not been
381 appointed, the director whose term of office expired shall
382 continue to hold office until the successor is appointed by
383 the person or persons having the appointive power for the
384 place of that director. If at any time there is a vacancy on
385 the board, whether by death, resignation, incapacity,
386 disqualification, or otherwise, a successor director to serve
387 for the unexpired term applicable to the vacancy shall be
388 elected or appointed by the person or persons who appointed
389 the predecessor director.

390 (g) Each director shall serve as such without
391 compensation but shall be reimbursed for expenses actually
392 incurred by the director while conducting his or her official



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393 duties.

394 (h) The board may hold regular and special meetings as
395 the board determines or as provided in the bylaws of the
396 board. Any member of the board, any provision of law to the
397 contrary notwithstanding, may attend and participate in, and
398 constitute part of the quorum for, any regular or special
399 meeting of the board in person or by means of telephone
400 conference, video conference, or similar communications
401 equipment that allows all participants in the meeting to hear
402 each other at the same time; provided, every meeting shall
403 have one physical location available in an authorizing
404 subdivision for individuals wishing to be physically present,
405 and any vote taken at a meeting using the foregoing
406 communication equipment shall be taken by roll call vote that
407 allows each participant to vote individually in a manner
408 audible to all participants. The board may take any action at
409 any regular or special meeting. A majority of the directors
410 present, in person or by electronic or telephonic
411 communications, at a meeting shall constitute a quorum for the
412 exercise of any authority or power of the board. Any meeting
413 of the board may be adjourned from time to time by a majority
414 of the directors present or may be so adjourned by a single
415 director if the director is the only director present at the
416 meeting. No vacancy in the membership of the board or the
417 voluntary disqualification or abstention of any member of the
418 board shall impair the right of a quorum to exercise all the
419 powers and perform all the duties of the board at a regular or
420 special meeting. The secretary of the corridor shall reduce to



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421 writing and maintain in a permanent record all proceedings and
422 resolutions of the board. Copies of the proceedings, when
423 certified by the secretary of the corridor, shall be received
424 in all courts as prima facie evidence of the matters and
425 things therein certified.

426 (i) The determinations set forth in a resolution of the
427 board, including the determination that an activity, facility,
428 or undertaking, or application of funds or tax proceeds under
429 control of the board constitutes a "project" or are otherwise
430 in furtherance of the purposes of this chapter, shall be
431 subject to judicial review as provided and limited by law for
432 judicial review of legislative acts and determinations by a
433 subdivision.

434 (j) If a matter comes before the board with respect to
435 which any director, any related party, including a sibling,
436 spouse, or lineal descendant, or any business enterprise with
437 which the director is associated, has any direct or indirect
438 pecuniary interest, the director shall immediately disclose
439 the interest to the board and remove himself or herself and
440 withdraw from the meeting prior to the consideration,
441 deliberation, and voting on the matter by the board.

442 (k) The corridor and the incorporators, directors,
443 officers, employees, and agents of the corridor shall have the
444 same limitations on liability as a municipality and its
445 officers, employees, and agents for negligent acts. These
446 limitations shall not apply to subcontractors or independent
447 contractors of the corridor.

448 (l) Any director may be removed from office in the same



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449 manner and on the same grounds provided in the state
450 constitution and the general laws of the state for impeachment
451 and removal of officers.

452 Section 5. Officers of corridor.

453 The officers of a research and development corridor
454 shall consist of a chair, a vice chair, a secretary, a
455 treasurer, and such other officers as its board deems
456 necessary or desirable. The offices of secretary and treasurer
457 may be held by the same individual. The chair and vice chair
458 of a research and development corridor shall be elected by the
459 board from the board membership. The secretary, the treasurer,
460 and any other officers of the corridor may but need not be
461 members of the board and shall also be elected by the board.
462 The chair, vice chair, and secretary of the corridor shall
463 also be the chair, vice chair, and secretary of the board,
464 respectively.

465 Section 6. Powers of Corridor.

466 In furtherance of a project, each corridor shall have
467 all of the following stated powers together with all powers
468 incidental to these powers and necessary to effect the proper
469 exercise of the corridor:

470 (1) To have succession in its corporate name for the
471 duration of the corridor specified in the certificate of
472 incorporation.

473 (2) To sue and be sued in its own name in civil suits
474 and actions and to defend suit against the corridor.

475 (3) To adopt and make use of a corporate seal and to
476 alter the seal as necessary.



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477 (4) To adopt, alter, and repeal bylaws, regulations,
478 and rules, not inconsistent with the provisions of this act,
479 for the regulation and conduct of its affairs and business.

480 (5) To acquire real property within the geographic
481 boundaries of the corridor, whether by gift, purchase,
482 transfer, foreclosure, lease, or devise, and to construct,
483 improve, operate, maintain, equip, and furnish the property
484 and interests in property as the board determines to be
485 necessary for the purposes of the corridor.

486 (6) To lease all or any part of any property upon such
487 terms and conditions as its board determines necessary or
488 desirable.

489 (7) To convey any property of the corridor with or
490 without valuable consideration as the board shall determine.

491 (8) To enter into a management contract or contracts
492 with any person or persons of all or any part of its property
493 as may in the judgment of such corridor be necessary or
494 desirable in order to perform more efficiently or economically
495 any function for which the corridor may become responsible in
496 the exercise of the powers conferred upon it by this act.

497 (9) To procure insurance against any loss in connection
498 with its property and other assets in such amounts and from
499 such insurers as its board determines to be necessary or
500 desirable.

501 (10) To fix and revise, and charge and collect, fees,
502 licenses, rates, and rentals for services rendered by the
503 corridor within the geographic boundaries of the corridor or
504 for the use of any property owned by and located within the



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505 geographic boundaries of the corridor, and to apply the
506 proceeds thereof for any lawful purpose of the corridor.

507 (11) To the extent authorized or permitted by the state
508 constitution, to grant, loan, or donate, or otherwise make
509 available any funds, money, revenues, or property of the
510 corridor upon such terms as the board shall determine to: (i)
511 any public person or persons, and (ii) upon compliance with
512 the public notice requirements and approval by each
513 authorizing subdivision, any corporate person or corporate
514 persons and natural person or natural persons.

515 (12) To the extent authorized or permitted by the state
516 constitution, to assume, incur, or issue any financial
517 obligation or financial obligations for any lawful purpose, as
518 more particularly provided in this act.

519 (13) To pledge for the benefit of any financial
520 obligation of the corridor any revenues, including, but not
521 limited to, proceeds of any tax to which it is entitled, from
522 which the financial obligation is payable, and to mortgage or
523 pledge its property and revenues, or any portion thereof, as
524 further provided in this act.

525 (14) To assume obligations secured by a lien on, or
526 secured by and payable out of or secured by a pledge of, any
527 property or part thereof or the revenues derived from any
528 property that may be acquired by the corridor.

529 (15) To make, enter into, and execute contracts,
530 agreements, leases, and other instruments, and to take such
531 other actions as may be necessary or convenient to accomplish
532 any purpose for which the corridor was organized or to



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533 exercise any power granted under this act.

534 (16) To enter into contracts with, to accept aid,
535 loans, and grants from, to cooperate with, and to take any
536 action not specifically prohibited by this act or other
537 applicable laws of the state that may be necessary in order to
538 obtain or secure the aid and cooperation of the United States,
539 the state, or any agency, department, instrumentality, or
540 political subdivision of either in furtherance of the purposes
541 of this act.

542 (17) To apply for, accept, receive, apply, disburse,
543 expend, and use to accomplish the purposes of this chapter any
544 money, property, labor, or other things of value, from any
545 source, including, without limitation, the state, any public
546 entity, and the United States, subject to any lawful condition
547 upon which the aid or contributions may be given or made.

548 (18) To appoint, employ, contract with, and provide for
549 compensation of the employees and agents of the corridor
550 including, but not limited to, architects, engineers,
551 attorneys, accountants, investment advisors and financial
552 experts, fiscal agents, and such other advisors, consultants,
553 and agents as the board determines to be necessary or
554 desirable.

555 (19) To invest its monies, including, but not limited
556 to, the monies held in any special fund created pursuant to
557 any trust indenture or agreement or resolution securing any of
558 its financial obligations and proceeds from the sale of any
559 financial obligations not required for immediate use, in such
560 investments as are authorized by the laws of the state for the



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561 investment of funds and money of a municipality.

562 (20) To acquire, create, establish, operate, or
563 support, or to participate as a member of, any corporate
564 person that will assist the corridor in, or which otherwise
565 has as a purpose of accomplishing the purposes of this act,
566 including, but not limited to, the support of any corporate
567 person by means of grants or loans of property or the issuance
568 of financial obligations for the benefit the corporate person.

569 (21) To exercise any authority or power that is granted
570 by state law to any private corporation or public corporation
571 which is not in conflict with the purposes of this act.

572 (22) To do any and all things necessary or convenient
573 to carry out its purposes and to exercise its powers pursuant
574 to this act to the extent permitted by law.

575 Section 7. Financial Obligations of a Research and
576 Development Corridor.

577 (a) Each corridor shall have, and may exercise as
578 provided in Section 6(12), the authority and power to assume,
579 incur, or issue, at any time and from time to time, any
580 financial obligation or financial obligations, without
581 limitation as to aggregate principal amount, as the board
582 determines to be necessary or desirable for any lawful purpose
583 of the corridor, including, but limited to:

584 (1) Payment of the costs of a project;

585 (2) Payment, in whole or in part, in advance or at
586 stated maturity, of any financial obligation of the corridor;

587 (3) Provision for such reserves as may be required in
588 connection with the financial obligations;



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589 (4) Payment of any extraordinary, nonrecurring
590 obligations, including, but not limited to, casualty losses,
591 legal judgments, and contractual termination payments;

592 (5) Payment of administration and operation of
593 projects; and

594 (6) Provision of funds to accomplish or effect any
595 purpose of this act.

596 (b) Each financial obligation of a research and
597 development corridor may be in such form and denomination and
598 of such tenor and maturity or maturities, shall be payable in
599 lawful currency of the United States in such installments as
600 serial or term obligations or a combination thereof, and at
601 such time or times, not exceeding 45 years from the date
602 thereof, may be payable at such place or places whether within
603 or without the state, may bear interest at such rate or rates
604 payable at such time or times and at such place or places and
605 evidenced in such manner, may be subject to prepayment or
606 redemption in advance of maturity at such price or prices and
607 upon such notice, terms, and conditions, and may contain such
608 provisions which are not in violation of this act, all as
609 provided in the applicable agreement, indenture, or resolution
610 of the corridor that has authorized the incurrence or issuance
611 thereof.

612 (c) A research and development corridor may provide
613 that any financial obligation shall bear interest at a rate or
614 rates fixed to maturity at the time of issuance or at a rate
615 or rates which may be changed from time to time during the
616 term of the financial obligation in accordance with an



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617 objective procedure determined by the board at the time of
618 issuance of the financial obligation or in connection with
619 published interest rates or indices that reflect an objective
620 response to market changes in interest rates by financial
621 institutions, governmental agencies, or other generally
622 recognized public or private sources of information concerning
623 interest rates.

624 (d) A research and development corridor shall have the
625 authority and power to deliver and perform all agreements and
626 contracts for the services of paying agents and trustees with
627 respect to financial obligations incurred or issued under this
628 act, for the purchase of any financial obligations issued
629 under this act, and for the guarantee or insurance, pursuant
630 to municipal bond insurance policies, letters of credit,
631 standby purchase agreements, and other credit or liquidity
632 facilities, of the payment, when due, of the principal of, and
633 premium and interest on, any financial obligations so assumed,
634 incurred, or issued by the corridor pursuant to this act.

635 (e) A research and development corridor shall cause all
636 financial obligations assumed, incurred, or issued by the
637 corridor to be executed by manual or electronic signature of
638 an officer or officers as authorized and provided in the
639 agreement, indenture, or resolution of the corridor which
640 authorized the financial obligation. A statement upon the
641 signature page of a financial obligation of a research and
642 development corridor that the financial obligation was issued
643 under the seal of the corridor shall be conclusive for all
644 purposes of state law. A financial obligation that has been



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645 executed by an officer or officers in office on the date of
646 the execution shall be valid and enforceable, notwithstanding
647 that before delivery of the financial obligation, any such
648 officer whose signature appears thereon has ceased to hold
649 such office.

650 (f) All financial obligations incurred or issued
651 pursuant to this act by a research and development corridor
652 may be sold at private or public sale at such price or prices
653 and in such manner as the board shall determine.

654 (g) Each financial obligation of a research and
655 development corridor is hereby made a negotiable instrument
656 for all purposes; anything in state law, including, but not
657 limited to, the Alabama Uniform Commercial Code, to the
658 contrary notwithstanding and without regard to whether the
659 financial obligation is of such form and character as to be a
660 negotiable instrument under state law; provided, however, the
661 corridor, in its discretion, may provide that any particular
662 financial obligation shall not be negotiable or may be
663 negotiable only upon such terms as the corridor shall
664 proscribe.

665 (h) (1) The corridor shall apply the proceeds of any
666 financial obligation solely for the purposes for which the
667 financial obligation has been incurred or issued, including,
668 but not limited to, payment of the costs of incurrence or
669 issuance of the financial obligations, including, but not
670 limited to: (i) fees and expenses of attorneys, accountants,
671 financial advisors, consultants, trustees and paying agents,
672 and underwriters; and (ii) the costs of municipal bond



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673 insurance policies, letters of credit, and such other credit
674 or liquidity facilities which provide for payment when due of
675 all or part of the principal of, and premium and interest on,
676 the financial obligations.

677 (2) The corridor may deposit in trust the proceeds of
678 any financial obligation incurred or issued for payment of
679 another financial obligation of the corridor, on such terms as
680 the board approves, with a financial institution having trust
681 powers within or without the state. The proceeds, to the
682 extent required by the terms of and purpose of such trust, may
683 be invested as provided for public funds of a municipality.

684 (i) The financial obligations of any corridor shall be
685 legal investments in which the state and its agencies and
686 instrumentalities, all subdivisions and public corporations
687 organized under the laws of the state, all insurance companies
688 and associations and other persons carrying on an insurance
689 business, all banks, savings banks, savings and loan
690 associations, trust companies, credit unions, and investment
691 companies of any kind, all administrators, guardians,
692 executors, trustees, and other fiduciaries, and all other
693 persons whosoever are now or may hereafter be authorized to
694 invest in financial obligations or other obligations of the
695 state, may properly and legally invest funds in their control
696 or belonging to them.

697 (j) The validity of any financial obligation that
698 states therein that it is issued pursuant to this act, in any
699 action or proceeding involving the validity thereof, shall be
700 incontestable, and the financial obligation shall be



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701 conclusively deemed to be the valid financial obligation of
702 the applicable corridor enforceable by all rights and remedies
703 available at law or in equity under state law.

704 Section 8. Sources of Payment of, and Security for,
705 Financial Obligations of a Research and Development Corridor.

706 (a) Each financial obligation or obligations of a
707 research and development corridor shall be a limited
708 obligation of the corridor payable solely from the sources of
709 payment specified therein, subject to such limitations and
710 provisions thereof, including, but not limited to, the
711 issuance of financial obligations payable from the same source
712 of funds on an equal and proportionate basis or on a
713 subordinate basis, as the corridor may determine.

714 (b) The corridor may assign, mortgage, or pledge any
715 property of the corridor to secure the payment and performance
716 of any financial obligation of the corridor; provided, the
717 corridor, in its discretion, may provide property as security
718 for any one or more financial obligations of the corridor
719 without, to the extent permitted by any applicable contractual
720 agreements, provision of the same or any other any property as
721 security for any other financial obligation or obligations of
722 the corridor. In furtherance of this subsection, the corridor
723 may deliver a contractual agreement to, or for the benefit of,
724 the owner or owners of any financial obligation of the
725 corridor, which agreement may contain such agreements,
726 conditions, covenants, provisions, and terms as the corridor
727 may determine to be necessary or desirable to provide for the
728 protection and security of the owners of the financial



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729 obligations, including, but not limited to, restrictions on
730 the use of the property of the corridor and the incurrence of
731 additional financial obligations of the corridor, the terms
732 for amendment, with and without the consent of the owner or
733 owners, of the financial obligations and the documents
734 pursuant to which such financial obligations were incurred or
735 issued, providing for the rights, duties, and authority of a
736 trustee, and providing for the exercise of legal and equitable
737 rights and remedies by such owner or owners.

738 (c) Any assignment, mortgage, or pledge of property by
739 the corridor for the benefit of any financial obligation shall
740 be effective, valid, and binding from the time the assignment,
741 mortgage, or pledge is made, and the property subject thereto
742 shall immediately, or as soon thereafter as the corridor
743 obtains any right thereto or interest therein, be subject to
744 the assignment, mortgage, or pledge without physical delivery
745 of the subject property or any agreement, document, or
746 instrument providing therefor, or any further act, and the
747 encumbrance and lien of any such assignment, mortgage, or
748 pledge shall be effective, valid, and binding as against all
749 persons having claims of any kind in tort, contract, or
750 otherwise against the corridor, irrespective of whether such
751 persons have actual notice thereof, from the time notice of
752 the assignment, mortgage, or pledge is filed for record: (i)
753 in the office of the judge of probate in which the certificate
754 of incorporation of the corridor was filed for record; and
755 (ii) in the case of any assignment, mortgage, or pledge of any
756 tangible property, whether real, personal, or mixed, in the



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757 office of the judge of probate of the county in which the
758 property is or is to be located pursuant to any agreement made
759 by the corridor with any person respecting the location and
760 use of the property. The notice shall contain a statement of
761 the existence of any such assignment, mortgage, or pledge, a
762 description of the subject property, and a description of the
763 financial obligations secured thereby, all in terms sufficient
764 to give notice to a reasonably prudent person of the existence
765 and effect of any such assignment, mortgage, or pledge;
766 provided, the notice may be in form of: (i) a summary
767 statement; or (ii) an executed counterpart of the agreement,
768 document, or instrument which contains the assignment,
769 mortgage, or pledge. The recording of the notice shall operate
770 as constructive notice of the contents thereof.

771 (d) All financial obligations assumed, incurred, or
772 issued by a research and development corridor shall be solely
773 and exclusively an obligation of the corridor and shall not
774 create a direct, indirect, or contingent obligation or
775 pecuniary liability, or general obligation, or charge against
776 the general assets, credit, funds, property, revenues, or
777 taxing power of the state or any subdivision, including, but
778 not limited to, any authorizing subdivision.

779 (e) The owner or owners of any financial obligation or
780 financial obligations of the corridor shall have no recourse
781 against any incorporator, or any past, present, or future
782 director, officer, employee, or agent of the corridor, or of
783 any successor thereof, for the payment of any amount which
784 shall have become due and payable under the financial



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785 obligation or financial obligations or for the payment or
786 performance of any agreement, document, or instrument pursuant
787 to which the financial obligation or financial obligations
788 were assumed, incurred, or issued by which the financial
789 obligation or financial obligations shall be secured.

790 Section 9. Validation of Financial Obligations of a
791 Research and Development Corridor.

792 (a) A research and development corridor shall
793 constitute a "unit" for purposes of Article 17 of Chapter 6 of
794 Title 6 of the Code of Alabama 1975. A research and
795 development corridor, in the determination of the board, may
796 file a petition with respect to any financial obligation or
797 financial obligations thereof pursuant to Article 17 of
798 Chapter 6 of Title 6 of the Code of Alabama 1975.

799 (b) (1) A research and development corridor, in the
800 determination of the board and upon the adoption by the board
801 of a resolution providing for the issuance of financial
802 obligations, may cause a notice respecting the issuance of the
803 financial obligations to be published once a week for two
804 consecutive weeks in each county in which shall be located any
805 project financed or in any way assisted by the issuance of the
806 financial obligations. The publication in each such county
807 shall be in a newspaper having general circulation therein and
808 shall be in substantially the following form (the blanks being
809 properly filled in) at the end of which shall be printed the
810 name and title of either the chair or secretary of the
811 corridor: " _____, a public corporation
812 and instrumentality of the State of Alabama, on the _____



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813 day of _____, authorized the issuance of \$_____

814 principal amount of _____ (identification of the

815 obligation) of the said public corporation for purposes

816 authorized in the act of the Legislature of Alabama under

817 which the public corporation was organized. Any action or

818 proceeding questioning or contesting the validity of the said

819 financial obligations, or the instruments securing the same,

820 or the proceedings authorizing the same, must be commenced on

821 or before _____ (here insert date determined in

822 accordance with the provisions of the next paragraph of this

823 section."

824 (2) The date stated in the notice as the date on or

825 before which any action or proceeding questioning or

826 contesting the validity of the financial obligations referred

827 to in the notice must be commenced shall be a date at least 30

828 days after the date on which occurs the last publication of

829 the notice necessary for it to have been published at least

830 once in all counties in which it is required to be published.

831 Any action or proceeding in any court to set aside or question

832 the proceedings for the issuance of the financial obligations

833 referred to in the notice or to contest the validity of any

834 such financial obligations, or the validity of any instruments

835 securing the same, must be commenced on or before the date

836 determined in accordance with the preceding sentence and

837 stated in the notice as the date on or before which any such

838 action or proceeding must be commenced. After that date, no

839 right of action or defense shall be asserted questioning or

840 contesting the validity of the financial obligation or the



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841 instruments securing the same, or the proceedings authorizing
842 the same, nor shall the validity of such financial obligations
843 or such instruments or proceedings be open to question in any
844 court on any ground whatsoever, except in an action or
845 proceeding commenced on or before that date.

846 Section 10. Special Authority of Public Persons to
847 Support Corridors.

848 (a) In furtherance of the public purposes of this
849 chapter, the state and any public entity or public
850 corporation, upon such terms and with or without consideration
851 as it may determine and in compliance with the state
852 constitution and public notice requirements, may undertake any
853 of the following for the benefit of any corridor project,
854 without regard to whether any public entity may be an
855 authorizing subdivision with respect to the corridor or may
856 have a project located or undertaken within the jurisdiction
857 thereof:

858 (1) Donate, grant, loan, or pledge to, or for the
859 benefit of, any corridor any funds, revenues, or tax proceeds
860 of the public entity or public corporation;

861 (2) Perform services for the benefit of any corridor;

862 (3) Pay, commit to pay, or guarantee, on a continuing
863 basis by contractual agreement, the payment when due of all or
864 any part of the principal of, and premium and interest on, any
865 financial obligation of a research and development corridor
866 for such period, including the period ending on the stated
867 maturity of the financial obligation, as the public entity or
868 public corporation may determine;



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869 (4) Donate, sell, convey, transfer, lease, or grant any
870 property to any corridor without the necessity of
871 authorization at any election of qualified voters of the
872 public entity;

873 (5) Do any and all things, whether or not specifically
874 authorized in this act, not otherwise prohibited by law, that
875 are necessary or desirable to aid and cooperate with any
876 corridor with respect to any project or in furtherance of the
877 public purposes of this act.

878 (b) The state and each public entity and public
879 corporation, upon compliance with the public notice
880 requirements, may assume, incur, or issue, by private or
881 public sale in compliance with applicable state law and the
882 state constitution, any financial obligation, as a general,
883 limited, or special obligation thereof, to provide funds for
884 any purpose of this section.

885 (c) The state and each public entity and public
886 corporation shall cause each contractual agreement or
887 instrument delivered for any purpose in subsection (a) to
888 provide for, or set forth, in the agreement or instrument: (i)
889 the purpose of the agreement; and (ii) the authorization and
890 direction of a specific officer or officers, by title or
891 office, of the public entity or public corporation to pay any
892 pecuniary obligation of the public entity or public
893 corporation in lawful currency of the United States and in
894 liquidated amounts when due on a date or dates certain, which
895 amounts and dates of payment may be set forth in the agreement
896 or instrument, or schedule thereto, or incorporated therein by



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897 specific reference.

898 (d) With specific regard to the state, the Governor or
899 his or her designee shall have the express authority to enter
900 into any contractual agreement or instrument, exercising the
901 state's authority hereunder.

902 (e) Any court in the state having competent
903 jurisdiction shall issue mandamus for the payment of any
904 pecuniary obligation of the state or a public entity or public
905 corporation in a contractual agreement or instrument delivered
906 pursuant to this section upon proper proof of nonpayment
907 thereof, or failure of compliance with the provisions of law
908 with respect thereto, being furnished by, or on behalf of, the
909 corridor or any beneficiary of the pecuniary obligation of the
910 state or the public entity or public corporation under the
911 contractual agreement or instrument.

912 Section 11. Audited Financial Statements.

913 (a) A research and development corridor shall be
914 required to produce audited financial statements from a
915 certified public accountant, or a firm thereof, regularly
916 engaged in the auditing of financial records, or an auditor
917 who is regularly employed by the Department of Examiners of
918 Public Accounts, for each fiscal year and, when available,
919 deliver the audited financial statements to each public entity
920 that financially supports the corridor, if the corridor: (i)
921 receives any eligible taxes; (ii) receives any funds,
922 proceeds, or revenues from any public entity; or (iii) issues
923 any financial obligation.

924 (b) For purposes of this section, the person conducting



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925 an audit pursuant to subsection (a) must be a person who: (i)
926 is in fact independent; (ii) does not have any direct
927 financial interest or any material indirect financial interest
928 in the corridor; and (iii) is not connected with the corridor
929 or any officer, employee, promoter, underwriter, trustee,
930 partner, director, or person performing similar functions.

931 Section 12. Exemption of Corridor from Taxation.

932 (a) (1) Except as provided in subdivision (2) or the
933 certificate of incorporation, each corridor and its real and
934 tangible personal property shall be exempt from all fees,
935 charges, and taxes levied by any judge of probate or taxing
936 authority of the state or any authorizing subdivision that
937 adopted an authorizing resolution to create the corridor,
938 including, but not limited to, ad valorem taxes, privilege,
939 license, and excise taxes, occupational taxes, business
940 license taxes, and recording fees and taxes; provided,
941 however, any city or county that is not an authorizing
942 subdivision may exempt the real or personal property of a
943 research and development corridor within the corporate limits
944 or jurisdiction thereof from any such fees, charges or
945 taxation as provided in this subdivision.

946 (2) Notwithstanding subdivision (1), real or personal
947 property of a corridor shall be subject to all of the fees and
948 taxes described in subdivision (1) if the project or property
949 is or will be treated as owned for federal income tax purposes
950 by a corporate person or a natural person.

951 (b) The income of any corridor, all financial
952 obligations of a corridor, the income and interest from the



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953 financial obligations, conveyances by or to a research and
954 development corridor, and leases, mortgages, and deeds of
955 trust or trust indentures by or to a research and development
956 corridor, shall be exempt from all taxation in the state.

957 Section 13. Exemption of Corridor from Usury and
958 Interest Laws.

959 Each corridor and the contractual agreements and
960 financial obligations of the corridor shall be exempt from
961 state laws governing usury or prescribing or limiting interest
962 rates, including, but not limited to, Chapter 8 of Title 8 of
963 the Code of Alabama 1975.

964 Section 14. Exemption of Corridor from Competitive Bid
965 Laws.

966 Each corridor and all contractual agreements made by
967 the corridor shall be exempt from state laws requiring
968 competitive bids for any contract to be entered into by any
969 public entity, including, but not limited to, Chapter 2 of
970 Title 39 and Article 3 of Chapter 16 of Title 41, of the Code
971 of Alabama 1975.

972 Section 15. Exemption of Corridor from State Oversight.

973 (a) Except as provided in this act and specifically in
974 subsection (b), a research and development corridor shall not
975 be required to obtain the approval or consent of, or make any
976 filing with, or provide notice to the state or any state
977 agency, department, or other instrumentality of the state,
978 with respect to the incorporation or the amendment of the
979 certificate of incorporation of the corridor, or the exercise
980 of any authority or power provided in this act or permitted



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981 under state law.

982 (b) A research and development corridor shall be
983 subject to local codes and ordinances.

984 Section 16. Applicability of Certain State Laws.

985 (a) A research and development corridor shall be
986 subject to Chapter 25 of Title 36 of the Code of Alabama 1975,
987 but board members shall not be required to file a statement of
988 economic interests under Section 36-25-14 of the Code of
989 Alabama 1975, or any successor to that law.

990 (b) Except as otherwise provided in this act, a
991 research and development corridor shall be subject to the
992 Alabama Open Meetings Act, Chapter 25A of Title 36 of the Code
993 of Alabama 1975.

994 Section 17. Corridor shall be Nonprofit Corporation.

995 A research and development corridor shall be a
996 nonprofit corporation, and no part of a research and
997 development corridor's net earnings remaining after payment of
998 its expenses shall inure to the benefit of any individual,
999 firm, or corporation, except that in the event a board shall
1000 determine that sufficient provision has been made for the full
1001 payment of the expenses, financial obligations, and other
1002 obligations of a research and development corridor, then any
1003 portion, as determined by the board, of the net earnings of a
1004 research and development corridor thereafter accruing, in the
1005 discretion of the board, may be paid to one or more of the
1006 corridor's authorizing subdivisions.

1007 Section 18. Dissolution of Corridor; Vesting of Title
1008 to Property of Corridor.



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1009 At any time when a research and development corridor
1010 has no financial obligations or other executory agreements
1011 outstanding, its board may adopt a resolution, which shall be
1012 duly entered upon its minutes, declaring that the corridor
1013 shall be dissolved. Upon filing for record of a certified copy
1014 of the resolution in the office of the judge of probate with
1015 which the corridor's certificate of incorporation is filed,
1016 the corridor shall thereupon stand dissolved, and in the event
1017 the corridor owned any property at the time of the
1018 dissolution, the title to all its properties, subject to the
1019 state constitution, thereupon shall vest in the corridor's
1020 authorizing subdivision, or if the corridor has more than one
1021 authorizing subdivision, in the corridor's authorizing
1022 subdivisions as tenants in common.

1023 Section 19. Incorporation of Multiple Corridors by Same
1024 Authorizing Subdivision.

1025 The existence of a research and development corridor
1026 incorporated under this act shall not prevent the subsequent
1027 incorporation under this act of another corridor pursuant to
1028 authority granted by the same authorizing subdivision.

1029 Section 20. Reporting.

1030 Not later than January 1, annually, each corridor shall
1031 submit a report detailing all activities, including the status
1032 of any qualified enterprise within the corridor and the
1033 audited financial statements submitted pursuant to Section 12,
1034 to the Governor, the Lieutenant Governor, the Speaker of the
1035 House of Representatives, the President of the Senate, and
1036 each authorizing subdivision.



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1037 Section 21. Cumulative Effect of Chapter.

1038 The provisions of this act are cumulative and shall not
1039 be deemed to repeal existing laws; provided, however, this act
1040 shall supersede any other laws to the extent the laws are
1041 clearly inconsistent with the provisions of this act.

1042 Section 22. If a project currently exists in the state
1043 then it cannot relocate into a research and development
1044 corridor treatment unless the municipality within whose
1045 corporate limits the project currently exists consents to the
1046 relocation.

1047 Section 23. The provisions of this act are severable.
1048 If any part of this act is declared in valid or
1049 unconstitutional, that declaration shall not affect the part
1050 which remains.

1051 Section 24. This act shall become effective upon the
1052 ratification of the constitutional amendment proposed in House
1053 Bill 368 or Senate Bill 243 of the 2024 Regular Session.