

Connect Alabama Act

Section 41-23-270

Short title.

This article shall be known and may be cited as the Connect Alabama Act of 2021.

(Act 2021-465, § 1.)

Section 41-23-271

Definitions.

For the purposes of this article, the following terms shall have the following meanings:

- (1) ADECA. The Alabama Department of Economic and Community Affairs.
- (2) AUTHORITY. The Alabama Digital Expansion Authority.
- (3) CONNECT ALABAMA FUND. A fund created within the State Treasury to be administered by the Alabama Digital Expansion Finance Corporation, with funds distributed by the corporation to ADECA for use by the division for the implementation and administration of the statewide connectivity plan.
- (4) CORPORATION. The Alabama Digital Expansion Finance Corporation.
- (5) DIVISION. The Alabama Digital Expansion Division of ADECA.
- (6) END USER. A residential, business, institutional, or government entity that uses broadband services for its own purposes and does not resell the broadband services to other entities.
- (7) MIDDLE MILE PROJECT. A broadband infrastructure project that does not provide broadband service to end users or to end-user devices.
- (8) MINIMUM SERVICE THRESHOLD. A connection to the Internet that provides capacity for transmission at a minimum speed per customer of at least 100 megabits (100 Mbps) per second downstream and at least 20 megabits (20 Mbps) per second upstream.
- (9) PROVIDER-SPECIFIC INFORMATION. Any information given to ADECA or its agents by a broadband service provider that identifies the provider's location-specific service availability details, construction plans, or business operations details that are not otherwise readily ascertainable by proper means through third parties without substantial effort.

(10) RURAL AREA. Any area within this state not included within the boundaries of any incorporated city or town having a population of more than 25,000 inhabitants, according to the last federal census.

(11) UNSERVED AREA. Any area that is determined by the division to not have at least one provider of terrestrial broadband service that offers a connection to the Internet that meets or exceeds the minimum service threshold.

(Act 2021-465, § 2; Act 2022-125, § 1.)

Section 41-23-272

Alabama Digital Expansion Authority.

(a) The authority is created to advise, review, and approve the statewide connectivity plan.

(b)(1) The authority shall be comprised of the following members:

a. Three individuals designated by the Governor, who may be members of the private sector or public officials or public employees.

b. One individual designated by the President Pro Tempore of the Senate, who shall be a member of the private sector.

c. One individual designated by the Speaker of the House of Representatives, who shall be a member of the private sector.

d. The Director of ADECA.

e. The Division Chief of the Division, who shall serve as a nonvoting member.

f. Individuals who are public officials or public employees, as defined by Section 36-25-1, and designated by the following:

1. One by the Lieutenant Governor.

2. Two by the President Pro Tempore of the Senate, one of whom shall be recommended by the Minority Caucus of the Senate.

3. Two by the Speaker of the House of Representatives, one of whom shall be recommended by the Minority Caucus of the House of Representatives.

4. One by the Director of Finance.

(2) Any private sector designee under subdivision (1) shall not be an employee or consultant of an Internet service provider or have a financial interest in the provisions of this article.

(3) The appointing authorities shall coordinate their designations so that diversity of gender, race, and geographical areas is reflective of the makeup of this state.

(c) The authority may recommend policies and procedures for the expansion and availability of high-speed broadband services throughout the state through review and approval of the statewide connectivity plan.

(d) The authority shall direct the corporation regarding the timing and quantity of funds required to support the division's execution of the statewide connectivity plan as provided in this article.

(e) The authority shall meet annually with the Alabama Rural Broadband Oversight Committee, which was established under Section 41-23-214, for the purpose of receiving a report from ADECA as provided in Section 41-23-281.

(f) The authority may create advisory committees to assist and advise the authority in the performance and administration of its objectives and duties, including the hiring and retention of third-party consultants as determined to be necessary by the authority.

(g)(1) Public employee members of the authority shall serve without compensation, but shall be reimbursed for per diem and travel expenses at the same rate and under the same circumstances as are payable by law to state employees for each day they attend business of the authority.

(2) Legislative members of the authority shall serve without compensation, but shall receive his or her legislative per diem and travel expenses for each day the member attends a meeting of the authority or any related committees in accordance with Amendment 871 to the Constitution of Alabama of 1901, now appearing as Section 49.01 of the Official Recompilation of the Constitution of Alabama of 1901, as amended.

(h) Any designated members of the authority shall serve at the pleasure of the appointing authority.

(i) The Director of ADECA shall call the first meeting of the authority not later than June 16, 2021. At the first meeting, the members of the authority shall elect a chair and vice chair. Meetings of the authority shall be called by the chair or by a majority of its members.

(j) Members of the authority or any committee established by the authority may participate in a meeting of the authority or committee in person, by means of telephone conference, video conference, or other similar communications equipment so that all individuals participating in the meeting may hear each other at the same time. Participation by any such means shall constitute presence in person at a meeting for all purposes, including for purposes of establishing a quorum.

(k) Seven members of the authority shall constitute a quorum, and the affirmative vote of a majority of the members then in office shall be necessary for any action of the authority.

Section 41-23-273

Alabama Digital Expansion Division - Creation; division chief; committees.

(a) The Alabama Digital Expansion Division is created as a division of ADECA. The division shall be run by a division chief, who shall be appointed by the Director of ADECA, with the approval of the Governor, from a list of three nominees submitted by the authority. The division chief shall report to, and be under the direct supervision of, the Director of ADECA. The division chief shall carry out the functions and duties of the division. The division chief shall be knowledgeable in matters relating to broadband and shall have no financial interest in any broadband or related business or enterprise which would conflict or be inconsistent with his or her duties as division chief. The division chief shall be employed in the exempt service.

(b) The division chief shall have the power and authority necessary to carry out the functions and duties of the division. All functions and duties of the division shall be exercised by the division chief or through such employees or other individuals the division chief may designate. In the performance and exercise of such powers, authorities, functions, and duties, the division chief and other employees of the division shall be subject to all legal requirements, restrictions, limitations, conditions, and penalties, whether civil or criminal. These powers, authorities, functions, and duties include, but are not limited to, the following:

(1) Exercise duties as the chief executive of the division and exercise, consistent with this article and other applicable laws, all the powers, authority, and duties vested by this article and any other applicable ADECA policies and regulations or laws providing for the operation of the division.

(2) Employ, with the approval of the Director of ADECA, all individuals necessary for the efficient operation of the division, including professional, technical, clerical, and other staff, including attorneys, special counsel, and consultants as are necessary to accomplish the objectives of this article.

(3) Enter into nondisclosure agreements to protect proprietary information. All provider-specific information provided under a nondisclosure agreement shall be presumed confidential and proprietary and shall not be considered a public record. Provider-specific information shall not be released to any person other than to the submitting broadband services provider and to appropriate ADECA staff, agents, or contractors without the express written consent of the submitting broadband services provider. Provider-specific information shall only be used for broadband mapping, policy development, grant eligibility purposes, and furthering the broadband goals of the state.

(c) Upon approval by the Director of ADECA, the division chief may establish technical and other advisory committees to advise the division with respect to specific objectives.

(Act 2021-465, § 4; Act 2022-125, § 1.)

Section 41-23-274

Alabama Digital Expansion Division - Powers and duties.

The division, in collaboration with the authority, shall have all of the following powers and duties:

(1) To promote the expansion and availability of high-speed broadband networks, services, and technologies throughout the state, including, but not limited to, rural areas, underserved areas, and unserved areas of the state.

(2) To develop and begin executing a statewide connectivity plan, as approved by the authority, to facilitate the expansion and availability of high-speed broadband networks, services, and technologies throughout the state, including a timeline for implementation of the plan. The Director of ADECA shall submit the proposed plan to the authority for approval on or before July 1, 2022. The plan must consider the need for broadband expansion in rural areas, underserved areas, and unserved areas, as well as any other obstacles to broadband adoption. It shall include recommendations for funding, and plans for implementation of the following objectives, including, but not limited to:

a. Evaluation of the state's existing long-haul and middle mile network.

b. Projects for the development and expansion of a secure, reliable, robust, multi-purpose, and high-quality long-haul and middle mile fiber network throughout the state. Projects shall be implemented in the most cost effective and efficient manner for the state and should utilize existing, available infrastructure where it is consistent with the plan and meets the speeds, service quality, and other priorities established by this article, the plan, or the authority.

c. Projects for providing last-mile infrastructure and lit services for specific applications and use cases that are determined by the division to be a priority supported by the network or portions of the network funded under the statewide connectivity plan.

d. Consideration of suggestions and recommendations of the Alabama Supercomputer Authority.

(3) To implement the authority-approved statewide connectivity plan and to enter into contracts and leases for purposes consistent with the priorities of the plan. In developing the statewide connectivity plan, the division may seek input from incumbent Internet service providers, other service providers, and other owners and operators of infrastructure involved in providing high-speed broadband service.

(4) To establish and administer the Connect Alabama grant programs, in collaboration with the authority, for the purpose of promoting the deployment and adoption of high-speed broadband Internet networks, services, and technologies throughout the state, including, but not limited to, rural areas, underserved areas, and unserved areas of the state consistent with the requirements of this article. Funds received by the Connect Alabama Fund shall be expended by the division for the extension of last-mile infrastructure in unserved areas at minimum speeds as determined by

the statewide connectivity plan, as well as the establishment and administration of a middle mile program and line extension program. ADECA may establish additional Connect Alabama grant programs in accordance with the goals of the statewide connectivity plan. The funding amounts for programs established under this article shall be evaluated for increase or decrease annually with recommendations from the division and approval by the authority. All funds received for the Connect Alabama grant program shall be expended according to the statewide connectivity plan, as identified by the division, and subject to any applicable legal requirements. Federal and other funds received by ADECA or the Connect Alabama Fund shall be expended by the division in accordance with the statewide connectivity plan and any legal requirements applicable to those funds.

(5) To adopt rules and policies, as approved by ADECA, within 90 days of establishing and receiving the initial funding for the statewide connectivity plan, to administer the program and to begin to accept applications for grants, including any rules necessary to meet the future needs of the grant program.

(6) To develop strategies and support efforts to attract and leverage grant funds, federal resources, and private investment in furtherance of this article.

(7) To accept and receive funds, gifts, grants, property, labor, or other monetary or in-kind contributions of any type or from any source, including, but not limited to, federal and state grants, appropriations, loans, and loan guarantees.

(8) To administer the distribution of funds, grants, loans, loan guarantees, or other funds and resources received by the division and to ensure that grant funds awarded under this article are used for the purposes specified in this article.

(9) To promote and encourage private investments and applications for available grants.

(10) To perform any other actions necessary or convenient for the implementation and administration of this article and in compliance with state and federal law.

(Act 2021-465, § 5; Act 2022-125, § 1.)

Section 41-23-275

Applicability of code of ethics.

Members of the authority, the division chief, and employees of the division shall be subject to Chapter 25 of Title 36.

(Act 2021-465, § 6.)

Section 41-23-276

Applicability of Open Meetings Act.

Meetings of the authority are subject to the requirements of Chapter 25A of Title 36.

(Act 2021-465, § 7.)

Section 41-23-277

Contracts and leases.

The division may enter into contracts and leases for any and all purposes that are in furtherance of this article or consistent with these purposes. The division shall comply with any competitive bid requirements in Article 2 of Chapter 16 and Chapter 2 of Title 39 and any requirements relating to the procurement of professional service providers in Section 41-16-72.

(Act 2021-465, § 8.)

Section 41-23-278

Connect Alabama Fund.

(a) There is created within the State Treasury the Connect Alabama Fund to be administered by the corporation. Appropriations by the Legislature, federal funds, gifts, grants, and other donations from any source that are received by the corporation shall be deposited into the Connect Alabama Fund to be distributed by the corporation to ADECA for use by the division for the implementation and administration of the statewide connectivity plan, including for the payment of the salaries of the division chief and any other employees and for the operating and administrative expenses of the authority and ADECA for the division.

(b) Any funds that are unspent at the end of a fiscal year shall be carried over for use by the division in the next fiscal year. Any interest earned from these funds shall be credited to the Connect Alabama Fund.

(Act 2021-465, § 9.)

Section 41-23-279

Statewide research and education network.

The authority shall make it a priority to consider the need for a statewide research and education network and may engage a third party consultant to develop recommendations for such a network. Upon a majority vote of its members, the authority may create an entity that will assist the state in the development of a statewide research and education network and other cooperative ventures of innovative technological significance to advance higher education, research, health

care, and economic development for the state's universities, university health care systems, research institutions, and the Alabama Community College System. The authority shall prioritize a higher education research network and consult with all two-year and four-year institutions and the Alabama Community College System on the development of the network.

(Act 2021-465, § 10.)

Section 41-23-280

Alabama Digital Expansion Finance Corporation.

(a) The Alabama Digital Expansion Finance Corporation is hereby created as a public corporation of the State of Alabama. The corporation shall have perpetual existence, subject to the provisions for dissolution of the corporation provided in this article. The corporation shall consist of the following members:

- (1) The Governor, who shall be the chair.
 - (2) The Lieutenant Governor, who shall be the vice chair.
 - (3) The Director of Finance, who shall be the secretary.
 - (4) The Speaker of the House of Representatives.
 - (5) The President Pro Tempore of the Senate.
 - (6) The Chair of the Senate Finance and Taxation General Fund Committee.
 - (7) The Chair of the Senate Finance and Taxation Education Committee.
 - (8) The Chair of the House Ways and Means General Fund Committee.
 - (9) The Chair of the House Ways and Means Education Committee.
 - (10) The ranking minority member of one of the following committees, who is jointly appointed by the Minority Leader of the House of Representatives and the Minority Leader of the Senate: the Senate Finance and Taxation General Fund Committee, the Senate Finance and Taxation Education Committee, the House Ways and Means General Fund Committee, or the House Ways and Means Education Committee.
- (b) Attendance by any six corporation members shall constitute a quorum to authorize the transaction of business.
- (c) For purposes of this section, the following words shall have the following meanings:

(1) BONDS. Includes bonds, notes, or other evidences of indebtedness, except as otherwise provided in this article.

(2) CORPORATION. The Alabama Digital Expansion Finance Corporation.

(3) ELIGIBLE PROJECT. Includes any project that the corporation determines would expand, increase, or improve the availability of high-speed broadband networks, services, or technologies throughout the state and which qualify for funding under the statewide connectivity plan and its objectives as set forth by the division in subdivision (2) of Section 41-23-274.

(4) PERMITTED INVESTMENTS. Includes any of the following:

a. Certificates of deposit, savings accounts, deposit accounts, or money market deposit accounts that are any of the following:

1. Secured as provided in Chapter 14A of Title 41.

2. Fully insured by the FDIC.

3. Made with a bank whose unsecured, long-term obligations are rated by at least one nationally recognized securities rating agency in one of the three highest rating categories assigned by that rating agency.

b. Direct obligations of, or obligations the full and timely payment of which is guaranteed by, the United States of America, including unit investment trusts and mutual funds that invest solely in such obligations.

c. Bonds, debentures, notes, pass through securities, or other obligations issued or guaranteed by any federal agency or corporation which has been or may hereafter be created by or pursuant to an act of the Congress of the United States of America as an agency or instrumentality thereof if such obligations are either of the following:

1. Backed by the full faith and credit of the United States of America.

2. Rated by at least one nationally recognized securities rating agency in one of the three highest rating categories assigned by the rating agency.

d. Commercial paper which is rated not less than “P-1” by Moody's Investor Service or “A-1+” by Standard and Poor’s at the time of purchase.

e. Money market funds rated by at least one nationally recognized securities rating agency in one of the three highest rating categories assigned by that rating agency.

f. Bonds, warrants, notes, or other obligations issued by any state, county, or municipality that are rated by at least one nationally recognized securities rating agency in one of the three highest rating categories assigned by that rating agency.

g. Investment agreements, including, without limitation, guaranteed investment contracts, repurchase agreements, and forward purchase agreements, provided that all of the following are satisfied:

1. Any securities purchased or held pursuant to the agreement are otherwise permitted investments.
2. The counterparty's long-term debt obligations are rated by at least one nationally recognized securities rating agency in one of the three highest rating categories assigned by that rating agency.
3. The securities, if purchased, are owned by the corporation or a paying agent or trustee for any of the corporation's obligations and are held by the corporation, the paying agent, the trustee, or a third-party custodian acceptable to the corporation or, if held as collateral, are held by the corporation, the paying agent, the trustee, or a third-party custodian acceptable to the corporation with a perfected first security interest in such collateral.

h. Investment or cash management agreements with a commercial bank whose senior long-term debt obligations are, at the time of the acquisition of any such investment or cash management agreement for the account of the corporation, rated by at least one nationally recognized securities rating agency in one of the three highest rating categories assigned by that rating agency, or with a commercial bank that is owned or controlled by a bank holding company whose senior long-term debt obligations are, at the time of the acquisition of any such investment or cash management agreement for the account of the corporation, rated by at least one nationally recognized securities rating agency in one of the three highest rating categories assigned by that rating agency.

(d) The corporation shall have all power necessary, useful, or appropriate to fund, operate, and administer the corporation, and to perform its other functions including, but not limited to, the following powers:

(1) Adopt, amend, and repeal bylaws not inconsistent with this article for the administration of the corporation's affairs and the implementation of its functions.

(2) Sue and be sued.

(3) Have a seal and alter it at pleasure, although the failure to affix the seal does not affect the validity of an instrument executed on behalf of the corporation.

(4) Enter into contracts, arrangements, and agreements with any persons or entities and execute and deliver all contracts, agreements, and other instruments necessary or convenient to the exercise of the powers granted in this article.

(5) Enter into agreements with a department, agency, or instrumentality of the United States or of this state or another state for the purpose of planning and providing for any eligible project.

- (6) Acquire by purchase, lease, donation, or other lawful means and sell, convey, pledge, lease, exchange, transfer, and dispose of all or any part of its properties and assets of every kind and character or any interest in it to further the public purpose of the corporation.
- (7) Collect or authorize the paying agent or trustee under any resolution or trust indenture, as appropriate, securing any bonds to collect amounts due under any loan or funding obligations owned by the corporation, including taking the action required to obtain payment of any sums in default.
- (8) Borrow money through the issuance of bonds and other forms of indebtedness as provided in this article.
- (9) Expend funds to obtain accounting, management, legal, financial consulting, technical, and other professional services necessary to the operations of the corporation.
- (10) Expend funds credited to the corporation as it deems necessary for the costs of administering the operations of the corporation.
- (11) Apply for, receive, and accept from any source, aid, grants, contributions of money, appropriations, property, labor, or other things of value to be used to carry out the purposes of this article subject to the conditions upon which the aid, grants, or contributions are made.
- (12) Appoint and employ attorneys, accountants, financial advisors, underwriters, trustees, depositories, registrars, fiscal agents, and other advisors, consultants, agents, and independent contractors as may be necessary or desirable.
- (13) Do all other things necessary or convenient to carry out the purposes and powers conferred by this article.
- (e) The corporation shall distribute funds received for the authority and the division to achieve the objectives of this article.
- (f) The corporation shall comply with any competitive bid requirements in Article 2 of Chapter 16, and Chapter 2 of Title 39, and any requirements relating to the procurement of professional service providers in Section 41-16-72.
- (g) The corporation is performing an essential governmental function in the exercise of the powers conferred upon it and is not required to pay any taxes or assessments, whether state or local, upon its property or upon its operations or the income from them, or taxes or assessments upon property or loan obligations acquired or used by the corporation or upon the income from them.
- (h) Neither the members nor any officer, employee, or committee of the corporation acting on behalf of it, while acting within the scope of authority granted by this article, is subject to any liability resulting from carrying out any of the powers given in this article as provided in Section 36-1-12.

(i) Money in funds or accounts of the corporation may be invested in permitted investments.

(j)(1) Whenever it shall become necessary that monies be raised for eligible projects, including monies to be used to refund any bonds then outstanding, the corporation may issue bonds in an aggregate principal amount not to exceed two hundred fifty million dollars (\$250,000,000) in any fiscal year of the state, excluding bonds issued to refund other outstanding bonds of the corporation, as provided in this article.

(2) The corporation may pledge any of its revenues or funds, including, without limitation, revenues or funds appropriated to the corporation by the Legislature, to the payment of its bonds. Bonds may also be secured by a pledge of any loan obligation or funding agreement owned by the corporation, any grant, contribution, or guaranty from the United States, the state, or any corporation, association, institution, or person, any bond insurance, guarantees, letters of credit, or other forms of credit enhancement purchased or otherwise obtained by the corporation from any public or private entity, any other property or assets of the corporation, or a pledge of any money, income, or revenue of the corporation from any source.

(3) Bonds, other financial assistance, and other obligations issued by the corporation shall not constitute an obligation or debt of this state, or any of its political subdivisions, but shall be limited obligations of the corporation payable solely from the revenue, money, or property of the corporation pledged by the corporation for such purpose as provided in this article. Bonds may not be general obligations of the corporation. Any bonds, other financial assistance, or other obligations of the corporation issued do not constitute an indebtedness of the state or any of its political subdivisions within the meaning of any constitutional or statutory limitation, and neither the full faith and credit nor the taxing power of the state, or any of its political subdivisions, is pledged to the payment thereof. No member of the corporation or any person executing bonds, other financial assistance, or other obligations of the corporation is liable personally thereon by reason of their issuance or execution. Each bond, other financial assistance, and other obligation issued under this article shall contain on its face a statement to the effect of the following:

a. The instrument is not a general obligation of the corporation, but is a limited obligation of the corporation payable solely from the revenue, money, or property of the corporation pledged therefor.

b. The instrument is not an obligation or debt of the state, or any of its political subdivisions, and neither the full faith and credit nor the taxing power of the state, or any of its political subdivisions, is pledged to the payment of the instrument.

c. The corporation does not have taxing power.

(4) The bonds of the corporation must be authorized by a resolution of the corporation.

(5) The bonds shall bear the date and mature at the time which the resolution provides, except that no bond may mature more than 40 years from its date of issue.

(6) The bonds shall be in a form and shall be executed in a manner prescribed by the corporation. If any of the members or officers of the corporation cease to be members or officers before the delivery of any bonds signed by them, their signatures or authorized facsimile signatures are nevertheless valid and sufficient for all purposes as if they had remained in office until the delivery of the bonds. The bonds may be in the denominations, be executed in the manner, be payable in the medium of payment, be payable at the place and at the time, and be subject to redemption or repurchase and contain other provisions determined by the corporation prior to their issuance.

(7) The bonds may bear interest payable at a time and at a rate as determined by the corporation, including the determination by agents designated by the corporation under guidelines established by it.

(8) Bonds may be sold by the corporation at public or private sale at the price it determines and approves.

(9) Bonds may be secured by the provisions of a resolution or a trust indenture between the corporation and a paying agent or corporate trustee, as appropriate, which may be the State Treasurer or any bank having trust powers or any trust company doing business in this state. A resolution or trust indenture may contain provisions for protecting and enforcing the rights and remedies of the bondholders which are reasonable and proper, including covenants setting forth the duties of the corporation in relation to the exercise of its powers and the custody, safekeeping, and application of its money. The corporation may provide by the resolution or trust indenture for the payment of the proceeds of the bonds and all or any part of the revenues of the corporation to the paying agent or trustee under the resolution or trust indenture or to some other depository, and for the method of its disbursement with safeguards and restrictions prescribed by it.

(10) Any resolution or trust indenture pursuant to which bonds are issued may contain provisions which are part of the contract with the holders of the bonds and which include the following:

- a. Pledging specific revenues of the corporation to secure the payment of the bonds.
- b. Pledging specific assets of the corporation including, without limitation, loan obligations owned by it to secure the payment of the bonds.
- c. The use and disposition of the gross income from, and payment of the principal of, and interest on loan obligations and funding agreements owned by the corporation.
- d. The establishment of reserves, sinking funds, and other funds and accounts, and their regulation and disposition.
- e. Limitations on the purposes to which the proceeds from the sale of the bonds may be applied, and limitations on pledging the proceeds to secure the payment of the bonds.

f. Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds.

g. The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds, if any, the holders of which must consent thereto, and the manner in which any consent may be given.

h. Vesting in a trustee property, rights, powers, and duties as the corporation may determine, limiting or abrogating the right of bondholders to appoint a trustee, and limiting the rights, powers, and duties of the trustee.

i. Defining the acts or omissions which constitute a default, the obligations or duties of the corporation to the holders of the bonds, and the rights and remedies of the holders of the bonds in the event of default.

j. Requiring the corporation or the trustee under the trust indenture to take any and all other action to obtain payment of all sums required to eliminate any default as to any principal of and interest on loan obligations and funding agreements owned by the corporation or held by a trustee, which may be authorized by the laws of this state.

k. Any other matter relating to the terms of the bonds or the security or protection of the holders of the bonds which may be considered appropriate.

(11) Any pledge made by the corporation to secure its obligations with respect to grants, bonds, or other financial assistance is valid and binding from the time the pledge is made. The revenue, money, or property pledged and received by the corporation is immediately subject to the lien of the pledge without any physical delivery or further act. The lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the corporation, irrespective of whether the parties have notice of the pledge.

(12) No recording or filing of the resolution authorizing the grant, the issuance of bonds or other financial assistance, the trust indenture or other financing agreement securing the grant, bonds or other financial assistance, or any other instrument including filings under the Uniform Commercial Code is necessary to create or perfect any pledge or security interest granted by the corporation to secure any grants, bonds, or other financial assistance.

(13) Any bonds issued by the corporation, the transfer of bonds, and the income from them, are free from taxation and assessment of every kind by the state and by the local governments and other political subdivisions of the state.

(14) The bonds issued by the corporation are legal investments in which all public officers or public bodies of the state, its political subdivisions, all municipalities and political subdivisions, all insurance companies and associations, and other persons carrying on insurance business, all banks, bankers, banking associations, trust companies, savings banks, savings associations, including savings and loan association investment companies, and other persons carrying on a banking business, all administrators, guardians, executors, trustees, and other fiduciaries, and all

other persons who are now or may be authorized in the future to invest in bonds or other obligations of the state, may invest funds in their control or belonging to them.

(15) The corporation shall be a nonprofit corporation and no part of its net earnings remaining after payment of its expenses shall inure to the benefit of any individual, firm, or corporation, except that in the event its members shall determine that sufficient provision has been made for the full payment of the expenses, grants, bonds, other financial assistance, and other obligations of the corporation, then any net earnings of the corporation thereafter accruing shall be paid to the Connect Alabama Fund.

(16) At any time when no bonds, other financial assistance, or other obligations of the corporation are outstanding, the corporation may be dissolved upon the filing with the Secretary of State of an application for dissolution, which shall be subscribed by each of the members of the corporation and which shall be sworn to by each member before an officer authorized to take acknowledgments to deeds. Upon the filing of the application for dissolution, the corporation shall cease and any property owned by it at the time of its dissolution shall pass to the state. The Secretary of State shall file and record the application for dissolution, in an appropriate book of record in his or her office, and shall make and issue, under the Great Seal of the State, a certificate stating that the corporation is dissolved and shall record the certificate with the application for dissolution.

(Act 2021-465, § 11.)

Section 41-23-281

Annual report.

(a) Beginning May 17, 2022, and in conjunction with the annual meeting of the authority and the Alabama Rural Broadband Oversight Committee, as provided for in Section 41-23-272(e), ADECA shall provide a report to the Legislature on all of the following:

(1) A summary of the goals and objectives relating to the statewide connectivity plan and progress made toward achievement of those goals and objectives.

(2) The amount and source of funds received and the participation and status of grants awarded under this article.

(3) A summary of all other related activities of the division as required under this article.

(b) ADECA shall publish the reports required under subsection (a) on its public website.

(Act 2021-465, § 12.)