

1 HB627  
2 138215-6  
3 By Representative Scott (N & P)  
4 RFD: Jefferson County Legislation  
5 First Read: 16-APR-13

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9 A BILL  
10 TO BE ENTITLED  
11 AN ACT  
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13 Relating to any transit authority organized under  
14 laws authorizing a public corporation for the purpose of  
15 providing a public transportation system in any county having  
16 a population of not less than 600,000 according to the last or  
17 any subsequent federal decennial census; to make legislative  
18 findings; to provide for the continued applicability of the  
19 act to an authorizing county which had, at one time, been  
20 subject to the act, notwithstanding a subsequent change in the  
21 county's population; to provide for the organization of a  
22 transit authority which would govern the establishment and  
23 operation of a public transportation system; to provide for  
24 amendments to the certificate of incorporation of the  
25 authority; to provide for the membership of the board of  
26 directors of the authority; to provide for the composition,  
27 terms, and powers of the board of directors of the authority;

1 to provide for the compensation of board members attending  
2 meetings; to provide for inflation adjustments for various  
3 dollar amounts found in the act; to provide for the powers of  
4 the authority; to provide for the establishment of a Transit  
5 Citizens Advisory Body; to provide that the board can  
6 determine the fiscal year of the transit authority; to provide  
7 for a quorum for any meeting of the board; to provide for the  
8 number of directors needed to approve an act of the board; to  
9 place limits on the recovery of damages for judgments against,  
10 or settlements by, the authority; to provide for the fixing of  
11 rates, fees, and charges by the authority; to provide that the  
12 rates charged for the use of the transit system would be  
13 subject to approval by the principal municipality; to provide  
14 for the issuance of bonds by the transit authority by  
15 including defining "bonds" to include warrants and other  
16 obligations, clarifying that bonds of the authority could be  
17 payable by other public bodies, providing for the method of  
18 execution of the bonds, providing for variable, in addition to  
19 fixed, rates of interest, and providing for a notice for  
20 publication and other procedures to establish the validity of  
21 the bonds and the security for the bonds; to provide for the  
22 tax exemption of the authority and its bonds, conveyances,  
23 leases, mortgages, and deeds of trust; to provide that the  
24 incorporation of one transit authority in a county shall  
25 prohibit the establishment of another; to provide for the  
26 exemption from regulation of transit authorities by the Public  
27 Service Commission; to provide for the use of rights-of-way on

1 public roads; to provide for the regular audit of the books of  
2 the authority; to provide that employees of the transit  
3 authority may participate in a labor union; to provide for the  
4 dissolution of the transit authority; to provide that, upon  
5 the dissolution of the transit authority, its assets would  
6 vest equally in the principal municipality and the authorizing  
7 county; to provide for the application of employee protective  
8 conditions and remedies of Section 13(c) of the Urban Mass  
9 Transportation Act of 1964, as amended; to provide for the  
10 application of this act to the Birmingham-Jefferson County  
11 Transit Authority; to limit the effect of the enactment of  
12 this act and repeal of prior acts; to provide for the  
13 calculation of annual payments by the authorizing county, the  
14 principal municipality and any participating municipality; to  
15 provide for the calculation of ad valorem taxes paid by the  
16 authorizing county; to provide that the principal municipality  
17 would be required, like other municipalities, to set forth its  
18 desired routes for service; to provide for the review of the  
19 transit authority's budget by the principal municipality; to  
20 provide that the authorizing county and the principal  
21 municipality would have no further power to approve or  
22 disapprove of expenditures of the transit authority; to  
23 provide for the setting of routes by the principal  
24 municipality and any participating municipality; to provide  
25 for payments by the principal municipality and each  
26 participating municipality based on such routes; to provide  
27 for the transit authority's discontinuance or reduction in

1 service to any municipality which fails timely to pay for such  
2 services; to provide for the use of ad valorem taxes to pay,  
3 in certain instances, the amounts owed by any municipality;  
4 and to provide for the repeal of Act 2004-500 of the 2004  
5 Regular Session (Acts 2004, p. 939), Act 993 of the 1971  
6 Regular Session (Acts 1971, p. 1787), Act 204 of the 1971  
7 Third Special Session (Acts 1971, p. 4472), Act 329 of the  
8 1973 Regular Session (Acts 1973, p. 459), Act 508 of the 1973  
9 Regular Session (Acts 1973, p. 748), and Act 87-449 of the  
10 1987 Regular Session (Acts 1987, p. 663).

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. (a) The Legislature finds, determines,  
13 and hereby declares that, in counties having a population of  
14 not less than 600,000, there are conditions present that are  
15 not present in counties with lesser populations. Those  
16 conditions include, but are not limited to, the following:

17 (1) The excessive growth in private vehicular  
18 traffic in the counties is placing excessive burdens upon the  
19 road systems and parking facilities, especially in commercial  
20 and industrial districts and in areas of high population  
21 density which cannot be alleviated by private vehicular  
22 traffic.

23 (2) The number of vehicular miles the average  
24 citizen of those counties travels per day is among the highest  
25 nationally in terms of miles and commuting times.

26 (3) The projected continued economic growth of the  
27 counties and the general health and welfare of the citizens of

1 the counties require those counties to provide the enhanced  
2 availability of public transportation facilities, operations,  
3 and services for mass transportation, thus it is necessary and  
4 desirable and in the best interests of the citizens of the  
5 counties that the provisions governing the administration of  
6 the authority be amended to expand and improve the existing  
7 public transportation services.

8 (b) The Legislature further declares its intention,  
9 by the passage of this act, to provide for solutions to the  
10 problems set out above that are not provided for by the  
11 general laws of the state, to promote public mass  
12 transportation in the authorizing county, and to provide a  
13 mechanism for transportation services in counties contiguous  
14 with a county having a population of not less than 600,000,  
15 through the authorization of public corporations, as agencies  
16 of the State of Alabama, with the powers conferred by this  
17 act.

18 Section 2. As used in this act, the following words  
19 and phrases shall mean the following unless the context  
20 clearly indicates otherwise:

21 (1) AD VALOREM TAX. Those real and personal property  
22 ad valorem taxes collected by the county tax collector, the  
23 director of revenue of the county, or revenue commissioner, if  
24 any, for the county, but shall exclude all ad valorem taxes  
25 collected for the State of Alabama and all boards of  
26 education, municipalities, fire districts, or other entities  
27 located in the county.

1 (2) APPLICANT. A natural person who files a written  
2 application with the governing body of any county to which  
3 this act applies and with a municipality in the county, all in  
4 accordance with Section 3.

5 (3) AUTHORITY. The public corporation organized  
6 pursuant to this act, which shall be an agency of the state  
7 but shall not be a political subdivision of the state.

8 (4) AUTHORIZING COUNTY. Any county the governing  
9 body of which shall have adopted an authorizing resolution,  
10 even if the population of the county should fall below  
11 600,000.

12 (5) AUTHORIZING MUNICIPALITY. Any municipality the  
13 governing body of which shall have adopted an authorizing  
14 resolution.

15 (6) AUTHORIZING RESOLUTION. A resolution, adopted by  
16 the governing body of any county to which this act applies or  
17 by a municipality in the county, all in accordance with  
18 Section 3.

19 (7) BOARD. The Board of Directors of an authority.

20 (8) BONDS. Bonds, notes, warrants, certificates, and  
21 other obligations representing an obligation to pay money.

22 (9) COUNTY. Any county in the state.

23 (10) DIRECTOR. A member of the board.

24 (11) FISCAL YEAR. The 12-month period provided for  
25 in subsection (c) of Section 7.

26 (12) GOVERNING BODY. With respect to a county, its  
27 county commissioners, board of revenue, or other like

1 governing body and with respect to a municipality, its city or  
2 town council, board of commissioners, or other like governing  
3 body.

4 (13) INCORPORATORS. The persons forming a public  
5 corporation organized pursuant to this act.

6 (14) LABOR UNION. An organization in which employees  
7 participate for the purpose of dealing with one or more  
8 employers concerning grievances, labor disputes, wages, rates  
9 of pay, hours of employment, or conditions of work.

10 (15) METROPOLITAN PLANNING ORGANIZATION. The forum  
11 for cooperative transportation decision making for a  
12 metropolitan planning area pursuant to 23 U.S.C. § 134 and 49  
13 U.S.C. § 5303.

14 (16) MUNICIPALITY. An incorporated city or town of  
15 this state.

16 (17) PARATRANSIT. Comparable transportation service  
17 required by the Americans with Disabilities Act for  
18 individuals who are unable to use fixed route transportation  
19 systems.

20 (18) PARTICIPATING MUNICIPALITY. A municipality in  
21 an authorizing county, other than the principal municipality,  
22 which is then providing funds for the authority, pursuant to  
23 resolution, contract, or otherwise.

24 (19) PERSON. Unless limited to a natural person by  
25 the context in which it is used, includes a public or private  
26 corporation, municipality, county, or an agency, department,



1 or instrumentality of the state or of a county or  
2 municipality.

3 (20) PRINCIPAL MUNICIPALITY. The municipality in an  
4 authorizing county having the largest population in the  
5 authorizing county according to the last or any subsequent  
6 federal decennial census.

7 (21) PRINCIPAL OFFICE. The place at which the  
8 certificate of incorporation and amendments to the certificate  
9 of incorporation, the bylaws, and the minutes of proceedings  
10 of the board are kept.

11 (22) PROPERTY. Real and personal property, and any  
12 and all interests in the real and personal property.

13 (23) PUBLIC TRANSPORTATION SERVICE. All service  
14 involved in the transportation of passengers for hire by means  
15 of buses, street railway, elevated railway, subway,  
16 underground railroad, light rail, mass transit systems, motor  
17 vehicles, or other means of conveyance generally associated  
18 with or developed for mass surface or sub-surface  
19 transportation of the public, but does not include any service  
20 involved in transportation by taxicab, airport limousine, or  
21 industrial bus; however, public transportation service does  
22 not include aircraft or any air service subject to the Air  
23 Carrier Access Act of 1986 or managed by an airport authority  
24 of the principal municipality.

25 (24) REGIONAL PLANNING COMMISSION. The regional  
26 organization representing governing bodies of local  
27 governments under Act 584 of the 1963 Regular Session (Acts

1 1963, p. 1278) or Act 1126 of the 1969 Regular Session (Acts  
2 1969, p. 2084).

3 (25) TCAB. The transit citizens advisory board  
4 established herein.

5 (26) TRANSIT SYSTEM. Land, plants, systems,  
6 facilities, buildings, garages, vehicles of all types, rails,  
7 lines, and any combination of any of the following, used or  
8 useful or capable of future use in furnishing public  
9 transportation service, and all other property deemed  
10 necessary or desirable by an authority for use in furnishing  
11 public transportation service.

12 (27) STATE. The State of Alabama.

13 Section 3. (a) A public corporation may be organized  
14 pursuant to this act in a county having a population of not  
15 less than 600,000 according to the last or any subsequent  
16 federal decennial census. Once incorporated under or governed  
17 by this act, the corporation shall continue to be subject to  
18 this act, even if the population of the county falls below  
19 600,000. In order to incorporate as a public corporation, any  
20 number of natural persons, not less than three, shall first  
21 file a written application with the governing body of the  
22 county and with the governing body of the municipality in the  
23 county having the largest population according to the most  
24 recent federal decennial census, which applications shall  
25 include all of the following:

26 (1) A statement that the authority proposes to  
27 render public transportation service in the county.

1           (2) The proposed location of the principal office of  
2 the authority, which shall be within the county with the  
3 governing body of which the application is filed.

4           (3) A statement that each of the applicants is a  
5 duly qualified elector of the county in which the application  
6 is filed.

7           (4) A request that the governing body adopt a  
8 resolution declaring that it is wise, expedient, and necessary  
9 that the proposed authority be formed and authorizing the  
10 applicants to proceed to form the proposed authority by the  
11 filing for record of a certificate of incorporation in  
12 accordance with Section 4.

13           (b) The applications shall, except in their  
14 designation of the governing body to which they are addressed  
15 and with which they are filed, be identical, and accompanied  
16 by the supporting documents or evidence as the applicants may  
17 consider appropriate. As promptly as may be practicable after  
18 the filing of the applications in accordance with this  
19 section, the governing bodies of the county and the  
20 municipality with which the application was filed shall review  
21 the contents of the application and shall adopt resolutions  
22 either denying the application or declaring that it is wise,  
23 expedient, and necessary that the proposed authority be formed  
24 and authorizing the applicants to proceed to form the proposed  
25 authority by the filing for record of a certificate of  
26 incorporation in accordance with Section 4. Each governing  
27 body with which an application is filed shall also cause a

1 copy of the application to be spread upon or otherwise made a  
2 part of the minutes of the meeting of the governing body at  
3 which final action upon the application is taken.

4 Section 4. (a) Within 40 days following the adoption  
5 of an authorizing resolution by that governing body that was  
6 the last to adopt an authorizing resolution, but only if the  
7 governing bodies of both the county and the municipality with  
8 which applications were filed have theretofore adopted  
9 authorizing resolutions, the applicants shall proceed to  
10 incorporate an authority by filing for record in the office of  
11 the judge of probate of the authorizing county a certificate  
12 of incorporation which shall comply in form and substance with  
13 the requirements of this section, and which shall be in the  
14 form and executed in the manner as provided in this act. The  
15 certificate of incorporation of the authority shall contain  
16 all of the following:

17 (1) The names of the persons forming the authority,  
18 and that each of them is a duly qualified elector of the  
19 authorizing county.

20 (2) The name of the authority which shall be "            
21 County Transit Authority," with the insertion of the name of  
22 the authorizing municipality and the authorizing county.

23 (3) The period for the duration of the authority, if  
24 the duration is to be perpetual, subject to Section 20 and  
25 that fact shall be stated.

1           (4) The names of the authorizing county and the  
2 authorizing municipality, together with the dates on which the  
3 governing bodies thereof adopted authorizing resolutions.

4           (5) The location of the principal office of the  
5 authority, which shall be in the authorizing county.

6           (6) That the authority is organized pursuant to the  
7 provisions of this act for the purpose of supplying public  
8 transportation service in the authorizing county.

9           (7) Any other matters relating to the authority that  
10 the incorporators may choose to insert and that are not  
11 inconsistent with this act or with the laws of the state.

12           (b) The certificate of incorporation shall be signed  
13 and acknowledged by the incorporators before an officer  
14 authorized by the laws of the state to take acknowledgments to  
15 deeds. When the certificate of incorporation is filed for  
16 record, there shall be attached to it all of the following:

17           (1) A copy of each of the applications filed with  
18 the governing bodies of the authorizing county and the  
19 authorizing municipality in accordance with Section 3.

20           (2) A certified copy of each of the authorizing  
21 resolutions adopted by the governing bodies of the authorizing  
22 county and the authorizing municipality.

23           (3) A certificate by the Secretary of State that the  
24 name proposed for the authority is not identical to that of  
25 any other corporation organized under the laws of the state or  
26 so nearly similar to another corporation so as to lead to  
27 confusion and uncertainty. Upon the filing for record of the

1 certificate of incorporation and the documents required by the  
2 preceding sentence to be attached thereto, the authority shall  
3 come into existence and shall constitute a public corporation  
4 under the name set forth in the certificate of incorporation.  
5 The judge of probate shall send a notice to the Secretary of  
6 State that the certificate of incorporation of the authority  
7 has been filed for record.

8 Section 5. (a) The certificate of incorporation of  
9 any authority incorporated under or governed by this act may  
10 be amended in the manner provided in this section. The board  
11 shall first adopt a resolution proposing an amendment to the  
12 certificate of incorporation which shall be set forth in full  
13 in the resolution and which amendment may include any matters  
14 which might have been included in the original certificate of  
15 incorporation.

16 (b) After the adoption by the board of a resolution  
17 proposing an amendment to the certificate of incorporation of  
18 the authority, the chair of the board or executive director of  
19 the authority and the secretary of the authority shall sign  
20 and file a written application in the name of and on behalf of  
21 the authority, under its seal, with the governing body of the  
22 authorizing county and with the governing body of the  
23 principal municipality, requesting each governing body to  
24 adopt a resolution approving the proposed amendment, and  
25 accompanied by a certified copy of the resolution adopted by  
26 the board proposing the amendment to the certificate of  
27 incorporation, together with the documents in support of the

1 application as the chair or executive director may consider  
2 appropriate. The applications, except in their designation of  
3 the governing body to which they are addressed and with which  
4 they are filed, shall be identical. As promptly as may be  
5 practicable after the filing of the application with the  
6 governing bodies of the authorizing county and the principal  
7 municipality pursuant to the foregoing provisions of this  
8 section, the governing bodies shall review the application and  
9 shall adopt resolutions either denying the application or  
10 authorizing the proposed amendment. Each governing body shall  
11 cause a copy of the application and all accompanying documents  
12 to be spread upon or otherwise made a part of the minutes of  
13 the meeting of the governing body at which final action upon  
14 the application is taken.

15 (c) Within 40 days following the adoption of a  
16 resolution approving the proposed amendment by that governing  
17 body that was the last to adopt the resolution, but only if  
18 the governing bodies of both the authorizing county and the  
19 principal municipality have previously adopted a resolution,  
20 the chair of the board or executive director of the authority  
21 and the secretary of the authority shall sign and file for  
22 record in the office of the judge of probate of the  
23 authorizing county a certificate in the name of and in behalf  
24 of the authority, under its seal, reciting the adoption of the  
25 respective resolutions by the board and by the governing  
26 bodies of the authorizing county and the principal  
27 municipality and setting forth the proposed amendment.

1           Section 6. (a) Each authority shall be governed by a  
2 board. All powers of the authority shall be exercised by or  
3 under the authority of, and the business and affairs of the  
4 authority shall be managed under the direction of, the board  
5 or pursuant to its authorization. In making appointments to  
6 the board, best efforts should be used to reflect the racial,  
7 gender, and economic diversity within the county.

8           (b) The board shall consist of nine directors. One  
9 director shall be elected by the governing body of the  
10 authorizing county. Five of the directors shall be elected by  
11 the governing body of the principal municipality. One of the  
12 directors shall be elected by the governing bodies of each of  
13 the three participating municipalities having the largest  
14 population according to the last or any subsequent federal  
15 decennial census. If there are not three participating  
16 municipalities, the governing body of the authorizing county  
17 and the governing body of the principal municipality shall  
18 jointly elect a director that would otherwise be elected by  
19 the participating municipality. The term of office of each  
20 person who is a director on the effective date of this act  
21 shall not be changed by this act.

22           (c) Notwithstanding the provisions of subsection  
23 (b), the terms of this subsection shall apply after January 1,  
24 2014. Every appointment of a director for a new term shall be  
25 for a four-year term, and no one person shall serve more than  
26 two consecutive four-year terms unless such person is a  
27 director of the authority on the effective date of this act.



1 The principal municipality may vary the term of office of any  
2 director it appoints as to cause its appointments to be evenly  
3 spaced over any four-year period. The participating  
4 municipalities and the authorizing county shall, following  
5 consultations with each other, exercise a similar power.

6 (d) Whenever there is a vacancy on the board, a  
7 successor director to serve for the unexpired term applicable  
8 to the vacancy shall be elected by the public entity that  
9 elected the director whose unexpired term the successor is to  
10 fill. A municipality may not have any continuing or vested  
11 right to elect a director and the power of the governing body  
12 of any municipality to elect or to participate in the election  
13 of a director, whether for a full term or to complete an  
14 unexpired term, shall be determined in accordance with the  
15 most recent federal decennial census.

16 (e) An officer of the state or of any county or  
17 municipality may not, during his or her tenure as an officer,  
18 be eligible to serve as a director. Each director shall be a  
19 duly qualified elector of the authorizing county. Each  
20 director shall be reimbursed for expenses actually incurred by  
21 him or her in and about the performance of his or her duties.  
22 Each director, except the chair of the board, shall be  
23 compensated in an additional amount not to exceed ten dollars  
24 (\$10) per meeting attended but not to exceed two hundred fifty  
25 dollars (\$250) per year; the chair shall be compensated in an  
26 additional amount not to exceed five hundred dollars (\$500)  
27 per year; and the term "meeting" shall have the meaning given

1 in Section 36-25A-2, Code of Alabama 1975. A director may be  
2 impeached and removed from office in the same manner and on  
3 the same grounds provided by Section 175 of the Official  
4 Recompilation of the Constitution of Alabama of 1901, as  
5 amended, and the general laws of the state for impeachment and  
6 removal of the officers mentioned in Section 175.

7 (f) The dollar amounts specified in subsection (e)  
8 shall be adjusted according to the increase in the Consumer  
9 Price Index published by the Bureau of Labor Statistics of the  
10 United States Department of Labor for all Urban Consumers, US  
11 City Average, All Items, Not Seasonally Adjusted, Base Period  
12 1982-84=100 (the "Index"). Adjustments shall occur at the  
13 start of each fiscal year of the authority, and shall be  
14 determined by dividing the most recent information available  
15 for the Index at the start of each fiscal year, by the most  
16 recent information available for the Index upon the effective  
17 date of this act, and multiplying the resultant amount by the  
18 subject number in subsection (e). Any increase or decrease  
19 shall be rounded to the nearest whole dollar.

20 Section 7. (a) The authority shall exercise powers  
21 and duties necessary to the discharge of its powers and duties  
22 in corporate form as follows:

23 (1) Have succession by its corporate name in  
24 perpetuity subject to Section 20.

25 (2) Sue and be sued in its own name in civil suits  
26 and actions and defend suits against it.

1           (3) Adopt and make use of a corporate seal and alter  
2 the same at its pleasure.

3           (4) Adopt and alter bylaws for the regulation and  
4 conduct of its affairs and business.

5           (5) Acquire, receive, take, by purchase, gift,  
6 lease, devise, or otherwise, and hold property of every  
7 description, real, personal, or mixed, whether located in one  
8 or more counties or municipalities and whether located within  
9 or outside the authorizing county.

10          (6) Make, enter into, and execute contracts,  
11 agreements, leases, and other instruments and take other  
12 actions as may be necessary or convenient to accomplish any  
13 purpose for which the authority was organized, or exercise any  
14 power expressly granted under this act. It is further provided  
15 that personnel employed and vendors hired with funds provided  
16 under this act shall reflect the racial and gender percentages  
17 within the authorizing county.

18          (7) Plan, establish, develop, acquire, purchase,  
19 lease, construct, reconstruct, enlarge, improve, maintain,  
20 equip, and operate a system for the provision of public  
21 transportation service within the authorizing county, or  
22 within any other county of the state, and without any  
23 requirement that the system be interconnected or otherwise  
24 constitute an integrated operational unit.

25          (8) Acquire real and personal property, franchises,  
26 and easements deemed necessary or desirable in connection with  
27 the system.

1           (9) Establish long-range plans and an annual program  
2 for public transportation in consultation with plans adopted  
3 by the Metropolitan Planning Organization and the Regional  
4 Planning Commission, the plans and programs to be coordinated  
5 with the plans for land use and development by counties and  
6 municipalities in the geographic area of the authority, in  
7 cooperation with the Regional Planning Commission and the  
8 Metropolitan Planning Organization; assure consistency between  
9 public transportation plans and related land use policies and  
10 plans; and provide for funds sufficient to ensure the planning  
11 and consultation as required among the authority, the  
12 Metropolitan Planning Organization, and the Regional Planning  
13 Commission.

14           (10) Develop or make grants for development of  
15 alternative transportation projects designed to enhance access  
16 to public transportation service in furtherance of the goal of  
17 improved mobility within the system providing public  
18 transportation service and in accordance with Section 134 of  
19 Title 23 and Chapter 53 of Title 49 of the United States Code.

20           (11) Own, operate, finance, and provide public  
21 transportation service within the authorizing county or in any  
22 part of any other county upon the terms and for rates or other  
23 consideration as the board may prescribe.

24           (12) Provide charter service within the state upon  
25 the terms and for the rates or other consideration as the  
26 board may prescribe unless prohibited by federal or state law,

1 and use or operate any part of any transportation system owned  
2 by the authority in the charter service.

3 (13) Sell and issue bonds of the authority in order  
4 to provide funds for any corporate function, use or purpose,  
5 the bonds to be payable solely from the sources specified in  
6 Sections 9 and 13.

7 (14) Assume obligations secured by a lien on, or  
8 payable out of or secured by a pledge of the revenues from,  
9 any transit system or any part thereof, that may be acquired  
10 by the authority, any obligation so assumed to be payable by  
11 the authority solely from the sources from which bonds of the  
12 authority may be made payable pursuant to Sections 9 and 13.

13 (15) Pledge for payment of any bonds issued or  
14 obligations assumed by the authority any revenues from which  
15 those bonds or obligations are made payable as provided in  
16 this act.

17 (16) Execute and deliver, in accordance with  
18 Sections 9 and 13, mortgages and deeds of trust and trust  
19 indentures, or either.

20 (17) Exercise the power of eminent domain, except as  
21 limited by state law, except the authority may not acquire,  
22 without the consent of the owner, any transportation system  
23 from which public transportation service is currently being  
24 furnished. The authority may not by eminent domain acquire any  
25 real property or rights owned or held by public or private  
26 railroads or utilities.

1           (18) Expend funds for the purchase or lease of  
2 materials, equipment, supplies, or other personal property  
3 without compliance with Chapter 16 of Title 41, Code of  
4 Alabama 1975.

5           (19) Appoint, employ, contract with, and provide for  
6 the compensation of, officers, employees, and agents,  
7 including, but without limitation to, engineers, attorneys,  
8 management consultants, fiscal advisers, or other consultants  
9 without regard to Chapter 16 of Title 41, Code of Alabama  
10 1975, or any law establishing a civil service or merit system  
11 that might otherwise be applicable, as the business of the  
12 authority may deem necessary or desirable, and also provide a  
13 system of disability pay, employee insurance, retirement  
14 compensation, pensions, or other employee benefit plans as the  
15 authority may deem necessary or desirable. This act may not be  
16 construed to affect the rights and privileges of the employees  
17 of the system.

18           (20) Make and enforce reasonable rules and  
19 regulations governing the use of any public transportation  
20 service provided by the authority.

21           (21) Provide for any insurance as the board may deem  
22 advisable.

23           (22) Invest funds of the authority that the board  
24 may determine are not presently needed in the operation of its  
25 properties in bonds of, or guaranteed by, the United States of  
26 America or any agency of the United States, bonds of the  
27 state, bonds of any county or municipality, interest-bearing

1 bank deposits, any agreement to repurchase any one or more of  
2 the foregoing, any money market fund consisting of any one or  
3 more of the foregoing, or any combination thereof.

4 (23) Cooperate with the United States of America or  
5 its agencies or instrumentalities, the state, any county,  
6 municipality, or other political subdivision of the state, and  
7 any public corporation organized under the laws of the state  
8 and make or receive funds from any of them in the terms as the  
9 board may deem advisable or prescribe to make contracts with  
10 them, or any of them, as the board deems advisable to  
11 accomplish the purposes for which the authority was  
12 established.

13 (24) Sell and convey its properties that may have  
14 become obsolete or worn out or that may no longer be needed or  
15 useful as a part of any transportation system of the  
16 authority.

17 (25) Sell and convey, with or without valuable  
18 consideration, any of its transit systems or any portion of a  
19 transit system, to any one or more counties, municipalities,  
20 or public corporations organized under the laws of the state,  
21 which have the corporate power to operate the system, or  
22 portions of a transit system, conveyed, and the property and  
23 income of which are not subject to taxation except that the  
24 sale and conveyance may be made only of the following:

25 a. With the consent of the authorizing county, the  
26 principal municipality, and each participating municipality,

1 the consent to be evidenced by a resolution adopted by the  
2 governing body of each consenting county and municipality.

3 b. If the conveyance would not constitute a breach  
4 of any then outstanding mortgage and deed of trust, trust  
5 indenture, or other agreement to which the authority is a  
6 party.

7 (26) Enter into agreements with all or any part of  
8 the employees of the authority or with any groups or  
9 associations representing the employees.

10 (27) Enter into a management agreement or agreements  
11 with any person for the management by or for the authority of  
12 any public transportation service upon any mutually agreeable  
13 terms and conditions.

14 (28) Require that all laborers and mechanics  
15 employed by contractors or subcontractors in the performance  
16 of construction work for the authority be paid wages at rates  
17 not less than those prevailing on similar construction in the  
18 locality where the work is performed as determined by the  
19 United States Secretary of Labor or any department, agency or  
20 instrumentality of the United States or of the state.

21 (29) If the authority acquires an existing system  
22 for the provision of public transportation service, enter into  
23 arrangements necessary or desirable to protect the interest of  
24 employees of any acquired system including, without limiting  
25 the generality of the foregoing:



1           a. The preservation of rights, privileges, and  
2 benefits including continuation of pension rights and benefits  
3 under existing agreements.

4           b. The protection of individual employees against a  
5 worsening of their positions with respect to their employment.

6           c. Assurance of employment to the employees of  
7 acquired transportation systems, except executives and  
8 administrative officers, and priority of reemployment of the  
9 employees terminated or laid off.

10          d. Paid training or retraining programs.

11                 (30) Fix and revise from time to time reasonable  
12 rates, fees, and other charges for public transportation  
13 service furnished or to be furnished by any system owned or  
14 operated by the authority, and collect all charges made by it.

15                 (31) Prepare, adopt, and implement a set of policies  
16 that shall govern and set standards for, the conduct of all  
17 members of the board and all employees of the authority which  
18 shall include, but are not limited to, the following:

19           a. Provide for penalties for a violation.

20           b. Prohibit unethical conduct and require each  
21 director and employee of the authority to comply with all the  
22 provisions of the policy which shall include, but not  
23 necessarily be limited to, the provisions of the code of  
24 ethics for public officials and employees as provided for in  
25 Chapter 25 of Title 36, Code of Alabama 1975, and rules and  
26 regulations promulgated thereunder by the state Ethics  
27 Commission.

1           c. Allow for the reimbursement of the expenses of  
2 directors and employees, subject to any requirements provided  
3 in the policy.

4           d. Provide a method of keeping records for expenses  
5 of directors and employees.

6           e. Regulate business dealings and contracts between  
7 the authority and directors or employees of the authority and  
8 business dealings between the authority and members of the  
9 family of directors or employees of the authority.

10           (32) Do any and all things necessary to own,  
11 operate, facilitate, provide, or promote public transportation  
12 services within the authorizing county or any other county of  
13 the state.

14           (b) (1) The board shall establish a separate and  
15 independently accountable TCAB. The TCAB shall be established  
16 by the board within 60 days of the effective date of this act.  
17 The TCAB shall be composed of persons each of whom is a duly  
18 qualified elector of the authorizing county. In addition, the  
19 executive director of the authority shall serve as an ex  
20 officio nonvoting member of the TCAB. The procedure for making  
21 appointments to the TCAB and establishing the terms of the  
22 appointments shall be determined by the board in its sole  
23 discretion. The procedure shall include the approval of  
24 persons appointed to the TCAB by the authorizing county,  
25 principal municipality, or participating municipalities. In  
26 making appointments to the TCAB the following shall be  
27 considered:

1           a. Representation from all geographic regions served  
2 by the authority.

3           b. Minority representation to reflect the racial,  
4 gender and economic diversity within the geographic regions  
5 served by the authority.

6           c. Representation from users of the system providing  
7 public transportation service, paratransit users, and  
8 advocates.

9           The board shall ensure that the authorizing county,  
10 the principal municipality and each participating municipality  
11 shall be represented on the TCAB and that the number of  
12 representatives of each shall roughly approximate the funding  
13 normally provided by each.

14           (2) The TCAB shall be advisory to the authority and  
15 perform the following duties:

16           a. Serve as a body to advise the authority, the  
17 board, and private persons on the development and  
18 implementation of policies and programs relating to public  
19 transportation, and assist in the coordination of these  
20 activities.

21           b. Adopt bylaws, elect officers including a chair,  
22 and establish procedures for its operation within 30 days of  
23 its creation; provided, however, that the bylaws for the TCAB  
24 shall be subject to approval or amendment by the board.

25           c. Advise and make recommendations regarding transit  
26 development plans, comprehensive operations analysis, annual

1 service, marketing and annual advertising plans developed by  
2 the authority.

3 (3) The board and the TCAB shall meet together at  
4 least once every six months at the time and place as shall be  
5 mutually agreeable.

6 (4) The board may, by three-fourths vote of the  
7 members of the board, determine to disband and reconstitute  
8 the TCAB.

9 (c) The board shall establish, from time to time, a  
10 fiscal year for the authority.

11 (d) A majority of the directors then in office shall  
12 constitute a quorum at any meeting of the board for the  
13 transaction of business. The act of a majority of the  
14 directors present at any meeting at which there is a quorum  
15 shall be an act of the board.

16 (e) The recovery of damages under any judgment or  
17 judgments against the authority shall be limited to one  
18 hundred thousand dollars (\$100,000) for bodily injury or death  
19 for one person in any single occurrence. Recovery of damages  
20 under any judgment or judgments against the authority shall be  
21 limited to three hundred thousand dollars (\$300,000) in the  
22 aggregate where more than three persons have claims or  
23 judgments on account of bodily injury or death arising out of  
24 any single occurrence. Recovery of damages under any judgment  
25 or judgments against the authority shall be limited to one  
26 hundred thousand dollars (\$100,000) for damage or loss of  
27 property arising out of any single occurrence. The authority

1 may not settle or compromise any claim for bodily injury,  
2 death, or property damage for an amount in excess of the  
3 amounts stated in this paragraph.

4 Section 8. (a) Rates, fees, and charges for public  
5 transportation service rendered by the authority from any of  
6 its transit systems shall be so fixed and from time to time  
7 revised as at all times to provide funds that, when added to  
8 all other revenues including tax proceeds anticipated to be  
9 received by the authority shall be at least sufficient to do  
10 all of the following:

11 (1) Pay the cost of operating, maintaining,  
12 repairing, replacing, extending, and improving the systems  
13 from which such services are rendered.

14 (2) Pay the principal of and the interest on all  
15 bonds issued and obligations assumed by the authority that are  
16 payable out of the revenues derived from operation of those  
17 systems, as the principal and interest become due and payable.

18 (3) Create and maintain reserves for the foregoing  
19 purposes or any of them as may be provided in any mortgage,  
20 deed of trust, or trust indenture executed by the authority or  
21 in any resolutions of the board authorizing the issuance of  
22 bonds, the assumption of any obligation, or the acquisition of  
23 any system.

24 (4) Make any annual payments to the United States of  
25 America or any agency or instrumentality the United States,  
26 the state, municipalities, counties, departments, authorities,  
27 agencies, and political subdivisions of the state and any

1 public corporations organized under the laws of the state as  
2 the authority may have contracted to make.

3 (b) A change in rates, fees, and charges made after  
4 the effective date of this act shall take effect only if  
5 approved by the principal municipality.

6 Section 9. (a) All bonds issued by the authority  
7 shall be signed by the chair, vice chair, or executive  
8 director and attested by its secretary or assistant secretary,  
9 and the seal of the authority shall be affixed thereto except  
10 that a facsimile of the signature of the officers may be  
11 printed or otherwise reproduced on any of the bonds in lieu of  
12 being manually subscribed on the bonds, a facsimile of the  
13 seal of the authority may be printed or otherwise produced on  
14 the bonds in lieu of being manually affixed thereto, if the  
15 bonds have been manually authenticated by a transfer agent of  
16 the bond issue. Delivery of executed bonds shall be valid  
17 notwithstanding any changes in officers or in the seal of the  
18 authority after the signing and sealing of the bonds. The  
19 bonds may be executed and delivered by the authority at any  
20 time and from time to time, shall be in the form and  
21 denominations and of the tenor and maturities, shall contain  
22 the provisions not inconsistent with the provisions of this  
23 act, and shall bear the fixed or variable rate or rates of  
24 interest, payable and evidenced in the manner, as may be  
25 provided by resolution of its board. The bonds of the  
26 authority may be sold at either public or private sale in the  
27 manner and at the price or prices and at the time or times as

1 may be determined by the board to be most advantageous. The  
2 principal of and interest on any bonds may thereafter at any  
3 time and from time to time be refunded by the issuance of  
4 refunding bonds of the authority, which may be sold by the  
5 authority at public or private sale at the price or prices as  
6 may be determined by its board to be most advantageous, or  
7 which may be exchanged for the bonds or other obligations to  
8 be refunded. The authority may pay all expenses, premiums, and  
9 commissions which its board may deem necessary and  
10 advantageous in connection with any financing done by it. All  
11 bonds issued by the authority shall be construed to be  
12 negotiable instruments although payable solely from a  
13 specified source. All obligations created or assumed and all  
14 bonds issued or assumed by the authority shall be solely and  
15 exclusively an obligation of the authority and shall not  
16 create an obligation or debt of any county or municipality  
17 except as provided in Section 13. Any bonds issued by the  
18 authority shall be limited or special obligations of the  
19 authority payable solely out of the revenues of the authority  
20 specified in the proceedings authorizing those bonds, except  
21 as provided under Section 13. The proceedings may provide that  
22 the bonds shall be payable solely from one or a combination of  
23 the following sources as set forth in a resolution of the  
24 board authorizing the issuance of the bonds which shall be  
25 subject to the following:

26 (1) Any tax proceeds appropriated, allocated, or  
27 made payable in whole or in part to the authority by or

1 pursuant to any act of the Legislature or pursuant to an  
2 ordinance, resolution, or order of the county in which the  
3 authority is authorized to furnish public transportation  
4 service or any municipality located in the county.

5 (2) The revenues derived from the operation of all  
6 transit systems owned by the authority solely out of the  
7 revenues from the operation of any one or more of the systems  
8 or parts of the transit system, regardless of the fact that  
9 those bonds may have been issued with respect to or for the  
10 benefit of only certain particular systems of the authority.

11 (3) The authority may pledge for the payment of any  
12 of its bonds the revenues from which the bonds are payable,  
13 and may execute and deliver a trust indenture evidencing any  
14 pledge or a mortgage and deed of trust conveying as security  
15 for the bonds the transit systems, or any part of any thereof,  
16 the revenues or any part of the revenues from which are so  
17 pledged. A mortgage and deed of trust or trust indenture made  
18 by the authority may contain the agreements as the board may  
19 deem advisable respecting the operation and maintenance of the  
20 property, and the use of the revenues subject to the mortgage  
21 and deed of trust or affected by the trust indenture, and  
22 respecting the rights, duties, and remedies of the parties to  
23 any instrument and the parties for the benefit of whom the  
24 instrument is made; except, that the instrument shall not be  
25 subject to foreclosure.

26 (b) (1) Upon the adoption by the board of any  
27 resolution providing for the issuance of bonds, the authority



1 may cause to be published once a week for two consecutive  
2 weeks, in a newspaper published or having general circulation  
3 in the principal municipality, a notice in substantially the  
4 following form, the blanks being properly filled in, at the  
5 end of which shall be printed the name and title of either the  
6 chair, vice chair, executive director, secretary, or assistant  
7 secretary of the authority: "The \_\_\_\_\_ County Transit  
8 authority, a public corporation under the laws of the State of  
9 Alabama, on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ authorized the  
10 issuance of \$\_\_\_\_\_ principal amount of bonds of the public  
11 corporation for purposes authorized in the act of the  
12 Legislature under which the public corporation was organized.  
13 Any action or proceeding questioning the validity of the  
14 bonds, or the pledge and the mortgage, deed of trust, trust  
15 indenture or resolution to secure the same, or the proceedings  
16 authorizing the same, shall be commenced within 30 days after  
17 the first publication of this notice."

18 (2) A newspaper shall be deemed to be published in  
19 the principal municipality, within the meaning of this  
20 section, if its principal editorial office is located in the  
21 principal municipality.

22 (3) Any action or proceeding in any court to set  
23 aside or question the proceedings for the issuance of the  
24 bonds referred to in the notice or to contest the validity of  
25 any of the bonds, or the validity of any pledge and mortgage,  
26 deed of trust, trust indenture, or resolution made for the  
27 bonds, shall be commenced within 30 days after the first

1 publication of the notice. After the expiration of that  
2 period, no right of action or defense questioning or attacking  
3 the validity of the proceedings or of the bonds or the pledge  
4 or mortgage, deed of trust, trust indenture, or resolution  
5 shall be asserted, nor shall the validity of the proceedings,  
6 bonds, pledge, mortgage, deed of trust, trust indenture, or  
7 resolution be open to question in any court on any ground  
8 whatsoever except in an action commenced within the period.

9 Section 10. (a) As security for payment of the  
10 principal of and the interest on bonds issued or obligations  
11 assumed by it, the authority may enter into one or more  
12 contracts binding itself for the following:

13 (1) The proper application of the proceeds of bonds  
14 and other funds, for the continued operation and maintenance  
15 of any transit system owned by it, or any part or parts of a  
16 transit system.

17 (2) The imposition and collection of reasonable  
18 rates for and the promulgation of reasonable regulations  
19 respecting any service furnished from a transit system.

20 (3) The disposition and application of its gross  
21 revenues or any part of a transit system.

22 (4) For any other act or series of acts not  
23 inconsistent with this act for the protection of the bonds and  
24 other obligations being secured and the assurance that the  
25 revenues from the transit system, when added to all other  
26 moneys of the authority available for the transit system, will  
27 be sufficient to operate the system, maintain the system in

1 good repair and in good operating condition, pay the principal  
2 of and the interest on any bonds payable from the revenues,  
3 and maintain the reserve deemed appropriate for the protection  
4 of the bonds, the efficient operation of the system, and the  
5 making of replacements for the system and capital improvements  
6 of the system.

7 (b) Any contract entered into pursuant to this  
8 section may be set forth in any resolution of the board  
9 authorizing the issuance of bonds or the assumption of  
10 obligations or in any mortgage and deed of trust, or trust  
11 indenture made by the authority.

12 Section 11. A resolution of the board or trust  
13 indenture under which bonds may be issued pursuant to this act  
14 may contain provisions creating a statutory mortgage lien, in  
15 favor of the holders of the bonds, on the transit systems, or  
16 including any after-acquired property out of the revenues from  
17 which the bonds are made payable. The resolution of the board  
18 or the trust indenture may provide for the filing for record  
19 in the office of the judge of probate of each county in which  
20 a part of the transit system may be located of a notice  
21 containing a brief description of the systems, a brief  
22 description of the bonds, and a declaration that the statutory  
23 mortgage lien has been created for the benefit of the holders  
24 of the bonds, upon the systems, including any additions to a  
25 system and extensions of a system. Each judge of probate shall  
26 receive, record, and index any notice filed for record in his

1 or her office. The recording of the notice shall operate as  
2 constructive notice of the contents of the notice.

3 Section 12. All moneys derived from the sale of any  
4 bonds issued by the authority shall be used solely for the  
5 purposes for which the moneys are authorized and any costs and  
6 expenses incidental thereto. The costs and expenses may  
7 include, but shall not be limited to, the following:

8 (1) The fiscal, engineering, legal, and other  
9 expenses incurred in connection with the issuance of the  
10 bonds.

11 (2) In the case of bonds issued to pay costs of  
12 acquiring or constructing all or any part of a transit system  
13 interest on the bonds or, if a part only of any series of  
14 bonds is issued for acquisition or construction purposes,  
15 interest on that portion of the bonds of that series that is  
16 issued to pay the acquisition or construction costs prior to  
17 and during the acquisition or construction and not exceeding  
18 one year after completion of the acquisition or construction.

19 (3) In the case of refunding bonds, any premium that  
20 it may be necessary to pay in order to redeem or retire the  
21 bonds to be refunded.

22 Section 13. For the purpose of securing public  
23 transportation or aiding or cooperating with the authority in  
24 the planning, development, undertaking, construction,  
25 acquisition, extension, improvement, operation, or protection  
26 of transit systems, any county, municipality or other  
27 political subdivision, public corporation, agency, or

1 instrumentality of this state, upon the terms and with or  
2 without consideration, as it determines, may do the any of the  
3 following:

4 (1) Lend or donate money to, or perform services for  
5 the authority.

6 (2) Donate, sell, convey, transfer, lease, or grant  
7 to the authority, without the necessity of authorization at  
8 any election of qualified voters, any property of any kind,  
9 including, but without limitation, any transportation systems,  
10 any interest in any system, and any franchise.

11 (3) Provide that all or a portion of the taxes or  
12 funds available or to become available to, or required by law  
13 to be used by it for public transportation service or for the  
14 support of a public transportation system, be transferred or  
15 paid directly to the authority as the funds become available.

16 (4) Do any and all things, whether or not  
17 specifically authorized in this section, not otherwise  
18 prohibited by law, that may be necessary or convenient to aid  
19 and cooperate with the authority in the planning, undertaking,  
20 construction, acquisition, or operation of systems for the  
21 provision of public transportation services.

22 Section 14. The property and income of the  
23 authority, all bonds issued by the authority, the income from  
24 the bonds, conveyances by or to the authority, and leases,  
25 mortgages, and deeds of trust by or to the authority shall be  
26 exempt from all taxation in the State of Alabama. The  
27 authority shall be exempt from all taxes levied by any county,

1 municipality, or other political subdivision of the state,  
2 including, but without limitation to, license and excise taxes  
3 imposed in respect of the privilege of engaging in any of the  
4 activities that an authority may engage in. The authority may  
5 not be obligated to pay or allow any fees, taxes, or costs to  
6 the judge of probate of any county in respect of its  
7 incorporation, the amendment of its certificate of  
8 incorporation, or the recording of any document.

9 Section 15. The existence of an authority  
10 incorporated under, or governed by, the provisions of this act  
11 in a county shall prevent the subsequent incorporation of  
12 another authority under this act in the same county.

13 Section 16. This act is intended to aid the state in  
14 the execution of its duties by providing appropriate and  
15 independent instrumentalities of the state with full and  
16 adequate powers to fulfill their functions. Except as in this  
17 act expressly otherwise provided, no proceeding, notice, or  
18 approval shall be required for the incorporation of any  
19 authority or the amendment of its certificate of  
20 incorporation, the acquisition of any property or transit  
21 system, or the issuance of any bonds, mortgage and deed of  
22 trust, or trust indenture. The authority, every transit system  
23 of the authority, any public transportation service provided  
24 by the authority, and the rates and charges of the authority  
25 shall be exempt from all jurisdiction of, and all regulation  
26 and supervision by, the Public Service Commission. Neither a  
27 public hearing nor the consent of the state Department of

1 Finance shall be prerequisite to the issuance of bonds by the  
2 authority.

3 Section 17. Any authority may use the rights-of-way  
4 of all public roads in the authorizing county without securing  
5 the prior approval of the state or of its agencies or  
6 departments or the governing body of a county and subject only  
7 to the necessity of obtaining the municipal consent required  
8 by Section 220 of the Official Recompilation of the  
9 Constitution of Alabama of 1901, except that nothing herein  
10 shall be construed to exempt any authority from the  
11 requirements of Section 23-1-4, Code of Alabama 1975. The  
12 authority shall have the duty to restore at its expense all  
13 roads, highways, and public rights-of-way in which it may have  
14 made excavations or done other work in constructing a transit  
15 system or performing any of its other corporate functions.

16 Section 18. Within 30 days following the close of  
17 each fiscal year the authority shall cause an audit of its  
18 books and records to be made for the fiscal year by an  
19 independent certified public accountant. Within 90 days  
20 following the close of each fiscal year the authority shall  
21 furnish a copy of the audit to the governing bodies of the  
22 authorizing county, the principal municipality, and each  
23 participating municipality.

24 Section 19. Each employee of the authority may join  
25 or participate in a labor union. No employee of the authority  
26 shall be subject to the provisions of any civil service or

1 merit system or to the rules or regulations of any personnel  
2 board that might otherwise be applicable.

3 Section 20. The authority shall be a nonprofit  
4 corporation, and no part of its net earnings remaining after  
5 payment of its expenses shall inure to the benefit of any  
6 individual, firm, or corporation except as provided in this  
7 section. At any time when the authority has no bonds or  
8 outstanding obligations, the board may adopt a resolution,  
9 which shall be duly entered upon its minutes, declaring that  
10 the authority shall be dissolved. Upon the filing for record  
11 of a certified copy of the resolution in the office of the  
12 judge of probate of the authorizing county, the authority  
13 shall be dissolved and in the event it owned any property at  
14 the time of its dissolution, the title to its properties shall  
15 pass to, and vest equally in, the principal municipality and  
16 the authorizing county, as tenants in common.

17 Section 21. (a) The rights, benefits, and other  
18 employee protective conditions and remedies of Section 13(c)  
19 of the Urban Mass Transportation Act of 1964, as amended, 49  
20 U.S.C. 1609(c), as determined by the Secretary of Labor, shall  
21 apply to the operation by the authority of any public  
22 transportation service and to any contract or other  
23 arrangement for the operation of such service. If the  
24 authority acquires an existing transit system, the authority  
25 shall assume and observe all existing labor contracts and  
26 pension obligations. All employees of the system except  
27 executive and administrative officers shall be transferred to



1 and appointed as employees of the authority, subject to all  
2 rights and benefits of this section. These employees shall be  
3 given seniority credit and sick leave, vacation, insurance,  
4 and pension credits in accordance with the records or labor  
5 agreements from the acquired transit system. The authority  
6 shall assume the obligations of any transit system acquired by  
7 it with regard to wages, salaries, hours, working conditions,  
8 sick leave, health and welfare, and pension or retirement  
9 provisions for employees. The authority and the employees,  
10 through their representatives for collective bargaining  
11 purposes, shall take whatever action may be necessary to have  
12 pension trust funds, presently under the joint control of the  
13 acquired transit system and the participating employees  
14 through their representatives, transferred to a trust fund to  
15 be established, maintained, and administered jointly by the  
16 authority and the participating employees through their  
17 representatives. An employee of any acquired transit system  
18 who is transferred to a position with the authority may not,  
19 by reason of the transfer, be placed in any worse position  
20 with respect to worker's compensation, unemployment  
21 compensation, pension, seniority, wages, sick leave, vacation,  
22 health and welfare insurance, or any other benefits than he or  
23 she enjoyed as an employee of the acquired transportation  
24 system.

25 (b) Prior to commencing to operate any public  
26 transportation service, or entering into any contractual or  
27 other arrangement for any operation of the service, the

1 authority shall take the action as may be necessary to extend  
2 to the employees of the transit system, in accordance with  
3 seniority, the first opportunity for reasonable comparable  
4 employment in any new jobs in respect to the operations for  
5 which they can qualify after a reasonable training period. The  
6 wages, hours, and working conditions for employees assigned to  
7 the new operations shall be a proper subject of negotiation  
8 with the labor organizations representing the employees of the  
9 transit system. Whenever any labor dispute arises in the  
10 operation of any public transportation service operated by or  
11 for the authority, and collective bargaining does not result  
12 in an agreement, the authority shall offer to submit the  
13 dispute to final and binding arbitration by a board composed  
14 of three persons, one appointed by the authority, one  
15 appointed by the representative of the employees, and a third  
16 member, who shall serve as chair, to be selected from a  
17 current listing of the membership of the National Academy of  
18 Arbitrators by agreement of the parties, or in the absence of  
19 such agreement, by obtaining a listing of seven of the members  
20 of the National Academy from the American Arbitration  
21 Association and by alternately striking a name from the list  
22 so supplied until only one name remains. The representative of  
23 the employees and the authority shall determine by lot who  
24 shall first strike from the list. The decision of a majority  
25 of the arbitration board shall be final and binding upon the  
26 parties thereto. The expenses of arbitration shall be borne

1 equally by the parties. Each party shall bear his or her own  
2 cost.

3 (c) Notwithstanding any other provision of law, the  
4 authority shall make deductions from wages and salaries of its  
5 employees upon receipt of authorization therefor for the  
6 payment of union dues, fees, or assessments, for the payment  
7 of contributions pursuant to any health and welfare plan or  
8 pension plan, or for any other purpose for which deductions  
9 may be authorized by employees of any private employer, where  
10 the deductions are pursuant to a collective bargaining  
11 agreement entered into or assumed by the authority.

12 Section 22. (a) The provisions of this act shall  
13 apply to the Birmingham-Jefferson County Transit Authority and  
14 to any other authority organized pursuant to Act 993 of the  
15 1971 Regular Session (Acts 1971, p. 1787), as amended.

16 (b) The certificate of incorporation filed for the  
17 Birmingham-Jefferson County Transit Authority on or about  
18 April 3, 1972, as amended, is confirmed as a validly filed and  
19 amended certificate of incorporation for an authority  
20 organized under this act, except that any provisions of the  
21 certificate of incorporation are repealed or amended to the  
22 extent of a conflict with this act. In the event that the  
23 certificate of incorporation of the Birmingham-Jefferson  
24 County Transit Authority is amended after the effective date  
25 of this act, it shall not be required that the amendment  
26 correct any conflicts with this act. As to the  
27 Birmingham-Jefferson County Transit Authority, Jefferson

1 County is the authorizing county, and the City of Birmingham  
2 is the authorizing municipality.

3 (c) All actions taken by the board of the  
4 Birmingham-Jefferson County Transit Authority prior to the  
5 effective date of this act are confirmed.

6 (d) The rates, fees, and charges imposed by the  
7 Birmingham-Jefferson County Transit Authority prior to and as  
8 of the effective date of this act are confirmed.

9 (e) The fact that this act is enacted and that Act  
10 993 of the 1971 Regular Session (Acts 1971, p. 1787), Act 204  
11 of the 1971 Third Special Session (Acts 1971, p. 4472), Act  
12 329 of the 1973 Regular Session (Acts 1973, p. 459), Act 508  
13 of the 1973 Regular Session (Acts 1973, p. 748), and Act  
14 87-449 of the 1987 Regular Session (Acts 1987, p. 663) are  
15 repealed shall not result in any of the following:

16 (1) An underpayment or overpayment to the  
17 Birmingham-Jefferson County Transit Authority by the  
18 authorizing county, the principal municipality, or any  
19 participating municipality, except as the same may be caused  
20 by a change in fiscal years or the change in payment  
21 procedures with the principal municipality.

22 (2) A disruption of the services provided by the  
23 transit system.

24 (3) A declaration that any outstanding contracts  
25 with the authority are void or invalid.

26 (4) A shortening in the current term of any director  
27 of the authority as of the effective date of this act.

1           Section 23. The governing body of the authorizing  
2 county, principal municipality, and each participating  
3 municipality shall pay to the authority during each fiscal  
4 year a sum to be determined in accordance with Sections 24,  
5 25, and 30.

6           Section 24. The annual amount to be paid to the  
7 authority by the authorizing county is to be ascertained by  
8 first determining the amount of ad valorem taxes collected for  
9 the county from within the city limits of each municipality  
10 served by the authority. The authorizing county shall pay to  
11 the authority each year out of its general funds an amount  
12 equal to five and one-half percent (5.5%) of the first  
13 eighteen million, one hundred eighty-one thousand, eight  
14 hundred nineteen dollars (\$18,181,819) of ad valorem taxes  
15 collected within the city limits of all municipalities served  
16 by the authority plus and two and one-half percent (2.5%) of  
17 the ad valorem tax collected within the city limits of all  
18 municipalities served by the authority in excess of eighteen  
19 million, one hundred eighty-one thousand, eight hundred  
20 nineteen dollars (\$18,181,819). In addition, the governing  
21 body of the authorizing county shall, at its sole discretion,  
22 make a determination prior to the end of each fiscal year as  
23 to the number of residents of the county residing in the  
24 unincorporated area thereof having access to services by the  
25 authority within reasonable walking distances of their  
26 residences, but said number shall not be less than in any  
27 preceding year, unless there is a reduction of routes serving

1 the unincorporated area or the annexation of a portion of the  
2 unincorporated area served by the authority by a municipality.  
3 Such residents shall be deemed to be served by the authority  
4 and there shall be paid annually out of the general funds of  
5 the authorizing county a sum equal to one dollar (\$1.00) per  
6 capita of the residents thus deemed to be served.

7 Section 25. The amount to be paid to the authority  
8 by the principal municipality during each fiscal year shall be  
9 ascertained by determining the amount of ad valorem tax  
10 collected for the authorizing county within the city limits of  
11 the principal municipality, in addition to the amount  
12 determined in Section 30. The principal municipality shall pay  
13 to the authority annually from its general funds an amount  
14 equal to 10 percent of the ad valorem tax collected by the  
15 authorizing county within the city limits of the principal  
16 municipality each year.

17 Section 26. On or prior to the beginning of the  
18 seventh month before the start of each fiscal year, the  
19 principal municipality and each municipality located in the  
20 authorizing county which desires to be served by the authority  
21 during the forthcoming fiscal year shall file a written  
22 request with the authority for the service, which request  
23 shall set forth the routes and frequency of service requested.

24 Section 27. On or prior to the beginning of the  
25 fifth month before the start of each fiscal year, the  
26 authority shall prepare and submit to the authorizing county,  
27 the principal municipality, and each municipality which has

1 requested to be served by the authority pursuant to Section  
2 26, a written budget for the authority for the forthcoming  
3 fiscal year. The budget shall be prepared by the authority and  
4 shall set forth the number of hours of operation and the  
5 anticipated cost per hour of operation for the forthcoming  
6 fiscal year for the service requested by each municipality  
7 pursuant to Section 26, exclusive of anticipated fare box  
8 revenue, federal operating subsidies and funds received by the  
9 authority pursuant to Sections 24 and 25; if the cost per hour  
10 of operation shall include all costs for the provision of  
11 public transportation service, including, but not limited to,  
12 the costs of operation, maintenance, administration, and  
13 capital costs of the authority. If a municipality requests  
14 service which requires that vehicles travel through a  
15 municipality which is not served by the authority or on a  
16 limited access roadway where there is no pick-up or discharge  
17 of passengers, the municipality requesting the service shall  
18 assume and be responsible for the operating time of the  
19 vehicles from the point of their last scheduled pick-up of  
20 passengers until the vehicles reach the city limits of the  
21 requesting municipality. The principal municipality shall be  
22 authorized to review such budget, and by written notice to the  
23 authority given on or prior to the fifteenth day of the fifth  
24 month before the start of each fiscal year, reduce such budget  
25 in any area in which it deems the budget to be excessive.  
26 Neither the authorizing county, principal municipality, nor a

1 participating municipality shall have any further power to  
2 approve or disapprove expenditures of the authority.

3 Section 28. On or prior to the beginning of the  
4 fourth month before the start of each fiscal year, the  
5 principal municipality and each municipality in the  
6 authorizing county which elects to be served by the authority  
7 shall certify in writing to the authority the routes to be  
8 operated in the municipality during the forthcoming fiscal  
9 year and agree to make the payments to the authority provided  
10 in Section 29. The routes that are certified shall constitute  
11 the routes to be operated by the authority in the municipality  
12 during the forthcoming fiscal year, subject to equipment  
13 availability and to the adjustments as reasonably deemed  
14 necessary by the authority in order to provide for the  
15 efficient operation of transit service in the municipality and  
16 in the authorizing county as a whole. Any change in the routes  
17 during the fiscal year shall be undertaken only with the  
18 approval of the municipality, if the authority may suspend,  
19 reduce, or terminate the route, routes, or services within a  
20 municipality without the approval of the municipality if the  
21 municipality fails timely to pay for the services.

22 Section 29. All of the municipalities served by any  
23 route operated by the authority may by written agreement filed  
24 with the authority agree to allocate the costs of operation of  
25 the route on a basis different from that otherwise provided by  
26 this act.



1           Section 30. Subject to any agreement filed with the  
2 authority pursuant to Section 29, the annual amount to be paid  
3 to the authority by the principal municipality and each  
4 municipality in the authorizing county which elects to be  
5 served by the authority is to be ascertained by multiplying  
6 the total projected hours of operation in the municipality for  
7 the forthcoming fiscal year based upon the routes certified by  
8 the municipality pursuant to Section 28, as adjusted by the  
9 authority as provided in Section 28, in order to provide for  
10 the efficient operation of transit service, times the cost per  
11 hour of operation set forth by the authority in the budget  
12 submitted by the authority pursuant to the provisions of  
13 Section 27. The amounts shall be certified to the authorizing  
14 county tax collector, revenue commissioner, or director of  
15 revenue of the authorizing county, if any, by the authority on  
16 or prior to September 15 of each year.

17           Section 31. (a) The amounts required to be paid to  
18 the authority under this act shall be paid by the authorizing  
19 county tax collector for the authorizing county, the principal  
20 municipality, and participating municipalities upon the  
21 payment schedule established pursuant to the terms of this  
22 act.

23           (b) If the authorizing county tax collector does not  
24 have ad valorem taxes due the authorizing county, the  
25 principal municipality, or any participating municipality  
26 sufficient to pay the amounts due under the provisions of this  
27 act, then the balance due as to any payment under this act

1 shall be paid to the authority by the director of revenue of  
2 the authorizing county, if any, from any tax monies in his or  
3 her possession for distribution to the authorizing county,  
4 principal municipality, or participating municipality.

5 (c) If as to any payment due under this act, neither  
6 the authorizing county tax collector nor the revenue  
7 commissioner of the authorizing county, if any, shall have  
8 sufficient tax monies for distribution to the authorizing  
9 county, principal municipality, or a participating  
10 municipality in an amount sufficient to make the payment, then  
11 the balance of the payment shall be a priority claim subject,  
12 however, to any claims having a priority under or pursuant to  
13 any provision of the Official Recompilation of the  
14 Constitution of Alabama of 1901, as amended, or the  
15 Constitution of the United States, against any and all other  
16 funds of the authorizing county, or the participating  
17 municipality, and shall be paid directly by the authorizing  
18 county, principal municipality, or participating municipality  
19 to the authority.

20 (d) It is expressly provided that neither the  
21 authorizing county tax collector, revenue commissioner, nor  
22 the director of revenue of the authorizing county, if any,  
23 shall pay to the authority any monies, the payment of which  
24 would impair the obligation under any contract entered into by  
25 the authorizing county, the principal municipality, or any  
26 participating municipality prior to the effective date of this  
27 act, or any tax monies from levies made for a specific purpose

1 under the Official Recompilation of the Constitution of  
2 Alabama of 1901, as amended.

3 Section 32. (a) The payments required hereby for the  
4 authorizing county, principal municipality, and each  
5 participating municipality shall be made on a monthly basis or  
6 upon other payment schedule of the authorizing county, the  
7 principal municipality, or such participating municipality  
8 hereby shall agree to with the authority.

9 (b) If payments are made for the principal  
10 municipality and the authorizing county on a monthly basis,  
11 each payment shall be one-twelfth of the annual amount which  
12 would have been due based upon ad valorem tax collections for  
13 the preceding fiscal year with any deficit in the amount thus  
14 paid on such basis computed after ad valorem tax collections  
15 for the fiscal year in question are known, to be made up by  
16 the principal municipality and the authorizing county during  
17 the month of January next following the end of each fiscal  
18 year.

19 (c) If payments are made for participating  
20 municipalities on a monthly basis, each payment shall be  
21 one-twelfth of the annual amount due determined in accordance  
22 with the provisions of Section 29.

23 Section 33. The authorizing county, principal  
24 municipality, and each participating municipality shall have  
25 the right to examine and audit, at their expense, the books  
26 and records of the authority at any time during its regular  
27 business hours.

1                   Section 34. Act 2004-500 of the 2004 Regular Session  
2                   (Acts 2004, p. 939), Act 993 of the 1971 Regular Session (Acts  
3                   1971, p. 1787), Act 204 of the 1971 Third Special Session  
4                   (Acts 1971, p. 4472), Act 329 of the 1973 Regular Session  
5                   (Acts 1973, p. 459), Act 508 of the 1973 Regular Session (Acts  
6                   1973, p. 748), and Act 87-449 of the 1987 Regular Session  
7                   (Acts 1987, p. 663) are repealed.

8                   Section 35. All laws, parts of laws, certificates of  
9                   incorporation or bylaws which conflict with this act are  
10                  repealed or amended so as to comply and be consistent with,  
11                  and to give full effect to, this act.

12                  Section 36. This act shall become effective  
13                  immediately upon its passage and approval by the Governor, or  
14                  upon its otherwise becoming a law.