

1 SB320
2 166603-1
3 By Senators Singleton and Allen
4 RFD: Transportation and Energy
5 First Read: 31-MAR-15

2
3
4
5
6
7
8 SYNOPSIS: Under existing law, the Alabama Highway
9 Authority is authorized to finance road and bridge
10 construction projects by issuing bonds.

11 This bill would revise the membership of the
12 authority to include the Governor in lieu of the
13 Executive Secretary to the Governor.

14 This bill would provide further for the
15 receipt of donations by the authority and for the
16 use of proceeds.

17 This bill would authorize the authority to
18 construct, reconstruct, and relocate tunnels in
19 addition to roads and bridges and appurtenances
20 thereto.

21 This bill would also provide further for the
22 issuance of bonds by the authority and for the use
23 of the proceeds.

24
25 A BILL
26 TO BE ENTITLED
27 AN ACT

1
2 To amend Sections 23-1-150, 23-1-151, 23-1-152,
3 23-1-154, 23-1-155, 23-1-156, 23-1-157, and 23-1-158, Code of
4 Alabama 1975, relating to the Alabama Highway Authority; to
5 revise the membership of the authority to include the Governor
6 in lieu of the Executive Secretary to the Governor; to provide
7 further for the receipt of donations by the authority and for
8 the use of proceeds; to authorize the authority to construct,
9 reconstruct, and relocate tunnels in addition to roads and
10 bridges and appurtenances thereto; and to provide further for
11 the issuance of bonds by the authority and for the use of the
12 proceeds.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. Sections 23-1-150, 23-1-151, 23-1-152,
15 23-1-154, 23-1-155, 23-1-156, 23-1-157, and 23-1-158 of the
16 Code of Alabama 1975, are amended to read as follows:

17 "§23-1-150.

18 "It is the intention of the Legislature by the
19 passage of this article to authorize the incorporation of the
20 Director of Finance, the Director of Transportation, the
21 Attorney General, the State Treasurer, and ~~the Executive~~
22 ~~Secretary to the Governor of Alabama~~ for the purpose of
23 constructing public roads and bridges, together with work
24 incidental and related thereto, through a corporation to be
25 composed of ~~said~~ the officials whose incorporation is hereby
26 authorized, to vest such corporation with all powers,
27 authorities, rights, privileges, and titles that may be

1 necessary to enable it to accomplish such purpose and to
2 appropriate and pledge funds for the use of such corporation.
3 This article shall be liberally construed in conformity with
4 ~~the said~~ this purpose.

5 "§23-1-151.

6 "The Director of Finance, the Director of
7 Transportation, the Attorney General, the State Treasurer, and
8 ~~the Executive Secretary~~ to the Governor may become a
9 corporation, with the powers and authorities provided in this
10 article, by proceeding according to ~~the provisions of~~ this
11 article.

12 "§23-1-152.

13 "(a) To become a corporation, the Director of
14 Finance, the Director of Transportation, the Attorney General,
15 the State Treasurer, and ~~the Executive Secretary~~ to the
16 Governor shall present to the Secretary of State ~~of Alabama~~ an
17 application signed by them which ~~will~~ shall set forth all of
18 the following:

19 "(1) The name, official designation, and official
20 residence of each of the applicants, together with a certified
21 copy of the commission evidencing each applicant's right to
22 office~~;~~.

23 "(2) The date on which each applicant was inducted
24 into office and the term of office of each of the applicants~~;~~.

25 "(3) The name of the proposed corporation, which
26 shall be Alabama Highway Authority~~;~~.

1 "(4) The location of the principal office of the
2 proposed corporation;~~and.~~

3 "(5) Any other matter relating to the incorporation
4 which the applicants may choose to insert and which is not
5 inconsistent with this article or the laws of the State of
6 Alabama.

7 "(b) The application shall be subscribed and sworn
8 to by each of the applicants before an officer authorized by
9 the laws of the State of Alabama to take acknowledgments to
10 deeds. The Secretary of State shall examine the application,
11 and if ~~he finds that it~~ the application substantially complies
12 with the requirements of this section, he or she shall
13 receive, and file, it and record it ~~in an appropriate book of~~
14 ~~records in his office.~~

15 "§23-1-154.

16 "The applicants named in the application, and their
17 respective successors in office, shall constitute the members
18 of the corporation. The ~~Director of Finance~~ Governor shall be
19 the president of the corporation, the ~~Executive Secretary to~~
20 ~~the Governor~~ Director of Transportation shall be the
21 vice-president of the corporation, the Director of
22 ~~Transportation~~ Finance shall be the secretary of the
23 corporation and the State Treasurer shall be the treasurer of
24 the corporation and shall act as custodian of its funds. The
25 members of the corporation shall constitute all the members of
26 the board of directors of the corporation, and any three
27 members of the ~~said~~ board of directors shall constitute a

1 quorum for the transaction of business. Should any of ~~said the~~
2 officials of the state die or should his or her term of office
3 as Director of Finance, Director of Transportation, Attorney
4 General, State Treasurer, or ~~Executive Secretary to the~~
5 Governor, as the case may be, expire, or should he or she
6 resign therefrom, his or her successor in office shall take
7 his or her place as a member, officer, and director of the
8 corporation. No member, officer, or director of the
9 corporation shall draw any salary, in addition to that now
10 authorized by law, for any service he or she may render or any
11 duty he or she may perform in connection with the corporation.
12 All proceedings had and done by the board of directors shall
13 be reduced to writing by the secretary of the corporation ~~and~~
14 ~~recorded in a substantially bound book~~. Copies of such
15 proceedings, when certified by the secretary of the
16 corporation under the seal of the corporation, shall be
17 received in all courts as prima facie evidence of the matters
18 and things therein certified.

19 "§23-1-155.

20 "The corporation shall have all of the following
21 powers:

22 "(1) To have perpetual succession by its corporate
23 name unless sooner dissolved pursuant to Section 23-1-1607.

24 "(2) To maintain actions and have actions maintained
25 against it and to prosecute and defend in any court having
26 jurisdiction of the subject matter and of the parties7.

1 "(3) To have and to use a corporate seal and to
2 alter the same at pleasure~~;~~.

3 "(4) To construct, reconstruct~~,~~ and relocate, or to
4 cause to be constructed, reconstructed~~,~~ and relocated, public
5 roads~~,~~ ~~and~~ bridges, and tunnels, including work incidental or
6 related thereto, in the State of Alabama~~;~~.

7 "(5) To acquire in the name of the corporation by
8 purchase, gift~~,~~ or condemnation or any other lawful means and
9 to convey, or cause to be conveyed, to the ~~State of Alabama~~
10 corporation any real, personal~~,~~ or mixed property or materials
11 necessary or convenient in connection with the construction~~,~~
12 reconstruction, or relocation of public roads~~,~~ ~~and~~ bridges and
13 approaches thereto, and tunnels in the State of Alabama ~~or the~~
14 ~~reconstruction or relocation of public roads and bridges in~~
15 ~~said state;~~.

16 "(6) To exercise the right of eminent domain as
17 freely and completely as, and in the same manner that, the
18 State of Alabama is empowered to exercise such right~~;~~.

19 "(7) To borrow money for its corporate purposes and,
20 in evidence of such borrowing, to sell and issue its bonds and
21 to refund any thereof by the issuance of refunding bonds (any
22 such bonds, including refunding bonds, being collectively
23 referred to in this article as "bonds")~~;~~.

24 "~~As security for payment of the principal of and~~
25 ~~the interest on its bonds, to pledge the proceeds of the~~
26 ~~appropriations and pledges provided for in this article; and~~
27 To receive and accept aid, grants, funds, gifts, donations,

1 contributions, and appropriations from any source, whether
2 governmental or nongovernmental, of money, revenues,
3 appropriations, real or personal property, labor, or other
4 things of value, to be pledged, held, used, or applied for the
5 purpose for which the grant, donation, or contribution may be
6 made, as security for payment of the principal of and the
7 interest on its bonds.

8 "(9) To appoint and employ such officers, attorneys,
9 and agents as the business of the corporation may require.

10 "(10) To make and enter into contracts and
11 agreements necessary for, or incidental to, the performance of
12 its duties and the execution of its powers under this article,
13 including contracts and agreements for professional services
14 deemed necessary for such purposes by the authority. In
15 addition to and in conjunction with other authority to enter
16 into contracts as may be provided by law, the authority is
17 given full authority to enter into contracts, agreements, or
18 understandings with, but not limited to, individuals,
19 corporations, partnerships, limited liability companies, or
20 other private parties; public or private partnerships, or
21 both, or other similar joint ventures; or the federal
22 government, any department, agency, governmental or
23 quasi-governmental body, public corporation, instrumentality,
24 or subdivision of the United States, the State of Alabama, or
25 any other state of the United States, or any agency,
26 governmental or quasi-governmental body, instrumentality, or
27 subdivision thereof for the construction, reconstruction, or

1 relocation of any public highway, street or road, bridge and
2 approaches thereto, or tunnel in the State of Alabama.

3 "§23-1-156.

4 "All contracts of the corporation for the
5 construction, reconstruction, and relocation of roads and
6 bridges, and work incidental or related thereto and the
7 acquisition of property necessary therefor, shall be in
8 writing, shall be subject to the rules and regulations and
9 shall be let under the supervision of the ~~State~~ Department of
10 Transportation, and shall be subject to approval by the
11 Governor and by the ~~State~~ Department of Transportation. All
12 work provided for in any ~~such~~ contract shall be supervised by
13 the ~~State~~ Department of Transportation or as otherwise
14 provided through agreement with the department. All persons
15 engaged in the supervision or performance of any such work of
16 construction, reconstruction, or relocation that may be done
17 by the corporation without the award of a contract therefor
18 shall be employees of the ~~State~~ Department of Transportation
19 or as otherwise provided through agreement with the
20 department. The corporation shall make and enforce all
21 reasonable rules and regulations not inconsistent with the
22 terms of this article or the laws of the State of Alabama as
23 may in its opinion be proper and suitable for the protection
24 of ~~said~~ the roads, bridges, approaches, and appurtenances and
25 for the safety of the traveling public. Any property acquired
26 by the corporation by purchase, condemnation, or otherwise
27 shall be forthwith conveyed to the State of Alabama or as

1 otherwise provided through agreement with the department. All
2 roads and bridges constructed by the corporation shall
3 constitute part of the public highway system in the state.

4 "§23-1-157.

5 "(a) The bonds of the corporation shall be signed by
6 its president and attested by its secretary, and all interest
7 coupons applicable to such bonds shall be signed by the
8 president; provided, that a facsimile of the signature of one,
9 but not of both, of ~~said~~ the officers may be imprinted or
10 otherwise reproduced on any such bonds in lieu of their being
11 manually signed and a facsimile of the president's signature
12 may be imprinted or otherwise reproduced on any such interest
13 coupons in lieu of their being manually signed. The seal of
14 the corporation shall be affixed to such bonds; provided, that
15 a facsimile of ~~said~~ the seal may be imprinted or otherwise
16 reproduced on any such bonds in lieu of being manually affixed
17 thereon.

18 "(b) Any bonds of the corporation may be executed
19 and delivered at any time and from time to time, shall be in
20 such form and denominations and of such tenor and maturities,
21 shall bear such rate or rates of interest payable and
22 evidenced in such manner, may contain provisions for
23 redemption prior to maturity, and may contain other provisions
24 not inconsistent with this article, all as may be provided by
25 the resolution of the board of directors whereunder such bonds
26 are authorized to be issued; provided, that no bond of the
27 corporation shall have a specified maturity date later than 20

1 years after its date. Any bond of the corporation having a
2 specified maturity date more than five years after its date
3 shall be made subject to redemption at the option of the
4 corporation at the end of the fifth year after its date and on
5 any interest payment date thereafter under such terms and
6 conditions as may be provided in the resolution under which
7 such bond is authorized to be issued.

8 "(c) Bonds of the corporation may be sold from time
9 to time as the board of directors may deem advantageous;
10 ~~provided, that the aggregate principal amount of bonds of the~~
11 ~~corporation which may be issued under this article shall be~~
12 ~~limited to \$50,000,000.00, but the said limitation shall not~~
13 ~~apply to refunding bonds which may be issued under this~~
14 ~~article and also shall not apply to bonds of the corporation~~
15 ~~which may be issued under any other act which may at any time~~
16 ~~be enacted; provided further, that no bonds shall be issued~~
17 ~~under this article by the corporation in any instance where~~
18 ~~the aggregate of the principal thereof and interest thereon~~
19 ~~maturing during any fiscal year of the State of Alabama, when~~
20 ~~added to the total principal and interest maturing during the~~
21 ~~same fiscal year with respect to all bonds of the corporation~~
22 ~~then outstanding, if any there be, including bonds issued~~
23 ~~under this article and any other bonds of the corporation,~~
24 ~~exceeds 50 percent of the sum of, in the case of bonds issued~~
25 ~~during either of the fiscal years ending September 30, 1955,~~
26 ~~and September 30, 1956, one ninth of the proceeds of the~~
27 ~~gasoline excise tax levied under Section 40-17-31, collected~~

1 by the State of Alabama during the fiscal year ending
2 September 30, 1954, or, in the case of bonds issued during any
3 fiscal year ending subsequent to September 30, 1956, two
4 twenty-firsts of the proceeds of the gasoline excise tax
5 levied under Section 40-17-31, collected by the State of
6 Alabama during the fiscal year next preceding the fiscal year
7 during which such bonds shall be issued.

8 "(d) Bonds of the corporation ~~must~~ shall be sold
9 only at public or private sale, ~~either on sealed bids or at~~
10 ~~public auction,~~ to the bidder whose bid reflects the lowest
11 net interest cost to the corporation for the bonds being sold,
12 computed to their respective maturities; provided, that if no
13 bid acceptable to the corporation is received, it may reject
14 all bids. Notice of each ~~such~~ sale shall be given by
15 publication in either a financial journal or a financial
16 newspaper published in the City of New York, New York, and
17 also by publication in a newspaper published in the State of
18 Alabama which is customarily published not less than six days
19 during each calendar week, each of which notices ~~must~~ shall be
20 published at least one time not less than 10 days prior to the
21 date fixed for the sale. The board of directors may fix the
22 terms and conditions under which each ~~such~~ sale may be held;
23 provided, that none of the bonds may be sold for a price less
24 than the face value thereof and provided, further, that such
25 terms and conditions shall not conflict with any of the
26 requirements of this article.

1 "~~(e)~~ (d) Subject to the provisions and limitations
2 contained in this article, the corporation ~~may~~, from time to
3 time, may sell and issue refunding bonds for the purpose of
4 refunding any matured or unmatured bonds of the corporation
5 issued under this article and then outstanding.

6 "~~(f)~~ (e) Approval by the Governor ~~of Alabama~~ of the
7 terms and conditions under which any bonds of the corporation
8 may be issued shall be requisite to their validity. ~~Such~~
9 ~~approval~~ Approval shall be entered on the minutes of the
10 respective meetings of the board of directors at which the
11 bonds are authorized and shall be signed by the Governor. ~~Such~~
12 ~~approval~~ Approval by the Governor may be shown on any such
13 bonds by his or her facsimile signature when authorization
14 thereof is contained in the ~~said~~ approval signed by him or
15 her.

16 "~~(g)~~ (f) The corporation may pay out of the proceeds
17 from the sale of its bonds all expenses, including fees of
18 fiscal agents and attorneys and other charges, which ~~said~~ the
19 board of directors may deem necessary and advantageous in
20 connection with the issuance of such bonds. Bonds issued by
21 the corporation under this article shall not be general
22 obligations of the corporation, but shall be payable solely
23 out of the funds appropriated and pledged therefor.

24 "~~(h)~~ (g) As security for the payment of the principal
25 of and interest on any bonds issued by it under this article
26 the corporation is hereby authorized and empowered to pledge
27 for payment of ~~said~~ the principal and interest the funds that

1 are appropriated and pledged for payment of ~~said~~ the principal
2 and interest. All such pledges made by the corporation shall
3 take precedence in the order of the adoption of the
4 resolutions containing such pledges. All contracts made and
5 all bonds issued by the corporation pursuant to ~~the provisions~~
6 ~~of~~ this article shall be solely and exclusively obligations of
7 the corporation and shall not be an obligation or debt of the
8 State of Alabama. Bonds issued by the corporation under this
9 article shall be construed to be negotiable instruments
10 although payable solely from a specified source as provided in
11 this article.

12 "~~(i)~~ (h) All bonds issued by the corporation and the
13 income therefrom shall be exempt from all taxation in the
14 State of Alabama. Any bonds issued by the corporation may be
15 used by the holder thereof as security for any funds belonging
16 to the state or to any instrumentality or agency of the state
17 in any instance where security for such deposits may be
18 required by law.

19 "~~(j)~~ (i) Unless otherwise directed by the court
20 having jurisdiction thereof or by the document that is the
21 source of authority, a trustee, executor, administrator,
22 guardian, or one acting in any other fiduciary capacity ~~may~~,
23 in addition to any other investment powers conferred by law
24 and with the exercise of reasonable business prudence, may
25 invest trust funds in bonds of the corporation.

26 "~~(k)~~ (j) Neither a public hearing nor consent by the
27 state Department of Finance or any other department or agency

1 shall be a prerequisite to the issuance of bonds of the
2 corporation.

3 "§23-1-158.

4 "The proceeds of all bonds, other than refunding
5 bonds, issued by the corporation, remaining after paying the
6 expenses of their issuance, shall be turned in to the
7 Treasury, ~~shall be carried in the Public Road and Bridge~~
8 ~~Account~~ and shall be subject to be drawn on by the
9 corporation, upon the approval of the ~~State~~ Department of
10 Transportation and the ~~Governor~~, but Director of Finance. The
11 proceeds of any bonds issued by the corporation shall be used
12 only for the projects listed in the pledge of funds securing
13 the bonds and solely for the purpose of constructing,
14 reconstructing, and relocating public roads, and bridges, and
15 tunnels, or work incidental or related thereto, in the State
16 of Alabama, including the acquisition of property necessary
17 for such construction and incidental and related work,
18 ~~provided, that if such.~~ If action ~~shall be~~ is necessary in
19 order to comply with any federal legislation relating to
20 federal aid in construction of roads, the corporation may
21 authorize the ~~State~~ Department of Transportation to expend
22 directly any portion of such proceeds for constructing,
23 reconstructing, and relocating such roads, and bridges, and
24 tunnels, or work incidental or related thereto, but only for
25 the projects listed in the pledge of funds securing the bonds.
26 The proceeds from the sale of any refunding bonds of the
27 corporation remaining after paying the expenses of their

1 issuance shall be used only for the purpose of refunding the
2 principal of outstanding bonds of the corporation and of
3 paying any premium that may be necessary to be paid in order
4 to redeem or retire the bonds to be refunded."

5 Section 2. This act shall become effective
6 immediately following its passage and approval by the
7 Governor, or its otherwise becoming law.