

# OFFICE OF THE ATTORNEY GENERAL

86-00018

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ADMINISTRATIVE BUILDING  
64 NORTH UNION STREET  
MONTGOMERY, ALABAMA 36130  
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Honorable Bobby E. Denton  
State Senator  
P. O. Drawer B  
Sheffield, AL 35660

Municipalities - Industrial  
Development Boards - Funds

Industrial Development Board of  
the City of Florence is  
authorized to borrow funds from  
city, county and Industrial  
Expansion Committee.

Dear Senator Denton:

Your opinion request has been received in the Office of  
the Attorney General. The request presents the following  
information:

The Industrial Development Board of the City of  
Florence, proposes to construct a speculative indus-  
trial building. 25% of the cost will be obtained by  
participating in the revolving loan fund created by  
Act No. 83-925 of the Alabama Legislature. The  
Industrial Development Board proposes to finance 75%  
of the cost of the project by borrowing from the City  
of Florence, the County of Lauderdale and the  
Florence-Lauderdale Industrial Expansion Committee.

Paragraph 11-54-87 (a) reads as follows:

The Industrial Development Board shall have  
the following powers together with all  
powers incidental thereto or necessary for  
the performance of those stated in this  
subsection.

Paragraph 11-54-87 (a)(4) reads as follows:

To acquire whether by purchase, construction, exchange, gift, lease or otherwise and to improve, maintain, equip and furnish one or more projects including all real and personal properties which the Board of Directors of the Board may deem necessary in connection therewith, regardless of whether or not any such projects shall then be in existence.

Your question is:

Does this section of the Code provide authority for the Industrial Development Board of the City of Florence to borrow funds from the City of Florence, Lauderdale County and the Industrial Expansion Committee?

Numerous opinions of this office have affirmed the authority of an Industrial Development Board to borrow funds, i.e., Honorable Kenneth W. Gilchrist, December 27, 1968.

The other issue presented, however, is whether the City, County and the Industrial Expansion Committee can make loans to the Board. In an opinion to Honorable John A. Russell under date of November 7, 1983, this office held that although under the provision of Code of Alabama 1975, § 11-54-92, a city is prohibited from lending its credit to the Board, the city may make a loan to the Board.

Counties are also authorized to contribute to municipal industrial development boards. Opinion to Honorable J. H. Faulkner, January 15, 1975. It is the opinion of this office that such authority would also extend to lending funds.

Furthermore, this office is unaware of any prohibition against the Florence-Lauderdale Industrial Expansion Committee making such a loan although this office has not reviewed the documents governing the power and authority of this Committee.

In summary, it is the opinion of this office that under the provisions of Code of Alabama 1975, §§ 11-54-80, et seq. the Industrial Development Board of the City of Florence is empowered to borrow funds from the City of Florence, Lauderdale County and the Florence-Lauderdale Expansion Committee.

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I do hope that this response sufficiently answers your inquiry. If, however, we may be of further service, please do not hesitate to contact us.

Sincerely yours,

CHARLES A. GRADDICK  
Attorney General

By:

A handwritten signature in cursive script that reads "Carol Jean Smith". The signature is written in dark ink and is positioned above the printed name and title.

CAROL JEAN SMITH  
Assistant Attorney General

CAG/CJS/pd