

# **ALABAMA IMPROVEMENT DISTRICT ACT**

## **Section 11-99A-1 Name**

### **Section 11-99A-1**

#### **Name.**

This chapter shall be known and may be referred to as the "Alabama Improvement District Act."

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-2 Definitions**

### **Section 11-99A-2**

#### **Definitions.**

In this chapter the following words shall have the following meanings:

(1) APPOINTING GOVERNMENT. The municipality or county that approves the creation of a district and appoints members to the board.

(2) BOARD. The board of directors of a district.

(3) CONTIGUOUS. Two tracts of land if touching for a continuous distance of not less than 200 feet. The term includes tracts of land divided by bodies of water, streets, railroad, or utility rights-of-way, or by land owned by any public person. In determining whether land is contiguous with a municipality, (i) land separated by bodies of water, streets, or railroad, or utility rights-of-way is contiguous even though the bodies of water, streets, or rights-of-way are within the city limits of another municipality and (ii) land separated by land owned by a public person is not contiguous if the land owned by the public person is within the city limits of another municipality.

(4) COUNCIL. The governing body of a county or municipality.

(5) DISTRICT. A body corporate formed in accordance with this chapter, having the powers granted under this chapter.

(6) IMPROVEMENTS. Any improvement to land within a district, or outside a district providing benefit to land within the district, including, without limitation, any of the following:

a. Any system for providing water to the occupants of land within the district, and extensions of any existing water system for providing water, including, without limitation, wells, water treatment facilities, water transportation and distribution lines, water mains, water tanks, pumps, and any other water storage, treatment, purification, and distribution facilities or systems.

b. Sanitary sewer systems and extensions to existing sewer systems, including, without limitation, sewer treatment facilities and sanitary sewer lines pump stations.

c. Storm sewer systems, including extensions to existing storm sewer systems, including drains, aboveground drainage systems, underground drainage systems, sewer lines and mains, and culverts.

d. Utilities providing benefit to property within the district, including, without limitation, customer-owned electrical substations, gas lines, garbage and solid waste disposal plants, and any other utilities and facilities for providing such utilities.

e. Streets, bridges, curbs, gutters, drainage, both above and below ground, grading, on or off street parking, sidewalks, street lighting, lighting for any public place, traffic control systems, traffic lights, signage, guardrails, any and all other improvements for providing transportation within and into or out of or otherwise benefiting the land within the district.

f. Public parks, public lakes, dams, public recreational facilities, including, without limitation, facilities for athletics, golf, and boating, and driving ranges, ballfields, tennis courts, swimming pools, concession stands, and any associated or useful facilities in connection therewith.

g. Flood control dams, dikes, levies, rip rap, embankments, berms, and other improvements to control flooding or erosion.

h. Fire protection facilities, including fire hydrants, fire stations, and fire monitoring equipment.

i. Railroad lines and spurs.

j. Docks, harbors, wharves, and any related facilities for transferring goods to or from boats, barges, and other forms of water transport.

k. Facilities for providing police protection, police or sheriff stations, police or sheriff substations, and security monitoring equipment.

l. Schools, school grounds, playgrounds, athletic fields, and cafeterias.

m. Landscaping.

n. Fountains, distinctive lighting, and signs.

o. Acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks, streets, or their rights-of-way.

p. Acquisition, construction, installation, or improvement of pedestrian malls.

q. Acquisition and installation of pieces of art.

r. Acquisition, construction, or improvement of public libraries.

s. Acquisition, construction, or improvement or rerouting of mass transportation facilities.

t. Airports, air traffic control, and other air transportation facilities.

u. Any improvements benefiting the general public or residents or anticipated residents of the district, including provision of utilities, improving their health and sanitation, hospitals and other medical facilities, public safety, security, facilitating business recruitment, industrial recruitment, cultural enhancement, or otherwise improving the quality of life, whether or not otherwise described in this definition or this chapter and whether or not sui generis with the remaining provisions of this definition.

v. Payment of expenses incurred in the establishment, administration, and operation of the district, including reasonable reserves and replacement funds and the cost of issuance of bonds, whether or not incurred before the establishment of the district, including reimbursement of costs paid by private persons to the extent approved by the board.

w. The maintenance, repair, or replacement, extension, extension reconstruction, improvements, capital or otherwise, modification, razing, or other modification of any improvement.

x. Any or all of the above within the territorial boundaries of the district or, to the extent providing benefit to land within the district, outside the district, whether or not within the corporate limits of the municipality or the boundaries of the county creating the district.

Nothing in this chapter shall authorize the use of bonds, assessments, or tax exemptions for the acquisition, equipping, or construction of property to be owned by

any person other than a utility company, the district, or another public person. By way of example and not limitation, "improvements" shall not include gambling or gaming establishments.

(7) MUNICIPALITY. An incorporated city or town in the state.

(8) OWNER. The person or persons in whose name property within a district is assessed for ad valorem property tax purposes. Notwithstanding the preceding sentence, in the case of a trust, the owner of the property is the trustee; in the case of an estate, the owner of the property is the executor or administrator; in the case of a minor, the owner of the property is the guardian, or other personal representative. "Owner" only includes the holders of present interests, and not the holders of future interests in property. In the case of land with respect to which a person owns an option to purchase or a contract to purchase, the holder of the option or purchase contract shall be considered the owner, rather than the person holding legal title to the real estate, provided that the person owning an option or real estate contract certifies under oath that the person will purchase real estate in accordance with the option or purchase contract within 30 days after formation of the district and demonstrates to the reasonable satisfaction of the municipality or county that the person is capable of making a purchase.

(9) PUBLIC NOTICE. Notice published in a newspaper of general circulation within the appointing government. If there is no newspaper, at the option of the board or council giving public notice, as appropriate, public notice in a newspaper of general circulation in the appointing government or by posting in three prominent locations within the municipality or county, at least one of which shall be in the city or town hall of the municipality or county courthouse of the county, as applicable. Public notice shall be published in two consecutive weeks commencing at least eight days before the meeting for which public notice is being given.

(10) PUBLIC PERSON. The United States of America, the state, any county, any municipality, and any public corporation a majority of the members of which are appointed by any public person, and any agency or political subdivision of any public person.

(11) STATE. The State of Alabama.

(12) STREET. Any road, highway, alleyway, street, or other public right-of-way.

(13) BONDS. Bonds, warrants, negotiable instruments, and any other evidences of indebtedness, whether or not negotiable.

*(Act 99-446, p. 1013, §1.)*

[Previous Section](#)

## **Section 11-99A-3 Conduct Of Hearings**

### **Section 11-99A-3**

#### **Conduct of hearings.**

A hearing described in this chapter may be held only after giving public notice. However, public notice of regularly scheduled meetings of a council is not required. A hearing may be adjourned from time to time until the board or council makes findings by resolution as to the expedience of the matter being considered. Where this chapter requires written personal notice of a hearing, notice may be given by deposit in the United States mail, first class postage prepaid, no later than the eighth day before the date of the hearing.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-4 Establishment Of Districts**

### **Section 11-99A-4**

#### **Establishment of districts.**

(a) One or more owners of land wishing to form a district in a municipality or a county may petition the municipality or county to form a district as follows:

(1) The owners shall prepare a written petition executed by the owners of all land proposed to be included within the district.

(2) The petition shall include a description of the tract or tracts of land proposed to be included within the district, which may include less than all of any individual tract of land. The description shall be sufficient if it refers to tax assessment tracts in accordance with the tax assessor's numbering or other reference system, by metes and bounds, by subdivision lot, by reference to recorded deeds, or by other reasonable reference method.

(3) The petition shall include a map or plat of the proposed district, showing that, if the district is created, (i) with respect to a petition being submitted to a municipality, the land will be contiguous with land presently within the city or town limits of the municipality, whether or not all the land is presently within the corporate limits of the municipality and (ii) with respect to a petition being submitted to a county, the land will be contiguous.

(4) The petition shall designate no more than three persons to act as agents in representing the owners before the municipality or county. The persons need not be owners of the subject land.

(b) Any land proposed to be included within a district formed by a municipality may not be within the municipal limits of any municipality other than the municipality to which the petition is being made. Any land proposed to be included within a district formed by a county may not be within the municipal limits or the territorial jurisdiction under subsection (a) of Section 11-52-30, of any municipal planning commission of any municipality except with the consent of that municipality. Any land proposed to be included within a district formed by a county may not be within another county except with the consent of that county.

(c) A petition shall contain a proposed form of articles of incorporation for the proposed district, which shall include the following information:

(1) The name of the district and that the district is organized pursuant to the provisions of this chapter.

(2) The names and mailing addresses of the incorporators.

(3) The name of the appointing government.

(4) The names and addresses of the members of the initial board of directors of the district and their initial terms of office.

(5) The period of duration of the district, which may be perpetual.

(6) The location of the principal office of the district.

(7) Any other provisions not inconsistent with this chapter, including any limitations on the power of the district.

(d) A petition shall contain a proposed name for the district substantially in the form of "\_\_\_\_\_ Improvement District," which name shall be sufficient to distinguish the district from other districts of the same appointing government.

(e) Upon receipt of a petition, the municipality or county shall confirm that the persons executing the petition are the owners of all land proposed to be included within the district.

(f) If the council considers the formation of a district expedient, the council may, by resolution, approve the formation of the district and the articles of incorporation therefor, and appoint three persons as the initial board of directors of the district.

(g) The three or fewer persons designated by the owners to represent them shall execute and cause to be recorded in the office of judge of probate in the county in which the district exists, and if in more than one county, in all such counties, the articles of incorporation as approved by the appointing government. Upon recordation, the district shall be formed as a body corporate, having the powers stated in this chapter. The acceptance of articles of incorporation for recording by the judge of probate shall be conclusive evidence of the due, legal, and valid incorporation of the district in all courts.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-5 Validity Of Petition To Form Or Amend District**

### **Section 11-99A-5**

#### **Validity of petition to form or amend district.**

No petition for the formation of a district with the requisite signatures shall be declared void on account of defects. The council of the appointing government, at any time, may permit the petition to be amended to conform to the facts or this chapter by correcting any errors in the description of the territory or in any other particular.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-6 Powers Of A District**

### **Section 11-99A-6**

#### **Powers of a district.**

Any district shall have the following powers, in addition to those stated elsewhere in this chapter:

(1) To have perpetual existence, subject to termination as herein provided.

(2) To have and use a corporate seal, but the use of a corporate seal on any document shall not be required for the validity of a document or the due execution and delivery thereof.

(3) To sue and to be sued and to be a party to suits, actions, and proceedings, but subject to the limitations on liability and the immunity granted in this chapter.

(4) To enter into contracts and agreements affecting the affairs of the district, including contracts with the United States of America and any other public person.

(5) To borrow money and to incur indebtedness and to evidence the same by bonds, all without an election.

(6) To acquire and dispose of land, real property, personal property, and interests therein of any nature.

(7) To acquire, construct, install, and operate improvements and all property, rights, or interests incidental or pertinent thereto, and to dispose of real and personal property and any interest therein, including leases and easements and options to purchase in connection therewith; provided, however, that nothing in this chapter shall authorize a district to construct, own, or operate a system for the generation, transmission, or distribution of electric power, cable television, or Internet system, or telecommunications utility or to be in the business of providing electric energy, cable television, Internet, or telecommunications services.

(8) To refund any bonds of the district without an election.

(9) To have the management, control, and supervision of all the business and affairs of the district, and of the acquisition, construction, installation, and operation of improvements therein.

(10) To enter into contracts with one or more owners of property within the district relating to the acquisition, construction, or installation of improvements. Without limitation, contracts may require owners to connect their properties with gas, water, or sewer mains or other utilities in the streets in front of, at the rear of, or otherwise adjacent or near to their properties prior to the paving or final paving of roads on which their properties front. In addition, to the extent not subject to a bid law, contracts may specify the improvements to be made in general or particular terms, the choice of construction companies or other contractors, consultants, or professionals, choice of underwriter, trustee, fiscal agent, attorneys, engineers, and all other matters relating to the acquisition, construction, and installation of the improvements, the levying of assessments, or the issuance of bonds.

(11) To contract with any public person for the purpose of providing any materials or any work with respect to the acquisition, installation, or construction of improvements, and any contracting with any public person shall be exempt from any laws relating to the advertising and award of construction contracts and purchase contracts, including, without limitation, Article 3 of Chapter 16 of Title 41.

(12) To purchase liability and other forms of insurance.



(13) To hire and compensate employees and contractors, to provide retirement and other forms of deferred compensation, to provide fringe benefits, and to otherwise contract with employees and contractors.

(14) Except to the extent limited in the district's articles of incorporation, to have and exercise the power of eminent domain in the manner provided by law to obtain private property for the purposes of the district including, without limitation, proceedings under Chapter 1A of Title 18, as a condemner. However, a district may not exercise the power of eminent domain without the consent of the council of the appointing government.

(15) To adopt and amend bylaws not in conflict with the articles of incorporation and the laws of this state.

(16) To enter into contracts and agreements with any landowner, owner, or any other person concerning the installation, construction, or acquisition of improvements, assessment of the costs thereof, the waiver or limitation of legal rights, or any other matter concerning the district or the improvements.

(17) To have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted in this chapter. A specific power shall not be considered as a limitation upon any power necessary, useful, or appropriate to carry out the purposes and intent of this chapter.

(18) To allow utilities or similar entities to use any rights-of-way on which the district is developing any improvements or has developed any improvements.

(19) To take official action with respect to the reimbursement of costs with bond proceeds.

(20) To enter into contracts, agreements, options, leases, deeds, and other instruments, and to take other actions as may be necessary or convenient to accomplish any purpose for which a district is organized or to exercise any power expressly granted hereunder.

(21) To dedicate or grant streets, sidewalks, parks, any other improvements, easements, rights-of-way, and other interests in property to the public, to a public person, or to a utility provided that nothing herein shall require a public person to accept the dedication without an affirmative act of acceptance by the public person.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-7 Immunity**

### **Section 11-99A-7**

#### **Immunity.**

Districts, the members of the board, its officers, and agents shall have the same immunity from liability as a municipality and its officers. No civil action shall be brought or maintained against the district or any director thereof for or on account of the negligence of a district or director or its or his or her agents, servants, or employees in or about the construction, acquisition, installation, maintenance, operation, superintendence, or management of any facility or other improvement owned, controlled, maintained, or managed by the district.

No civil action may be maintained against an appointing government, its officers, servants, employees, or agents relating to any facility or other improvement owned, controlled, maintained, or managed by the district.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-8 Internal Operations Of A District**

### **Section 11-99A-8**

#### **Internal operations of a district.**

(a) Each board shall have a chair, a secretary, and a treasurer or a secretary-treasurer, and may have a vice-chair and other officers as the board may determine from time to time.

(b) All proceedings of a board and of all committees of the board shall be recorded in minutes, which shall be maintained and available for inspection by the appointing government.

(c) All funds of a district shall be deposited or invested as directed by the board. However, funds received by the district from a public person and not from assessments shall be deposited or invested only in a manner as a public person may invest or deposit funds.

(d) Any member of a board and any officer may call a special meeting of the board as may be permitted by the bylaws or resolutions of the board. Personal notice may be waived by any members of the board before, at, or after a meeting by waiver in writing

signed by the person giving the waiver. The attendance of any member of the board at any meeting of the board shall constitute a waiver of notice unless attendance is made exclusively for the purpose of protesting the means of calling the meeting, and the person otherwise does not participate in the meeting.

(e) Any meeting that is called at which a quorum is not present may be adjourned by announcement at the meeting of the date to which it is adjourned, and may be reconvened at a time as a quorum shall become available.

(f) A quorum of a board shall consist of a majority of the members of the board. Actions of the board shall be taken by a majority of those present, if a quorum is present, unless a higher percentage is provided for in the articles of incorporation or bylaws.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-9 Appointment Of Board Members**

### **Section 11-99A-9**

#### **Appointment of board members.**

A board shall have the number of members specified in the articles of incorporation, but not less than three nor more than 11. Members of the board shall be appointed by the appointing government. The articles of incorporation shall specify that the members of the board serve for staggered terms, with one-third, or as near to one-third as is practical, of the initial members serving for one year, with one-third, or as near to one-third as is practical, of the initial members to serve for two years, and with one-third, or as near to one-third as is practical, of the initial members to serve for three years. Thereafter, the successors to members of the board of directors shall serve for three-year terms. The proceedings of the appointing government by which members of the board are appointed shall specify the term for which the appointment is made. Upon the expiration of the term of office of any member of the board, the person shall remain a member of the board until his or her successor has been duly appointed by the appointing government. Members of the board need not be owners, residents, electors, or taxpayers of the appointing government or the state.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-10 Annexation Incidental To Formation Of District**

### **Section 11-99A-10**

#### **Annexation incidental to formation of district.**

The petition for the formation of a district by a municipality may include land that is not within the corporate limits of the municipality provided that the land is, taken as a whole, contiguous with land within the corporate limits of the municipality. In such a case, upon the formation of the district, all land within the districts shall become automatically annexed into and a part of the municipality.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-11 Assessment Of District Land**

### **Section 11-99A-11**

#### **Assessment of district land.**

A district may petition the appointing government to assess some or all of the land within the district for the purpose of acquiring, constructing, or installing improvements, in accordance with the following procedure:

- (1) The board shall prepare plans for the acquisition, construction, or installation of the improvements. The plans shall include a reasonable description of the improvements and an estimate of the cost of the improvements.
- (2) The proposed assessment of each tract in the district, based on the estimated increase in value of each tract resulting from the special benefits derived from the proposed improvements, and consistent with Section 223 of the Constitution of Alabama of 1901.
- (3) The petition shall further include either a document executed by each owner within the district approving the petition, or a certification that an election has been held within the district, and that the owners of 51 percent or more of the land within the district that will be subject to assessment and 51 percent or more of the residents of the district have voted in favor of the assessment.
- (4) Except as provided in Section 11-99A-47, the district must comply with all state, county, and municipal laws, rules, and regulations and the district must obtain all

approvals that may be required by the appointing government or the government within which the district is located.

Upon receipt of the petition by the council, the council shall determine what approvals may be required by the appointing government in addition to the approval of the council, including, but not limited to, approval of zoning, subdivision, fire regulations, and other ordinances, rules, codes, and regulations of the appointing government, and if other approvals are required, the appointing government shall forward the petition, or applicable portions thereof, to the appropriate boards and agencies to consider whether to grant the petition and to notify the district of the necessity of obtaining approvals. The petition shall be held by the appointing government in abeyance until all approvals as may be required have been received, or variances or exceptions granted.

Failure to notify the district of any required approval shall not relieve the district from complying with the required approval. No cause of action may be maintained against the appointing government, its officers, employees, servants, or agents for failure to notify the district of any required approval.

(5) Upon receipt of all required approvals, variances, or exceptions, the council shall conduct a hearing with respect to the petition, and if considered expedient by the council, the council may preliminarily assess the property within the district as proposed in the petition and shall further take any actions with respect to tax exemptions considered expedient under subsection (c) of Section 11-99A-20.

(6) In the event that the board determines that it is necessary to amend its petition to the appointing government in order to conform to its rules, regulations, and ordinances, or to obtain variances and exceptions as may be appropriate, or to obtain approval of the petition by the council, the board may do so.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-12 Contracting For Improvements**

### **Section 11-99A-12**

#### **Contracting for improvements.**

Upon the making of the preliminary assessment, the board shall prepare contracts and bid specifications, and shall bid or otherwise contract for the acquisition, construction, or installation of all the improvements as specified in the petition. In general, all contracts shall be bid in accordance with applicable state law. However, if an improvement or a portion of an improvement is to be paid for exclusively with funds provided through

assessments under this chapter or by the owners or on behalf of the owners, and not from any revenues, taxes, or funds of the appointing government, the contracting for the acquisition, construction, or installation of the improvement or portion thereof shall be exempt from all laws relating to the advertising and award of construction contracts and purchase contracts, including, without limitation, Title 39 and Article 3 of Chapter 16 of Title 41, and shall be performed in the sole discretion of the board. All contracts and bids shall be contingent upon the issuance of a final assessment by the appointing government as hereinafter provided.

Notwithstanding the foregoing, the board may contract for and commence the acquisition, construction, or installation of one or more improvements or a portion of one or more improvements in advance of a preliminary or final assessment, provided that the contract for the acquisition, construction, or installation is exempt from laws relating to the advertising and award of construction contracts and purchase contracts under this section.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-13 Final Assessment**

### **Section 11-99A-13**

#### **Final assessment.**

Upon the entry into contingent contracts or receipt of contingent bids, the board shall submit to the council a recommended final calculation of the cost of acquiring, installing, or constructing the improvements. Upon receipt of the calculation, the council shall, if it considers it expedient, declare the assessment final, with adjustments as may have been recommended by the board. The final assessment of each tract in the district shall be based on the estimated increase in value of each tract resulting from the special benefits derived from the improvements, and consistent with Section 223 of the Constitution of Alabama of 1901. If the council considers the recommendation inexpedient, the council shall advise the board of the reasons for its determination, and the board may submit a revised recommendation to the appointing government.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-14 Payment Of Assessments**

### **Section 11-99A-14**

#### **Payment of assessments.**

(a) Each assessment shall constitute a lien on the property assessed in the amount of the assessment with respect to that parcel of land, as provided in the final assessment, forecloseable as provided in this chapter. The assessment shall be payable either within 30 days after the final assessment or over such term as may be determined by the board. If the assessment is to be paid over a term, the assessment shall accrue interest and be payable periodically, monthly, quarterly, semiannually, annually, or as otherwise provided by the board, with interest at a rate as may be considered reasonable by the board. In particular, the assessment may bear interest at the same rate or yield borne by the bonds issued to obtain funds to acquire, construct, or install the improvements, but interest may be at a higher rate in the discretion of the board. Once the amount of a final assessment allocated with respect to a tract is paid in full, with all interest and penalties and costs of collection, if any, such tract shall be released from the lien of the assessment.

(b) The proceedings by which an assessment is levied may provide for an increased interest rate with respect to any interest accruing on any payment after the due date thereof.

(c) In its proceedings, the board may specify that assessments may be prepaid at any time or circumstance. The board may specify that assessments be prepaid upon the sale of the tract of land, or a portion thereof, being assessed. If the obligation to pay is accelerated, the assessment shall include all principal of the assessment then unpaid, plus interest until the next date provided for the payment of principal on any bonds secured by a pledge of the assessments, unless otherwise provided in the proceedings pursuant to which the bonds are issued.

(d) Unless otherwise provided in the proceedings of the board with respect to the assessment, any assessment may be voluntarily prepaid by the owner of the land assessed. In that case, the amount prepaid shall be applied first to interest until the first following date on which principal may be paid under the bond, and then to principal. However, if provided in the proceedings of the board with respect to the assessment, prepayments, whether voluntary or mandatory, the amount prepaid may be applied only to interest accrued to the date of the prepayment, and then to principal.

(e) Alternatively, the proceedings of the board with respect to the assessment may provide that prepayment shall be applied first to accrued interest, and then to the difference between: (1) interest that will accrue from the date of prepayment until the next principal payment on the bonds, and (2) the rate of interest at which the principal paid may be invested by the board to earn interest from the date of prepayment until the principal payment date, with any remaining balance to be applied to principal.

(f) The proceedings of the board with respect to the assessment may provide that any mandatory prepayment may be waived by the board on the terms as may be provided in a proceeding.

(g) If bonds are issued with respect to the final assessment, the assessments shall either (1) total the principal amount of the bonds to be issued with respect to the assessments or (2) total such principal amount multiplied by a coverage ratio (e.g., 1.2 to 1) providing debt service coverage for the bonds in the ratio desired by the board.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-15 Issuance Of Bonds By Districts Terms And Assessments**

### **Section 11-99A-15**

#### **Issuance of bonds by districts; terms and assessments.**

(a) A district may borrow money by the issuance of bonds, which bonds shall be revenue obligations, payable exclusively out of assessments levied on land within the district, and the bonds shall not be supported by the full faith and credit of the appointing government. However, the bonds may be secured by additional revenues, guarantees, pledges, letters of credit, or other credit enhancements as may be provided by the district, the owner of any property within the district, or any other person, to the extent provided in the proceedings of the board with respect to the issuance of the bonds.

(b) Bonds of a district shall be signed by its chair and attested by its secretary, the seal of the district may be affixed thereto, and any interest coupons applicable to the bonds shall be signed by the chair; provided that: (1) a facsimile of the signature of the officers may be printed or otherwise reproduced on any bonds in lieu of being manually subscribed thereon, (2) a facsimile of the seal of the district may be printed or otherwise produced on any bonds in lieu of being manually affixed thereto, and (3) a facsimile of the chair's signature may be printed or otherwise reproduced on any interest coupons in lieu of being manually subscribed thereon; provided that the bonds have been manually authenticated by a transfer agent of the bond issue. Delivery of the bonds executed shall be valid notwithstanding any changes in officers or in the seal of the district after the signing and sealing of the bonds.

(c) Bonds may be issued for the cost of acquiring, installing, and constructing the improvements, any reasonable reserve funds for contingencies or for debt service, for interest accruing during the construction period and for up to five years thereafter, for the costs of issuance, the costs of levying the assessments, the costs of forming the district, the costs of designing and planning the improvements, and for all other



incidental costs even though incurred before the formation of the district or before the issuance of the bonds.

(d) Bonds issued by a district shall not be indebtedness of the appointing government or any public person other than the district, and shall not be counted against the debt limit of any county or municipality, except to the extent guaranteed by the appointing government or other public person.

(e) The appointing government and any other public person may guarantee or pledge revenues to the payment of any bonds on such terms as it considers appropriate, including a pledge of its full faith and credit. A revenue pledge may, without limitations, include a pledge of revenue increases deemed to have resulted from the construction, acquisition, or installation of the improvements as determined by resolution or ordinance of the public person making the pledge.

(f) Upon the adoption by a board of any resolution providing for or anticipating the issuance of bonds, the district may, either before, upon, or after issuance of bonds, publish once a week for two consecutive weeks in a newspaper of general circulation in the appointing government, a notice in substantially the following form, the blanks being properly filled in, at the end of which shall be printed the name and title of either the chair or secretary of the district: "\_\_\_\_\_, a municipal improvement district organized under the laws of the State of Alabama, on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, adopted a resolution with respect to the issuance of not more than \$ \_\_\_\_\_ principal amount of [revenue or other appropriate designation] bonds of the district for purposes authorized in the act of the Legislature of Alabama under which the district was organized. Any action or proceeding questioning the validity of the bonds, any pledge or mortgage to secure the same, the assessments made with respect to the bonds, or the proceedings authorizing the same shall be commenced within 20 days after the first publication of this notice." Any action or proceeding in any court questioning the validity of the bonds, any pledge or mortgage to secure the same, the assessments made with respect to the bonds, or the proceedings authorizing the same shall be commenced within 20 days after the first publication of a notice. After the expiration of the period, no cause of action, counterclaim, setoff, or defense questioning any of the foregoing may be asserted in any court on any ground whatsoever except in an action or proceeding commenced within the period for such purpose.

(g) Bonds issued by a district shall be for a term approximately coextensive with the term provided for payment of the assessments.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-16 Exemptions Of District - Usury And Interest Laws**

### **Section 11-99A-16**

#### **Exemptions of district - Usury and interest laws.**

The rate of interest borne by the assessments shall be exempt from all usury laws or laws prescribing or restricting the rate of interest. Each district organized under this chapter is exempt from the laws of the State of Alabama governing usury or prescribing or limiting interest rates, including, without limitation, the provisions of Chapter 8 of Title 8.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-17 Pledge Of Assessments**

### **Section 11-99A-17**

#### **Pledge of assessments.**

If bonds are issued with respect to an assessment, all proceeds of the assessment shall be pledged to secure payment of the bonds and shall be paid directly by the property owners to the board or to a trustee or other holder of funds as may be appointed by the board for the benefit of the holders of the bonds.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-18 Refundings**

### **Section 11-99A-18**

#### **Refundings.**

Any bonds issued by a district may be refunded by the district, and upon refunding, by current or advance refunding, the term for payment of the assessments shall be modified to the term of the newly issued bonds. If the refunding results in a lower interest rate from that borne by the refunded bonds, the board may adjust the interest rate borne by the assessments accordingly.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-19 Excess Funds**

### **Section 11-99A-19**

#### **Excess funds.**

Following the completion of the acquisition, construction, or installation of the improvements, if there are excess funds, either from bond proceeds or from assessments, after fully funding all reserves, contingency funds, or the like, the excess funds, either from bond proceeds or from assessments, shall be used to prepay the bonds at the earliest date on which the bonds may be prepaid or redeemed at a penalty or premium of two percent or less, and the amount of the outstanding assessments may be proportionately reduced to reflect prepayment of principal. Upon payment of the bonds in full, other than by refunding, all unpaid assessments may be terminated and cancelled or may be continued, as determined by the board. Any proceeds of assessments remaining or received after payment of the bonds in full shall be disposed of or used to construct, install, or acquire additional improvements, to refund assessments in a manner determined equitable by the board, or as otherwise provided in the board's proceedings with respect to issuance of the bonds.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-20 Exemption From Taxation**

### **Section 11-99A-20**

#### **Exemption from taxation.**

(a) Each district, and the bonds and interest and income on the bonds of the district, shall be exempt from all taxation by the state or any other public person and all of its property, purchases, sales, and usage, and the recordation of its mortgages, indentures, deeds, or other instruments to which the district is a party or which reflect the securing of any bonds of the district shall be exempt from all taxation and recording fees. The income of a district shall be exempt from all taxation.

(b) The purchase, acquisition, and installation of materials for improvements by a district shall be exempt from all sales and use taxes, gross receipts taxes in the nature of a sales or use tax, or taxes measured by the amount of the purchase, whether levied on the vendor, contractor, subcontractor, or the district. The Department of Revenue shall issue regulations to provide a simple procedure to allow contractors and subcontractors to make purchases of materials for use in acquiring, constructing, or installing improvements for a district free of sales and use taxes or gross receipts taxes in the

nature of a sales tax. Nothing in this chapter shall allow the exemption of sales or use taxes on purchases, acquisitions, or installations that would not be exempt if purchased, acquired, or installed directly by the appointing government.

(c) Notwithstanding the foregoing, the appointing government may at or prior to making a preliminary assessment: (1) Require the payment of fees in lieu of taxes or (2) Limit or restrict or rescind one or more of the tax exemptions provided in this section.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-21 Failure To Pay Assessments**

### **Section 11-99A-21**

#### **Failure to pay assessments.**

If the owner of any land within the district fails to pay an assessment when due, time being of the essence, the board may commence proceedings to foreclose on the land as follows:

(1) The board shall send a letter, certified mail, return receipt requested, United States first class mail to the last known address of the owner. The address of the owner as shown in the tax assessment records of the tax assessor for the county in which the property is located shall be sufficient.

(2) The letter shall specify that if payment is not made within 10 days of the date of the letter, foreclosure proceedings may be commenced.

(3) Any late payment received within the 10-day period will accrue a late fee of the greater of five percent of the payment or fifty dollars (\$50).

(4) If payment is not made within the 10-day period, the entire assessment shall become immediately due and payable, and the board may do either of the following:

a. File a complaint in the circuit court for the county in which the property is located requesting that the property be foreclosed. Thirty days following service of process, unless the entire assessment is paid in the meantime, the court shall enter a decree declaring that the property shall be sold to the highest bidder.

b. Proceed to sell the property against which the assessment is made to the highest bidder for cash.

c. In either case, the sale shall be made after first giving public notice of the date and time of the sale and the purpose for which the same is made, together with a description of the property to be sold; and that the proceeds from the sale shall first be applied to the amount of the assessment and all accrued interest thereon, plus penalties specified in subdivision (3), plus the attorneys' fees and other expenses incurred by the board in the foreclosure and suit.

(5) If the agent concludes that no bidders are present or that all bids are insufficient, the agent may announce that the auction shall be continued to a later date to be announced by public notice.

(6) Upon declaring the highest bidder and receipt of the purchase price, an agent of the board shall make out a foreclosure deed to the highest bidder. The owner of the property shall have no right of redemption unless otherwise provided in the board's proceedings with respect to the assessment.

(7) The purchase price shall be used first for the payment of the assessment, then for the cost of collection, suit, foreclosure, and deed preparation, then for penalties, then for accrued interest and interest until the next principal payment date of bonds as provided in this chapter with respect to prepayments of assessments, and then for the unpaid principal amount of the assessment, and any remaining portion shall be paid to the owner of the land at the owner's last known address as shown in the records of the tax assessor with respect to such tract of land.

(8) The board may bid on any sale the same as any other person, and may credit any portion of the assessment and other costs as a part of its bid.

(9) If the highest amount bid and accepted is insufficient to pay the entire assessment, the board and holders of the bonds shall have no further claim against the owner of the land assessed by virtue of the assessment.

(10) Any foreclosure deed shall make no warranty with respect to the title to the land other than as expressly stated therein.

(11) At any point in the foreclosure proceedings, until a bid is accepted, the board may waive the default on terms as it may consider proper and reinstate the assessment, subject to any contrary terms of the board's proceedings with respect to the bonds.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-22 Amendments Of District**

### **Section 11-99A-22**

#### **Amendments of district.**

A board may submit to the appointing government a petition for amendment of the district, to alter its boundary lines, to add additional property contiguous to the municipality (in the case of a district formed by that municipality) or to the district, or to make an amendment in the articles of incorporation as the board may consider expedient. The council may approve changes, and upon approval, changes shall become effective. To the extent the articles of incorporation are to be amended, the board shall, following a hearing, make an amendment to the articles of incorporation to be forthwith recorded in the office of judge of probate of the county or counties in which the district is located, reflecting the approved amendment. If the amendment adds additional land to a district formed by a municipality, upon the recording of such amendment, such additional land shall be deemed annexed into the municipality. However, no land shall be added to a district by amendment except with the written consent of the owners of such land.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-23 Conduct Of Elections**

### **Section 11-99A-23**

#### **Conduct of elections.**

(a) In any instance where this chapter requires or authorizes the conduct of an election or a vote of owners of land within or electors of a district, public notice of the election shall be given not less than 30 days in advance of an election.

(b) An election under this chapter shall be held at a location convenient to the district selected by the board or appointing government.

(c) An election under this chapter shall otherwise be conducted by the appointing government or board by secret ballot. All costs associated with the election shall be borne by the district.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-24 Dispute As To Ownership**

### **Section 11-99A-24**

#### **Dispute as to ownership.**

If there is a dispute as to the true owner of any property within a district, the board shall resolve a dispute in accordance with this chapter, and the determination may not be overturned by any court unless the determination is found to be arbitrary and capricious.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-25 Failure To Provide Notice**

### **Section 11-99A-25**

#### **Failure to provide notice.**

In any case where notice is provided for in this chapter, if the board or appointing government finds for any reason that due notice was not given, the board or appointing government shall not thereby lose jurisdiction and the proceedings shall not be voided, but if the proceeding is continuing, the board shall hold the proceedings in abeyance until due notice is given, and shall continue the proceeding as though notice had been properly given in the first instance. If the proceedings are not continuing, the board or appointing government shall provide an opportunity for the person or persons failing to receive notice to be heard, and after having heard the person, the board or appointing government may make modifications in the assessments, plans, improvements, or bond issue as it may deem appropriate.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-26 Multiple Assessments**

### **Section 11-99A-26**

#### **Multiple assessments.**

A board, by the proceedings described in this chapter, may request the appointing government to levy one or more than one assessments, on some or all of the property in the district, and no property shall be exempt from assessment due to the fact that it is presently subject to another assessment. If the board determines that certain property within the district is not benefited by any particular improvement, the board shall not request the appointing authority to levy an assessment on property for the improvement.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-27 Dissolution And Liquidation**

### **Section 11-99A-27**

#### **Dissolution and liquidation.**

If at any time a district has no assessments outstanding, and has paid all its indebtedness, the board may adopt a resolution recommending to the appointing government that the district be dissolved and liquidated. Upon delivery of a copy of the resolution to the council, the council, if it considers it expedient, may adopt a resolution declaring the district dissolved. Upon the adoption of a resolution, the board shall proceed to distribute all property in the district to the appointing government, or to other public persons as may be directed by the council or as otherwise provided in the district's articles of incorporation. Upon distribution, the district shall cease to exist.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-28 Reimbursement Of Appointing Government Costs**

### **Section 11-99A-28**

#### **Reimbursement of appointing government costs.**

If the council of an appointing government considers it expedient, the council may require the district to reimburse it for its reasonable costs in reviewing the district's plans and proposals, including the cost of legal counsel, engineers, and other consultants or professionals assisting the appointing government in considering proposals of the district, and the amount shall be paid by the district to the appointing government and may be paid by the district out of the proceeds of an issue of bonds.



*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-29 Resolutions Not Permanent**

### **Section 11-99A-29**

#### **Resolutions not permanent.**

All resolutions to be adopted by an appointing government under this chapter shall be deemed not to be permanent or of a continuing nature and shall not require two readings and shall not require publication. All resolutions shall be immediately effective upon adoption.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-30 Methods Of Allocating Assessments**

### **Section 11-99A-30**

#### **Methods of allocating assessments.**

Subject to Section 223 of the Constitution of Alabama of 1901, if considered appropriate by a council, the cost of an assessment may be levied on property in proportion to front feet, acreage, or its estimate of the increase in value of the property resulting from the improvements for which the assessment was made.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-31 Recordation Of Notice Of Lien**

### **Section 11-99A-31**

#### **Recordation of notice of lien.**

(a) All preliminary and final assessments shall constitute liens upon the property assessed. The council shall provide a copy of the preliminary and final assessment to

the municipal or town clerk of the appointing government, either of which shall constitute notice to all of the existence of the preliminary or final assessment and their priority, the same as though recorded in the records of the office of the judge of probate, and all purchasers of property, whether bona fide purchasers or not, shall take subject to the assessment, whether or not having actual knowledge of the assessment. Moreover, in the discretion of the council or board, notice of the presence of a preliminary or final assessment may be recorded in the office of the judge of probate for the county or counties in which a district is located. Any such recordation shall be free of mortgage or other recording taxes.

(b) All assessments made pursuant to this chapter, together with all interest thereon and penalties for default and payment thereof, and all costs of collecting, suing for, or foreclosing shall constitute from the date of the preliminary assessment a lien against each lot or tract of land as provided in the assessment and shall have priority over all other liens, other than liens for ad valorem taxes.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-32 Apportionment Of Liens**

### **Section 11-99A-32**

#### **Apportionment of liens.**

Upon the subdivision of any assessed tract of land, the board may, but shall not be required to, apportion the lien and the assessment among the subdivided lots in a manner as the board may consider expedient.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-33 Non-Effect Of Errors**

### **Section 11-99A-33**

#### **Non-effect of errors.**

No delays, mistakes, errors, or irregularities in any act or proceeding authorized or required by this chapter shall prejudice or invalidate any preliminary or final

assessment, but may be remedied by subsequent filings, amending acts, or municipal, county, or board proceedings, as the case may require. When remedied, the preliminary or final assessment shall take effect retroactively as of the date of the original filing, act, or proceeding. If any final assessment made is set aside by any court or if for any reason the board determines it to be expedient to alter any final assessment, the appointing government may make a new assessment in accordance with this chapter.

*(Act 99-446, p. 1013, §1.)*

### **Section 11-99A-34 Irregularly Shaped Lots**

#### **Section 11-99A-34**

##### **Irregularly shaped lots.**

In assessing lots based on front footage, special assessments may be made for irregularly shaped lots having unusually high or low front footage in proportion to the size of the lot.

*(Act 99-446, p. 1013, §1.)*

### **Section 11-99A-35 Enjoining Of Assessments**

#### **Section 11-99A-35**

##### **Enjoining of assessments.**

No suit may be brought or maintained to enjoin the collection of assessments levied under this chapter except upon the ground that public notice of a hearing upon the amount of the assessment with respect to property owned by the person bringing the suit was not given as required in this chapter and that the failure materially infringed the rights of the person bringing suit. However, any person presenting objections to the board at or before the hearing on assessment shall be deemed to have waived this ground.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-36 Pledge Of Assessments To Bonds**

### **Section 11-99A-36**

#### **Pledge of assessments to bonds.**

Assessments may be pledged to an issue of bonds, and if pledged, the pledge shall be deemed a perfected, first claim by the bondholders, or trustee on behalf of the bondholders, against the assessments, regardless of compliance with the terms of Article 9 of Title 7, the Alabama Uniform Commercial Code, or any other public notice or filing. However, nothing herein shall prevent the filing of a financing statement under Article 9 of Title 7, the Alabama Uniform Commercial Code, and a filing shall not constitute an election to perfect only in accordance with Article 9 of Title 7.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-37 Appropriations By Public Persons**

### **Section 11-99A-37**

#### **Appropriations by public persons.**

A public person may contribute funds or property of any kind to a district by appropriation, grant, donation of services of municipal employees or contractors, lease, deed, or other means considered appropriate, for the purpose of paying in whole or in part any bonds, to pay the costs of acquiring, installing, or constructing improvements in whole or in part, or to fund in whole or in part any other costs or expenses of the district, all without an election of any kind. A public person may issue bonds for the purpose of financing the costs of any funds or property provided to a district. If a public person provides funds to pay debt service on any bond issue in whole, the public person shall, if it elects, be subrogated to the rights of the district to the proceeds of the unpaid assessments to the extent of the funds provided. The district and the public person may contract for the granting of subrogation with respect to any partial or whole prepayment with respect to particular lots or parcels.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-38 Merger Of Improvement Districts**

### **Section 11-99A-38**

#### **Merger of improvement districts.**

Two or more districts having a single appointing government may, by joint petition filed with the appointing government, request that the districts be merged. If the petition is approved by the appointing government, the districts shall be merged into a single district. No merger shall alter any existing assessments or bonds nor shall a merger result in any existing assessments being pledged to bonds to which assessments were not pledged prior to the merger. No merger shall impair the security of any outstanding bonds of the district.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-39 Feasibility As A Condition**

### **Section 11-99A-39**

#### **Feasibility as a condition.**

The appointing government, as a condition to approving the establishment of a district or the levying of a preliminary or final assessment, may require that the petitioners or the board, as appropriate, demonstrate the feasibility of the proposed improvements, by providing a feasibility report, such as evidence that the bonds will be purchased by an underwriter or other purchaser, a recommendation by the appropriate officials within the appointing government, or other means as may be required by the appointing government.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-40 Land Owned By Public Persons**

### **Section 11-99A-40**

#### **Land owned by public persons.**

Land owned by a public person shall be exempt from assessments regardless of whether the public person consented to the formation of the district.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-41 Use Of Improvements By Persons Not Assessed**

### **Section 11-99A-41**

#### **Use of improvements by persons not assessed.**

(a) For use of improvements constructed, acquired, or installed by the district with proceeds of assessments, the board may require the payment of a connection, tap fee, or increased tap fee by persons owning property not assessed to pay for improvements, even though the utilities may be provided by some public person or utility other than the board. The tap fee shall be reasonable and may not exceed 150 percent of the assessment that otherwise would have been paid by the person.

(b) If the owner of any property that fronts on any street built with proceeds of an assessment, whether or not within the district, wishes to connect a driveway or street or otherwise to have access to the street, the owner shall obtain consent of the board to connect to the street, to any cut in the curb, to the establishment of any cut in the median, if any, and otherwise to ingress and egress on the street. The board shall exercise its discretion in order to provide for public safety in the use of the street, and may further condition approval on the payment of a "curb cut fee" in an amount not in excess of 150 percent of the assessments that the owner of the fronting property would have paid had the owner's property been included within the district and the board shall require any owner to pay or reimburse the district for any costs of the district in making a curb cut, median cut, or otherwise permitting ingress and egress. The district may further condition use of the street on the adjacent land being annexed into the municipality that formed the district, on the owner of the land agreeing to restrict the use or to regulate the appearance of the land, or otherwise as the board may determine to be in the interest of the district. The district may enjoin by appropriate proceedings any ingress or egress to a street contrary to this section and any violation of any agreement restricting the use or regulating the appearance of the fronting land, without posting bond, and the person enjoined shall be obligated to pay all costs and legal fees in connection with the obtaining and enforcing of such injunctive relief.

(c) All tap fees and curb cut fees shall be applied to the payment of any bond issue outstanding that financed the cost of the improvements to which the owner is obtaining access. If no bonds are outstanding or fees exceed the amount of the bonds, the

excess amount shall either be used to build additional improvements or to refund assessments paid with respect to improvements.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-42 Reassessments**

### **Section 11-99A-42**

#### **Reassessments.**

The council may make a reassessment or new assessment of a parcel if:

- (1) A court of competent jurisdiction sets aside an assessment against the parcel.
- (2) The council determines that the original assessment is excessive.
- (3) On the written advice of legal counsel, the council determines that the original assessment is invalid.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-43 Temporary Bonds**

### **Section 11-99A-43**

#### **Temporary bonds.**

The district may issue temporary bonds for the purpose of paying the costs for which bonds may be issued, or bonds to be repaid out of the proceeds of a permanent or long-term bond issue.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-44 Bonds In Series**

### **Section 11-99A-44**

#### **Bonds in series.**

Bonds of a district may be issued in series, and, for example, one series may be issued as tax-exempt under the United States Internal Revenue Code, while another series may be issued as taxable. A separate series may also have different assessments pledged as security or may have its proceeds designated for the acquisition, construction, and installation of different improvements.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-45 Parity Bonds**

### **Section 11-99A-45**

#### **Parity bonds.**

A district may make provisions for the subsequent issue of additional parity bonds or subordinate lien bonds on terms and conditions specified in the proceedings of the board with respect to the bond issue.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-46 Assumption Of Municipal Or County Actions**

### **Section 11-99A-46**

#### **Assumption of municipal or county actions.**

Where an appointing government has taken official action with respect to the construction, acquisition, or installation of improvements, whether before or after June 12, 1999, such as by adoption of a resolution or ordinance respecting the same, a district previously or thereafter formed may assume the official action and may undertake the construction, acquisition, or installation of improvements and may pay or



reimburse all costs incurred with respect to the improvements by or on behalf of the appointing government from bond issue proceeds.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-47 Limited Exception From Regulations**

### **Section 11-99A-47**

#### **Limited exception from regulations.**

The appointing government and any other public person may determine that improvements may be built by the district, paid for with proceeds of bonds, and may otherwise be subject to the terms of this chapter even though the subdivision, zoning, or other ordinances, rules, codes, and regulations of the appointing government or other public person would, but for this chapter, require the owners of the land, developers, or other private persons to pay for the costs of improvements, and to the extent paid for from the proceeds from a bond issue or assessments under this chapter, the private person shall be relieved of the obligation to pay for costs.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-48 Additional Security For Bonds**

### **Section 11-99A-48**

#### **Additional security for bonds.**

(a) A board may pledge out of bond proceeds or other sources reserve funds for the repayment of bonds. In addition, the district, any other public person, or any other person may mortgage, subject to foreclosure, for the benefit of bonds, any improvements constructed, acquired, or installed with proceeds of the bonds.

(b) A board, the appointing government, any other public person, or any other person may pledge to the payment of bonds all or part of a grant, donation, revenue, or income received or to be received from the government of the United States or any other public or private source, whether or not it is received pursuant to an agreement or otherwise.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-49 Investments In Bonds**

### **Section 11-99A-49**

#### **Investments in bonds.**

Bonds issued under this chapter are legal and authorized investments for banks, trust companies, savings and loan associations, savings banks, insurance companies, fiduciaries, trustees, guardians, and any public person. Bonds issued under this chapter may be security for deposits of public funds of any public person.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-50 Provisions Cumulative**

### **Section 11-99A-50**

#### **Provisions cumulative.**

The provisions of this chapter shall be cumulative with any other act of the Legislature permitting municipalities or other public persons to assess property for the acquisition, construction, or installation of improvements.

*(Act 99-446, p. 1013, §1.)*

## **Section 11-99A-51 Disposition Of Net Earnings**

### **Section 11-99A-51**

#### **Disposition of net earnings.**

The district shall be a nonprofit, public 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 the board of directors of the board shall determine that sufficient provision has been made for the full payment of the expenses, bonds, and other obligations of the district, any net earnings of the corporation thereafter accruing shall be paid to the appointing government or as otherwise provided in the articles of incorporation or proceedings with respect to the bonds.

*(Act 99-446, p. 1013, §1.)*