



Exposed

By the Center for
Media and Democracy
www.prwatch.org

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With ALEC EXPOSED, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board

—in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

Home → Model Legislation → Commerce, Insurance, and Economic Development

Community Transportation Corporation Act

Article I. Summary

Article II. Model Legislation

Section 1. {Short Title.} This Act shall be known as the Community Transportation Corporation Act.

Section 2. {Legislative Declarations.}

The general assembly declares that:

- (1) The present and prospective traffic congestion and limited roadways in many areas of this state, and the limited availability of state funds, require as a public purpose the promotion and development of public transportation facilities and systems by new and alternative means;
- (2) The creation of transportation corporations by private parties in cooperation with the commission is essential to the continued economic growth of this state, is in the public interest, and will promote the health, safety and general welfare of the citizens of this state by securing for them expanded and improved transportation facilities and systems;
- (3) Transportation corporations will perform an essential function by acting to secure and obtain rights-of-way for urgently needed transportation systems and to assist in the planning and design of such systems;
- (4) Transportation will perform many functions normally undertaken by the commission and its staff, and thus will reduce the burdens and demands on limited funds available to the commission, thereby increasing the effectiveness and impact of those funds available to the commission;
- (5) Transportation corporations will act in promoting and developing public transportation facilities and systems and in promoting economic development in this state, and will not act as the agent or instrumentality of any private interests even though many private interests may be benefited by the transportation corporations, as will the general public. Transportation corporations shall periodically make a showing to the state transportation department of a good faith effort of development and implementation of a women and minority employment and business plan. Only after such a showing of a good faith effort may transportation corporations waive the general policy of women and minority employment and business plan and involvement. If such policy is waived, transportation corporations shall make a showing of a good faith effort of development and implementation of a women and minority employment and business plan every three months until such policy is again in effect.

Section 3. {Definitions.}

- (1) "Board", the board of directors of the corporation;
- (2) "Commission", the highways and transportation commission;
- (3) "Corporation" or "transportation corporation", any transportation corporation organized under sections _____;
- (4) "Local transportation authority", a county, city, town, village, county highway commission, special road district, interstate compact agency, or any local public authority or political subdivision having jurisdiction over any bridge, street, highway, dock, wharf, ferry, lake or river port, airport, railroad, light rail or other transit improvement or service;
- (5) "Pay", paying a toll by cash, by permitting a charge against a valid account with the authority or by another means of payment approved by the corporation at the time;
- (6) "Photo monitoring system", a vehicle sensor installed to work in conjunction with a toll collection facility which automatically produces one or more photographs, one or more microphotographs, a videotape or other recorded images of each vehicle at the time it is used or operated in violation of toll collection regulations;
- (7) "Project" includes any bridge, street, road, highway, access road, interchange, intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hangar, shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail, or other mass transit and any similar or related improvement or infrastructure;
- (8) "Toll" or "tolls", charges prescribed by the corporation for the use of its property;
- (9) "Toll collection regulations", those rules and regulations of a corporation providing for and requiring the payment of tolls for the use of bridges under its jurisdiction or those rules and regulations of a corporation making it unlawful to refuse to pay or to evade or to attempt to evade the payment of all or part of any toll for the use of bridges under the jurisdiction of the corporation;
- (10) "Vehicle" or "motor vehicle", every device in, upon or by which a person or property is or may be transported or drawn upon a highway except devices used exclusively upon stationary rails or tracks.

Section 4. {Creation of a Community Transportation Corporation.}

(A) Corporation, creation of, purpose-organization, nonprofit-tax-exempt status.

- (1) A corporation may be created to fund, promote, plan, design, construct, maintain, and operate one or more projects or to assist in such activity.
- (2) The corporation shall be a nonmember, nonstock corporation. It shall be organized under and governed by the provisions of the general not-for-profit corporation law. Any

Did you know
that global
corporation
Kraft Foods
served as
corporate co-
chair in 2011?

provision of this chapter shall take precedence over any conflicting provision of the not-for-profit section.

(3) No part of the earnings or assets of a transportation corporation shall inure to the benefit of any private interests, person, or entity.

(4) Property held by and activities of a corporation exist and are conducted for purely civic, social welfare, and charitable purposes. A transportation corporation shall be exempt from taxation. The corporation shall not be required to pay any taxes or assessments upon or with respect to a project or property acquired or used by the corporation or upon income therefrom.

(B) Formation, procedures, requirements-hearing, duties of commission-approval, when.

(1) Any number of natural persons, not less than three, each of whom is at least twenty-one years of age and a registered voter within this state, may file with the commission a written application with preliminary plans and specifications for a project requesting that the commission authorize the creation of a transportation corporation to act within a designated area. The application shall also provide a proposed plan for financing the project. The commission may charge a filing fee for the application.

(2) The commission shall order a local public hearing and shall cause to be published notice that the commission is considering authorizing a project and the incorporation of a transportation corporation. The notice shall specify the time, date, and place of the hearing and shall be given by publication in a newspaper published in the county or counties in which all or part of the project is to be located which has a general circulation once a week for four consecutive weeks. The last publication shall be at least fifteen days prior to the date of the hearing. The commission shall also give at least fifteen days written notice of such hearing to the owners of all fee interests of record in all tracts of real property located within the area proposed to be included within the limits of the project.

(3) The commission shall also serve written notice on each county, city, town and village in which all or part of a project is to be located that the commission is considering authorizing a project and the incorporation of the transportation corporation. Each such county, city, town and village shall be entitled to review the written application with preliminary plans and specifications. Approval of the project by the governing body of each such county, city, town and village is a condition precedent to approval of the project and the corporation by the commission.

(4) After the hearing, the commission shall consider the matter of authorizing the project and the incorporation of the transportation corporation at a regular commission meeting. If the commission by minute finds that the project will improve or is a necessary or desirable extension of the state highways and transportation system and that the proposed corporation will have adequate funds to finance the proposed project, the commission may approve the articles of incorporation for the corporation and the project subject to the corporation making any revisions in the plans and specifications required by the commission and the corporation entering into a mutually satisfactory agreement regarding development and future maintenance of the project.

(5) The commission shall designate the area of the state in which the corporation may act, and such area may include territory within one or more counties, municipalities or other political subdivisions of the state. The commission may authorize creation of one or more corporations to act within the same designated area, provided that the commission minute approving the creation of each corporation shall specify the public purposes which each corporation will further.

(6) No corporation may be formed unless the commission has duly adopted a commission minute which shall be conclusive evidence of the commission's approval of the project and the articles of incorporation.

(C) Articles of incorporation, contents, amendment-filing.

(1) The articles of incorporation shall set forth:

(a) The purposes for which the corporation is organized including the project description, scope, area, and proposed sources of funding;

(b) That the corporation has no members and is a nonstock corporation; and

(c) A recital that the commission has specifically authorized the corporation to act, has approved the articles of incorporation, and the date of such authorization.

(2) The articles of incorporation may be amended if the board files with the commission a written application specifying the proposed amendments and the commission approves the application by commission minute.

(3) The articles of amendment shall be executed in duplicate for the corporation by its president and verified by its secretary. The articles of amendment shall set forth the fact that such amendment was approved by the commission and the date of such approval.

(4) The articles of incorporation, and any amendments thereto, shall be duly authenticated and filed by the corporation with the secretary of state and with the commission to be effective.

(D) Board members.

(1) The corporation shall have a board of directors. All powers of the corporation shall be vested in the board which shall consist of any number of directors, not less than six, each of whom shall be appointed by the commission for a term of no more than six years. Each director may be removed by the commission for cause. The terms shall be staggered in length, so that not more than one-third of the terms of the board of directors shall expire in a given year. The directors shall serve as such without compensation except that they shall be reimbursed by the corporation for their actual expenses incurred in the performance of their duties.

(2) No person shall be appointed or continue to serve on the board who owns land on which or adjacent to which a project to be developed by the corporation shall be located.

(3) The commission shall appoint one or more advisors to the board, who shall have no vote but shall have authority to participate in all board meetings and discussions, whether open or closed, and shall have access to all records of the corporation and its board of directors.

(4) At the first meeting of the board, it shall elect a chairman from its members. The board shall appoint an executive director, corporation secretary, treasurer and such other officers or employees as it deems necessary.

(5) The board may appoint any number of advisory directors to advise and assist the directors in the development of a project. The advisory directors shall serve at the will of the directors, but advisory directors shall have no vote in the affairs of the corporation, shall not receive any compensation for their services, and shall not receive any

reimbursement for expenses incurred by them.

(E) Bylaws, adoption and approval.

The board shall adopt corporation bylaws which shall be approved by a minute of the commission. The bylaws of a corporation shall not be amended without approval by a minute of the commission.

Section 5. {Operation of Community Transportation Corporation.}

(A) Project plans, commission approval of.

Before construction of any project, the corporation shall submit the final financing plan and final construction plans and specifications to the commission for its approval. The corporation shall make any revisions in the plans and specifications required by the commission. After the commission approves the final financing plan, construction plans and specifications, the corporation shall obtain prior commission approval of any modification of such plans or specifications.

(B) Funding mechanisms.

(1) A corporation may use any one or more of the funding methods specifically authorized by this Act and any other lawful funding the corporation may obtain for the project.

(2) The commission may by contract with a corporation receive any revenue received by a corporation. Such revenue shall be deposited by the commission, and applied by the commission to project costs including debt service on revenue bonds or refunding bonds issued by the corporation or the commission.

(3) (a) The corporation may, subject to commission approval:

(i) Establish and impose fees for services provided by the corporation; and

(ii) Charge and collect tolls, fees and rents for use of a project to pay project costs or operation and anticipated future maintenance costs of a project; and

(iii) Enforce collection of tolls in conjunction with the department of transportation, highway patrol or any other law enforcement official in the state.

(b) To construct a toll facility, a corporation may relocate an existing state highway subject to approval by the commission or an existing local public street or road subject to approval by the local transportation authority having control and jurisdiction over such street or road. A corporation shall not incorporate an existing free public street, road, or highway into a corporation project that will be subject to tolls, unless the corporation can demonstrate that the facility cannot be reconstructed, rehabilitated, or widened with existing revenue sources.

(4) Indebtedness authorized--bonds, may be issued.

(a) A corporation may contract and incur liabilities appropriate to accomplish its purposes.

(b) It may borrow money for its corporate purposes at such rates of interest as the corporation may determine.

(c) It may issue bonds, notes and other obligations, and may secure any of such obligations by mortgage, pledge, or deed of trust of any or all of the property and income of the corporation. The corporation shall not mortgage, pledge or give a deed of trust on any real property or interests which it obtained by eminent domain or acquired from the state or any agency or political subdivision thereof.

(5) Revenue bonds.

(a) A corporation may at any time authorize or issue revenue bonds for the purpose of paying all or any part of the cost of any project. Every issue of such bonds shall be payable out of the property and revenues of the corporation and may be further secured by other property of the district which may be pledged, assigned, mortgaged, or a security interest granted for such payment, without preference or priority of the first bonds issued, subject to any agreement with the holders of any other bonds pledging any specified property or revenues. Such bonds shall be authorized by resolution of the corporation board, and if issued by the corporation, shall bear such date or dates, and shall mature at such time or times, but not in excess of forty years, as the resolution shall specify. Such bonds shall be in such denomination, bear interest at such rate or rates, be in such form, either coupon or registered, be issued as current interest bonds, compound interest bonds, variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such manner, be payable in such place or places and be subject to redemption as such resolution may provide. The bonds may be sold at either public or private sale, at such interest rates, and at such price or prices as the corporation shall determine.

(b) Any issue of corporation bonds outstanding may be refunded at any time by the corporation by issuing its refunding bonds in such amount as the district may deem necessary. Such bonds may not exceed the amount sufficient to refund the principal of the bonds so to be refunded together with any unpaid interest thereon and any premiums, commissions, service fees, and other expenses necessary to be paid in connection with the refunding. Any such refunding may be effected whether the bonds to be refunded then shall have matured or thereafter shall mature, either by sale of the refunding bonds and the application of the proceeds thereof to the payment of the bonds being refunded or by the exchange of the refunding bonds for the bonds being refunded with the consent of the holder or holders of the bonds being refunded. Refunding bonds may be issued regardless of whether the bonds being refunded were issued in connection with the same project or a separate project and regardless of whether or not the bonds proposed to be refunded shall be payable on the same date or different dates or shall be serially or otherwise.

(c) The corporation may contract with the commission to assist it in issuing corporation revenue bonds and refunding bonds. The corporation may also contract with the commission to issue commission revenue bonds and refunding bonds and to loan the proceeds thereof to the corporation. Such bonds shall be authorized by commission minute and shall be issued subject to conditions applicable to bonds issued by the corporation but as determined by the commission rather than the corporation.

(d) Bonds issued under this section shall exclusively be the responsibility of the corporation payable solely out of corporation funds and property and shall not constitute debt or liability of the state or any agency or political subdivision of the state. Neither the corporation nor the commission shall be obligated to pay such bonds with any funds other than those specifically pledged to repayment of the bonds. Any such bonds issued by a corporation or the commission shall state on their face that they are not obligations of the state or any agency or political subdivision thereof.

(e) Bonds issued under this section, the interest thereon, or any proceeds from such bonds, are exempt from taxation in the state for all purposes except the state estate tax.

(C) Property, corporation may purchase and control access.

The corporation may, subject to commission approval:

- (1) Purchase land or receive contributions of land and cash for project right-of-way;
- (2) Limit and control access from adjacent property to a corporation project; and
- (3) Sell and convey excess right-of-way for fair market value to any person or entity.

(D) Condemnation, subject to commission approval-procedures-relocation expenses to be paid, how.

- (1) The commission is authorized to condemn lands for the corporation in the name of the state, upon prior approval by the commission as to the necessity for the taking, the description of the parcel, and the interest taken in that parcel.
- (2) If condemnation becomes necessary, the commission shall act for the corporation, and may condemn a fee simple or other interest in land.
- (3) Whenever a corporation undertakes any project which results in the acquisition of real property or in any person or persons being displaced from their homes, businesses, or farms, the commission shall act for the corporation to provide relocation assistance and to make relocation payments to such displaced persons and to do such other acts and follow such procedures as would be necessary to comply with the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.
- (4) The corporation after prior notice to the owner may enter upon private property to survey and determine the most advantageous route and design. The corporation shall be liable for all damages done to the property by such inspection.
- (5) Any person who involuntarily transfers any interest in land to a corporation which becomes insolvent and comes under the jurisdiction of a court may reacquire that property by paying to the corporation the total amount of the condemnation award for that parcel, plus simple interest at the statutory rate from the date of taking on the amount of that award, if the project will not be completed by either the corporation or the commission.

(E) Contractual powers.

The corporation may contract with:

- (1) A federal agency, a state or its agencies and political subdivisions, the commission, a local transportation authority, a corporation, partnership or individual regarding funding, promotion, planning, designing, constructing, improving, maintaining or operating a project or to assist in such activity;
- (2) The commission to transfer the project to the commission free of cost or encumbrance on such terms set forth by contract; and
- (3) A person, a corporation, a local transportation authority, the commission, the state, or a federal agency for the purpose of jointly paying the cost of a project.

(F) Powers-generally.

In addition to all other powers granted by this Act and all powers granted to general not-for-profit corporations, the corporation shall have the following general powers:

- (1) To sue and be sued in its own name, and to receive service of process, which shall be served upon the corporation secretary;
- (2) To fix compensation of its employees and contractors and to disburse funds for its activities. The corporation shall advertise and let construction contracts in the same manner as the letting of public works contracts by the department of transportation;
- (3) To purchase, lease, lease-purchase, or acquire by gift or grant any real or personal property necessary or convenient for its activities;
- (4) To purchase insurance; and
- (5) To exercise such other implied powers necessary or convenient for the corporation to accomplish its purposes which are not inconsistent with its express powers.

(G) Indemnification of directors, employees.

(1) The corporation may indemnify any current or former director or employee for expenses actually and reasonably incurred by him in connection with any claim asserted against him in the absence of his gross negligence, intentional misconduct, or other willful and wrongful acts or omissions.

(2) If the corporation has not fully indemnified him, the court in the proceeding in which any claim against such director or employee has been asserted or any court having the jurisdiction of an action instituted by such director or employee on his claim for indemnity may assess indemnity against the corporation, its receiver, or trustee for expenses authorized by this section.

(H) Commission may provide assistance, how.

The commission may contract with a corporation to provide it assistance in project funding, promotion, planning, design, right-of-way acquisition, relocation assistance services, construction, maintenance, and operation. The commission may charge the corporation a reasonable fee, not exceeding the actual cost of providing the service.

(I) Rules, commission may adopt.

The commission is authorized to adopt reasonable administrative rules regarding transportation corporations.

(J) Projects, regulation of--treatment as part of highway system, when.

- (1) For the purpose of law enforcement, a corporation project shall be treated as a commission highway project.
- (2) All laws of this state relating to maintaining, signing, damaging, and obstructing roads shall apply to corporation projects. The duties and powers imposed by such laws on certain officials shall devolve upon the corporation engineer or other employee designated by the board.
- (3) For outdoor advertising and junkyard control purposes, a corporation project may be designated by the commission as a part of the state primary highway system.

Section 6. {Dissolution of Community Transportation Corporations.}

(A) Transfer of project to commission, when-dissolution of corporation, required when-procedures.

- (1) When a project is completed and all outstanding bonds, notes, obligations, liabilities or other debts of the corporation have been paid and retired or the corporation has provided for payment or retirement as determined by the commission, title to the project

shall be transferred to the commission pursuant to contract. The commission shall then be responsible for all future maintenance costs of the project pursuant to contract. At such time, the corporation shall be dissolved unless the board amends the articles of incorporation to allow the corporation to commence work on another project.

(2) If a corporation is dissolved or liquidated and after all of its outstanding debts have been paid in full, all other income or assets of the corporation shall be liquidated and deposited in the state road fund and shall become the property of the commission.

(3) If a corporation must be dissolved or liquidated before all of its outstanding debts and obligations have been paid in full, such liquidation shall be through a receivership action instituted in the appropriate circuit court of this state or as otherwise provided by law.

(4) If the corporation or the commission does not elect to complete a project, any real property obtained for the project from the state of Missouri or any agency or political subdivision shall be returned. The state, its agency or political subdivision shall repay or return to the corporation all moneys or property it received from the corporation as consideration for the original transaction.

(5) Bonds, notes, obligations, liabilities or other debts of the corporation shall exclusively be the responsibility of the corporation payable solely out of corporation funds and property provided herein and shall not constitute debt or liability of the state of Missouri or any agency or political subdivision of the state.

(B) Dissolution by commission, procedures, limitations.

- (1) The commission may alter the organization, project or activities of the corporation by written directions to the board.
- (2) The commission may dissolve the corporation. The commission shall not dissolve the corporation until all outstanding debts and obligations of the corporation have been paid in full, or until any receivership or other appropriate action to conclude the affairs of an insolvent corporation has been completed. The commission shall only dissolve a corporation by judicial proceedings.

(C) Dissolution by board, procedures.

- (1) Whenever the board by resolution shall determine that the purposes for which the corporation was formed have been complied with and that all obligations of the corporation have been fully paid or that appropriate judicial action to conclude the affairs of an insolvent corporation has been completed, the board shall, with the commission's prior written approval, dissolve the corporation.
- (2) It is unnecessary for the board of an insolvent corporation or the commission to take any action to dissolve that corporation if a receivership or other appropriate judicial action has already concluded the affairs of that corporation. A copy of the appropriate order or decree in the judicial proceeding shall be filed with the secretary of state, who shall issue a certificate of dissolution of that insolvent corporation without charge.

(D) Articles of dissolution, execution of-secretary of state to issue certificate, when.

- (1) Articles of dissolution shall be executed in triplicate by the corporation by its president and attested to by its secretary. Triplicate originals of such articles of dissolution shall be delivered to the secretary of state. If the secretary of state finds that such articles of dissolution conform to the requirements of (state law), he shall, without charge:
 - (a) Endorse on each of such originals the word "filed" and the month, day, and year of the filing thereof;
 - (b) File one of such originals in his office; and
 - (c) Issue two certificates of dissolution to each of which he shall affix an original.
- (2) A certificate of dissolution together with an original of the articles of dissolution affixed thereto by the secretary of state shall be returned to the representative of the dissolved corporation and to the commission. Upon the issuance of such certificate of dissolution the existence of the corporation shall cease, except for the purpose of suits, other proceedings, and appropriate corporate action by members, directors and officers.

<B.(E) to b facility.< toll near posted be methods-notice collection, and assessment authority--toll enforcement, Toll>

- (1) The commission may authorize transportation corporations which operate a toll facility to enforce the payment of tolls against the operator of a vehicle for the failure of an operator of such vehicle to comply with the toll collection regulations.
- (2) An authorized corporation may use any method for assessing and collecting tolls, including but not limited to toll tickets, barrier toll facilities, billing accounts, commuter passes and electronic recording or identification devices. The display of a recording or identification device issued or authorized by a corporation for these purposes on or near the windshield of a motor vehicle shall not be a violation of any law or rule in the state of Missouri, unless the device is attached in a way that obstructs the driver's clear view of the highway or an intersecting highway.

Adopted by ALEC's Trade & Transportation Task Force at the States and Nation Policy Summit December 14, 2002. Approved by full ALEC Board of Directors January, 2003.

Center for Media and Democracy's quick summary

This ALEC-proposed bill mandates that the provision of some public service be opened to bidding by private contractors, and that the contract be awarded on a "lowest cost" basis. While competition can be beneficial, competition without standards is not. "Lowest cost" requirements for procurement contracts tend to lower labor compensation among providers. They are also associated with even worse performance on health and safety, environmental, and reporting requirements than public agencies. This model legislation mandates wholesale privatization through establishment of private entities overseeing all regional transportation services. Restrictions on self-serving corporate abuse are quite hard to enforce.

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