



A SELECTED READING

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The Public Purpose Doctrine

In pertinent part, Section 94, Alabama Constitution, 2022, states: “The Legislature shall not have power to authorize any county, city, town, or other subdivision of this state to lend its credit, or to grant public money or thing of value in aid of, or to any individual, association. . . .”

Section 94 is designed to prevent expenditure of public funds in aid of private individuals and corporations. *See, Opinion of the Justices No. 215*, 319 So.2d 682 (Ala. 1975). In *Opinion of the Justices No. 120*, 49 So.2d 175 (Ala. 1950), the Court said: “It has been pointed out that the evil to be remedied is the expenditure of public funds in aid of private individuals or corporations, regardless of the form which such expenditures may take, and that Section 94 prohibits... ‘any aid ... by which a pecuniary liability is incurred’.” (Quoting *Garland v. Board of Revenue of Montgomery County*, 6 So. 402, 403 (Ala. 1889)).

This is similar to the rule followed by most municipalities throughout the country. According to McQuillin, *Municipal Corporations* Section 39.19 (3d Ed. Rev.), “a municipality has no power ... to donate municipal moneys for private uses to any individual or company not under the control of the city and having no connection with it, although a donation may be based on a consideration.” Section 94 carries this prohibition into effect and prevents municipalities from giving anything of value to a private person or entity. There are, of course, exceptions to this prohibition, and there are a number of cases and Attorney General’s Opinions that have approved expenditures to private persons. For a more thorough examination and a list of these decisions, see the article “Authority to Expend Municipal Funds,” *Selected Readings for the Municipal Official*

Section 94 is not violated where compensation is exchanged for services and benefits rendered. *See, Taxpayers & Citizens of Foley v. Foley*, 527 So.2d 1261 (Ala.1988). Thus, municipalities may contract for services with private persons (as long as the municipality itself has the authority to perform the service being contracted for), but cannot simply give away public money, goods or services.

Additionally, courts have held that expenditures that serve a “public purpose” do not violate Section 94. The public purpose standard was made part of the Alabama Constitution in 2004, when Section 94.01 (Amendment 772) was added to give municipalities (and counties) more flexibility to encourage economic development. Section 94.01 permits local public governments to, among other things, use public funds or other items of value in “aid of, or to, any individual, firm, corporation, or other business entity, public or private, for the purpose of promoting the economic and industrial development of the county or the municipality.” Section 94.01 specifically exempts public agencies from the restrictions of Section 94.

Attorney General Opinion, to Jimmy Calton, August 6, 2007, interprets Section 94.01, and notes two conditions a municipality must comply with before giving aid pursuant to this provision. As noted in the Attorney General’s Opinion, “subsections (c)(1) and (c)(2) [now subsections (d)(1) and (d)(2)] require that the proposed action serve a valid public purpose and that notice and a meeting be held regarding the proposed action.” AGO 2007-122.

Specifically, subsection 94.01(d)(1) requires the passage of “a resolution containing a determination by the governing body that the expenditure of public funds for the purpose specified will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.” Thus, in order to use public funds, equipment, facilities or any other public item of value to encourage economic development, the public entity must still justify the action by determining that a public purpose exists.

The public purpose test establishes a somewhat confusing standard for municipal officials to follow when they make decisions about the expenditure of public funds. Instead of a bright-line test where the only important fact an official must know is whether the entity or person requesting funds is public or private, officials are left to determine for themselves whether the purpose the funds will be used for is, in fact, public in nature. Clearly, this will be difficult in many cases.

This article examines some of the issues surrounding the public purpose doctrine in the hopes of clarifying what constitutes a public purpose.

The Standard of Review

In some cases, a request for municipal funds obviously does not serve a public purpose. In these situations, officials will be expected to decline the request. For example, if a church asks the municipality to pave its parking lot, this expenditure is designed only to benefit those who attend that church. But what if a municipality is facing a severe parking crisis in its downtown area and the church offers to open the lot for public use every day except Sunday? Does the public need for parking override the prohibitions of the Alabama Constitution?

There is no clear-cut answer to that question (*But see, Guarisco v. Daphne*, 825 So.2d 750 (Ala.2002), discussed below). The interpretation of what constitutes a public purpose will, of course, vary from official to official. What one council member sees as a benefit to the public may be seen by another as a detriment. Officials will have to resolve these issues by debate and should rely heavily on the advice of their attorneys.

There will be times, though, when the attorney cannot provide a definitive answer and can only offer guidance. In those instances, it is important to remember the standard of review that generally applies to discretionary actions of municipal officials. In those instances, courts usually defer to the decisions of a governing body unless that decision is clearly incorrect.

In *Opinion of the Justices No. 269*, 384 So.2d 1051 (Ala.1980), the Court said “the question of whether or not an appropriation was for a public purpose [is] largely within the legislative domain, rather than within the domain of the courts.” Quoting *Board of Revenue of Mobile County v. Puckett*, 149 So. 850 (Ala. 1933), the Court noted that, “The Legislature has to a great extent the right to determine the question, and its determination is conclusive when it does not clearly appear to be wrong, assuming that we have a right to differ with them in their finding. Taken on its face, it is our duty to assume that the Legislature acted within constitutional limits and did not make a donation when such construction is not inconsistent with the recitals of the act.” The Court will generally apply this same logic to the actions of the municipal council, which is the legislative body of the local government.

Basically, courts defer to the legislative body’s determination that a public purpose exists. A court will overturn this decision, though, if it feels that the stated public purpose is improper or insufficient. For instance, in *Brown v. Longiotti*, 420 So.2d 71 (Ala.1982), the Alabama Supreme Court refused to find that a public purpose existed when the local government wanted to construct a commercial retail facility. The Court held that the sale of the bonds was designed to benefit a private, rather than public, purpose by lowering rents paid by the individual lessees.

What is a Public Purpose?

Black’s Law Dictionary states that a public purpose “... is synonymous with governmental purpose ... [It] has for its objective the promotion of the public health, safety, morals, general welfare, security, prosperity, and contentment of all the inhabitants or residents with a given political division ...”

In *Slawson v. Alabama Forestry Commission*, the Alabama Supreme Court stated that, the “paramount test should be whether the expenditure confers a direct public benefit of a reasonably general character, that is to say, to a significant part of the public, as distinguished from a remote and theoretical benefit. ... The trend among the modern courts is to give the term ‘public purpose’ a broad expansive definition.” 631 So.2d 953, 956 (Ala.1994) (quoting *Opinion of the Justices No. 269*, 384 So. 2d 1051, 1053 (Ala. 1980)).

As McQuillin notes in his treatise on municipal corporations, “What is a public purpose cannot be precisely defined, since it changes to meet new developments and conditions of the times.” While it does not have to serve the needs of the municipality as a whole, “Each case must be decided with reference to the object sought to be accomplished and to the degree and manner in which that object affects the public welfare.” McQuillin, *Municipal Corporations* Section 39.19 (3d Ed. Rev.).

In *Opinion of the Justices No. 269*, the Alabama Supreme Court declined to provide a specific definition, stating, “What is ‘a public purpose’ depends in part upon the time (age), place, objects to be obtained, modus operandi, economics involved, and countless other attendant circumstances. Generally speaking, however, it has for its objective the promotion of public health, safety, morals, security, prosperity, contentment, and the general welfare of the community.” 384 So.2d 1051, 1052 (Ala. 1980) (quoting *Board of Regents of University and State Colleges v. Frohmler*, 208 P.2d 833, 838 (1949)).

The Court went on to say that the “paramount test should be whether the expenditure confers a direct public benefit of a reasonably general character, that is to say, to a significant part of the public, as distinguished from a remote and theoretical benefit.” *Id.*

“There is no fixed static definition of ‘public purpose.’ It is a concept which expands with the march of time. It changes with the changing conditions of our society. What today is not a public purpose may to future generations yet unborn be unquestionably a public purpose. ‘Public purpose’ is a flexible phrase which expands to meet the needs of a complex society even though the need was unheard of when our State Constitution was adopted.”

In *WDW Properties v. Sumter*, 535 S.E.2d 631 (S.C. 2000), the South Carolina Supreme Court pointed out that:

“[A]ll legislative action must serve a public rather than a private purpose. In general, a public purpose has for its objective the promotion of the public health, morals, general welfare, security, prosperity, and contentment of all the inhabitants or residents within a given political division ... It is a fluid concept which changes with time, place, population, economy and countless other circumstances. It is a reflection of the changing needs of society.

Legislation may serve a public purpose even though it (1) benefits some more than others and, (2) results in profit to individuals: Legislation does not have to benefit all of the people in order to serve a public purpose. At the same time legislation is not for a private purpose merely because some individual makes a profit as a result of the enactment.”

The court followed a four-part test to determine when expenditures serve a public purpose:

“The Court should first determine the ultimate goal or benefit to the public intended by the project. Second, the Court should analyze whether public or private parties will be the primary beneficiaries. Third, the speculative nature of the project must be considered. Fourth, the Court must analyze and balance the probability that the public interest will be ultimately served and to what degree.”

What is Required?

In order to comply with Section 94.01, the public entity must pass a resolution at a public meeting stating that the desired use of public funds or materials furthers a public purpose. A notice of the public meeting must be published in a newspaper in circulation in the county or municipality, as the case may be, describing in reasonable detail the action proposed to be taken, a description of the public benefits sought to be achieved by the action, and identifying each individual, firm, corporation, or other business entity to whom or for whose benefit the county or the municipality proposes to lend its credit or grant public funds or thing of value. This notice must be published at least seven days prior to the public meeting.

The action proposed to be taken should be approved at the public meeting of the governing body by a resolution containing a determination by the governing body that the expenditure of public funds for the purpose specified will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities. At a minimum, then, the governing body should be able to articulate some legitimate, objective public purpose that is furthered by the action. It wouldn't be sufficient to simply state that an expenditure is made “to accomplish a public purpose” without expressly stating the nature of the benefit to the public.

Remember that in *Opinion of the Justices No. 269*, the Alabama Supreme Court stated that the determination of what constitutes a public purpose is within the discretion of the governing body. The Court also noted that the appropriation should be upheld when it is, essentially, consistent with the purpose articulated by the governing body. So, this discretion is not without limits. The governing body must still be able to explain how an appropriation benefits some significant portion of the public, and this public purpose should be in mind before the appropriation is made, rather than articulated after the fact.

***Slawson*, in More Detail**

In *Slawson*, the Alabama Forestry Commission used state personnel and equipment to organize, promote and support a private nonprofit corporation known as the Stewards of Family Farms, Ranches and Forests. The purpose of the Stewards, according to its bylaws, was to promote stewardship among private landowners, to protect landowner's private property rights “by confronting environmental and political extremism in the public and/or political arena,” and to develop and implement “a national strategy designed to confront actions which threaten private property rights of family farm, ranch, and forest owners.” Stewards opposed certain state and federal laws, such as estate taxation laws and numerous federal environmental laws that it felt interfered with private property rights.

The plaintiffs sued the Forestry Commission, arguing that its support of the Stewards violated Sections 93 and 94 of the Alabama Constitution. The court examined its prior decisions on the public purpose doctrine and then turned its attention to the purpose behind the commission's support of the Stewards. The commission had, by resolution, found that the goals of the Stewards were compatible with the commission's objectives. In its defense, the commission argued:

“All the actions of the Forestry Commission are designed to promote the public good by maintaining healthy forests. One way we do this is by helping private landowners to develop and maintain environmentally healthy and economically sound forests. We are convinced that activities of Stewards of Family Farms, Ranches and Forests will complement, and in no way conflict with, this mission.”

Based on this, and applying what the court acknowledged was a “broad, expansive definition of ‘public purpose,’” the Court affirmed the trial court's ruling upholding the appropriations to the Stewards.

Repair of Private Sewer Laterals - Codification of *Slawson*'s Public Purpose Definition

In 2021 the Alabama Legislature passed Act 2021-347 codifying the Alabama Supreme Court's definition of "public purpose" in *Slawson* and declared the use of public funds to repair private sewer laterals as a public purpose for the following reasons:

1. The degrading condition of private sewer laterals in many locations throughout the state has led to a rise in groundwater and stormwater intrusion into municipal sewer systems, resulting in overflow of sewage collection and treatment facilities and damage to both public and private property.
2. Overflow of raw sewage into yards, rights-of-way, drainage ditches, streams, creeks, and rivers is a direct threat to the environment, from microscopic organisms to large animals and even to humans -- especially children that like and need to play outdoors, often in those same areas vulnerable to overflow.
3. The cost involved in repair or replacement of a sewer lateral is often unattainable by private individuals.
4. Although the lack of repairs of private sewer laterals may be a result of neglect or insufficient funds on the part of private individuals, the effects of degradation of private sewer laterals as described above constitute a serious threat to public health.
5. Use of public funds to remedy or combat public health issues is a primary role of government.

Section 11-88-150, Code of Alabama 1975.

Section 11-88-150, Code of Alabama 1975, provides that a county, municipality, district, or authority performing a repair or replacement of a private sewer lateral shall not be deemed to be the owner of the private sewer lateral, nor shall the county, municipality, district, or authority be obligated to perform any other duties unless the county, municipality, district, or authority adopts a resolution accepting those duties.

Volunteer Fire Departments and Volunteer Rescue Squads

In 2023, the Alabama Legislature passed Act 2023-510 to make the legislative finding that volunteer fire departments and volunteer rescue squads fulfill a public purpose. Act 2023-510 specifically provides that a department or squad may use funds for kitchen equipment for the station and food for on-site consumption for volunteer first responders and electrolyte replacement or sports drinks, water and similar liquid sustenance during training or on a fire or rescue call.

Departments and squads must maintain records for these expenditures for a minimum of three years. Detailed records shall include all items purchased, the cost of each item, the location of each item purchased, and total amount in any calendar year.

Beginning January 1, 2024, Act 2023-510 authorizes a tax credit for mileage to firefighters and squad members for use of a personal motor vehicle to respond to fire, emergency and rescue calls. The tax credit equals the total annual unreimbursed mileage at the standard mileage allowance for state employees pursuant to Section 36-7-22, Code of Alabama 1975.

Other Selected Cases and Attorney General's Opinions on Public Purpose

- In *Guarisco v. Daphne*, 825 So.2d 750 (Ala.2002), the Court held that the issuance of warrants to allow a municipality to acquire land to construct a parking lot adjacent to a retail shopping center served a valid public purpose. The Court noted that the general public is not excluded from using the parking lot, so that "persons who shop, eat, or work in the area of the parking lot" could use it. A strong dissent argued that the expenditure did not serve a public purpose because the primary purpose of the expenditure was to benefit the private retail company and its tenants.
- *Gober v. Stubbs*, 682 So.2d 430 (Ala. 1996): The fact that a taking of property results in a financial benefit to a private person does not mean that the taking is not for a public purpose.
- *Ex parte Birmingham*, 624 So.2d 1018 (Ala.1993): Contract for services of city attorney is a public purpose under Section 94.
- *Smith v. Industrial Dev. Bd.*, 455 So.2d 839 (Ala.1984): The Legislature's designation of the acquisition and construction of hotels and motor inns for industrial development as promoting a public purpose is not clearly wrong because these facilities provide incentive for industry and business to locate in or near the municipality.
- *Florence v. Williams*, 439 So.2d 83 (Ala.1983): The taking of property for a parking lot where a small number of the spaces will be reserved for the use of a private company while the remaining spaces will be open to the public serves a public purpose.

- *Brown v. Longiotti*, 420 So.2d 71 (Ala.1982): A local constitutional amendment did not authorize the municipality to issue revenue bonds to construct a commercial retail establishment. The Court held that the sale of the bonds was designed to benefit a private company, not to serve a public purpose.
- *Montgomery v. Collins*, 355 So.2d 1111 (Ala.1978): A municipality can justify payment of legal defenses for officials and employees as a public purpose.
- *Board Of Revenue & Rd. Com'rs Of Mobile County v. Puckett*, 149 So. 850 (Ala. 1933): A statute appropriating county funds for payment of compensation to a widow for a county employee's death held not unconstitutional as mere donation of public funds to individual without public purpose.
- Ala. Op. Att'y Gen. No. 1995-0112 (Feb. 7, 1995): A county commission may appropriate funds to a private organization as long as the funds are used for a public purpose. A contract would ensure proper use of the funds. The private organization would not be subject to the bid law.
- Ala. Op. Att'y Gen. No. 2001-0187 (May 24, 2001): The city of Hartselle may donate land or lease land for less than adequate consideration to private businesses only if the city determines that a public purpose is served. The courts have held, as a matter of law, the creation or increase of tax revenues for the city does not serve a public purpose.
- Ala. Op. Att'y Gen. No. 1995-0167 (Mar. 29, 1995): A county may not give property to a manufacturing company because the appropriation does not serve a public purpose.
- Ala. Op. Att'y Gen. No. 1995-0204 (Apr. 28, 1995); Ala. Op. Att'y Gen. No. 98-00111 (Mar. 11, 1998): A municipality may convey public property to a nonprofit corporation if there are benefits flowing to both parties which promote a public purpose.
- Ala. Op. Att'y Gen. No. 1995-0281 (Aug. 10, 1995): Conveyance of public property to a private corporation at no cost where there is no public purpose violates Section 94, Constitution of Alabama, 1901.
- Ala. Op. Att'y Gen. No. 1997-0099 (Jan. 31, 1997): A municipality may provide office space to a private, nonprofit corporation if the council determines that doing so serves a public purpose. However, the best practice is to enter into a contract with the organization to perform services for the city.
- Ala. Op. Att'y Gen. No. 1997-0220 (July 8, 1997): A municipality may not purchase an ad in a souvenir booklet published by a political organization if the ad does not serve a public purpose and the booklet is not a recognized medium of advertising.
- Ala. Op. Att'y Gen. No. 1998-0219 (Sept. 10, 1998): A county commission may purchase and renovate a building and lease the building to the Alabama Veterans Museum and Archive if the Commission determines that there is a public purpose for this and that the public purpose is served.
- Ala. Op. Att'y Gen. No. 1999-0152 (Mar. 31, 1999): If a municipality determines that the construction of an emergency sand berm on a private beach serves a public purpose, the municipality may contribute public funds to pay part of the cost.
- Ala. Op. Att'y Gen. No. 1999-0150 (Mar. 22, 1999): A municipality may convey real property to its Industrial Development Board for immediate resale at less than fair market value without violating Section 94 of the Alabama Constitution, 1901, if it determines that the conveyance furthers a public purpose.
- Ala. Op. Att'y Gen. No. 2000-0071 (Jan. 25, 2000): If a municipal council determines that a public purpose is served, the municipality may appropriate funds to a local children's museum for the renovation of a building located on property leased by the municipality. The municipality may then sublease the building to the museum for a nominal consideration. The Attorney General recommends a written contract permitting this.
- Ala. Op. Att'y Gen. No. 2000-0121 (Apr. 10, 2000): If a city determines that stocking a lake owned by the Alabama Power Company will serve a "public purpose," i.e., the promotion of tourism, the city may expend municipal funds for this purpose. The better practice would be for the city to contract with Alabama Power Company regarding the use of the lake.
- Ala. Op. Att'y Gen. No. 2001-0064 (Jan. 5, 2001): If the municipal governing body finds that appropriating funds to provide expenses for the its local public high school band to participate in the presidential inaugural parade is a public purpose, the city may expend public funds for this purpose. Whether a contribution by a municipality, to offset the costs of a banquet to honor its local public high school football team, is for a public purpose is ultimately a factual determination that can only be made by the city council.

- Ala. Op. Att’y Gen. No. 2001-0088 (Feb. 1, 2001): If a municipal council determines that an awards banquet will serve a public purpose, the police department may use public funds for the meals of the employees, plaques, seminars and cash awards. Section 11-40-22(b) of the Code of Alabama requires that the governing body of the municipality approve each cash or non-cash award given to an employee for exemplary performance or for innovations that significantly reduce costs.
- Ala. Op. Att’y Gen. No. 2001-0129 (Mar. 23, 2001): A city board of education may not purchase flowers for the families of deceased students, public officials, officials’ relatives or the general public. Furthermore, the board may not provide refreshments prior to or after a board meeting unless the gathering serves a distinct public purpose. However, the board may generally provide food and nonalcoholic refreshments at a reception to meet applicants for employment and at receptions attended by members of the city government, legislators, and members of the community if the board determines that such expenditure serves a public purpose.
- Ala. Op. Att’y Gen. No. 2001-0270 (Aug. 29, 2001): A county commission may contribute to a nonprofit firefighters’ organization if the county determines that the contribution serves a public purpose.
- Ala. Op. Att’y Gen. No. 2001-0188 (May 25, 2001): A town may not perform work on or repair a water or sewer line that is on private property unless there is legislation that permits such work to be done, the damage constitutes a health hazard, the cost is assessed against the private property owner or the town caused the damage.
- Ala. Op. Att’y Gen. No. 2002-0049 (Nov. 2, 2001): Municipal funds may not be expended to provide cake and coffee at monthly meetings of city employees with birthdays in the respective month, even if the work done at these meetings is clearly related to the achievement of one or more municipal purposes.
- Ala. Op. Att’y Gen. No. 2003-0049 (Dec. 18, 2002): Whether a city may expend public funds for food and drinks at certain events is a factual determination. If the city council determines that an event serves a public purpose, public funds may be expended by inaugural events, banquets, picnics and other such functions.
- Ala. Op. Att’y Gen. No. 2002-0211 (Apr. 12, 2002): If a city determines that cooperation with a private subdivision and any third party contractors in an effort to remove siltation from a private lake would serve a public purpose, a city may contribute funds or in-kind services to the siltation removal effort without violation Section 94, Constitution of Alabama, 1901.
- Ala. Op. Att’y Gen. No. 2003-0083 (Feb. 21, 2003): A city may lease municipal property at no charge if a public purpose is served, regardless of whether the corporation charges patrons for its service. The city council must determine if a public purpose is to be served by the corporation in leasing the municipal property.
- Ala. Op. Att’y Gen. No. 2004-0058 (Jan. 12, 2004): The cost of private cellular telephones used by election officials is not included within the definition of expenses reimbursable by the state, but a county may pay these costs from county funds if the county finds that these are reasonable costs of conducting the election.
- Ala. Op. Att’y Gen. No. 2004-0078 (Feb. 23, 2004): If a municipality determines that a public purpose will be served, the municipality may transfer municipal property and adjoining land to a private historical preservation organization by following Section 11-47-20 of the Code of Alabama 1975, relating to the disposition of real property owned by a municipality.
- Ala. Op. Att’y Gen. No. 2004-0147 (May 25, 2004): If a city determines that an expenditure of municipal funds serves a public purpose, the city may expend municipal funds for the benefit of a nonprofit corporation formed for the purpose of developing, promoting, and protecting the property rights of city citizens, businesses, and other property owners.
- Ala. Op. Att’y Gen. No. 2004-0157 (June 15, 2004): If a municipal governing body determines that the expenditure of municipal funds serves a public purpose, it may expend municipal funds for the activities of a non-profit organization created by the Legislature.
- Ala. Op. Att’y Gen. No. 2005-0021 (Nov. 23, 2004): If a city council determines that expending funds for the acquisition of a monument to memorialize the former existence of a public educational institution serves a public purpose, such expenditure is consistent with Section 94, as amended by Amendment 558, of the Constitution of Alabama of 1901.
- Ala. Op. Att’y Gen. No. 2005-0029 (Dec. 13, 2004): A town may expend public funds to pay for debris and tree removal following a severe weather event, even if it involves work on private property, if the town council makes a determination that the work done served a legitimate public purpose. Absent such a finding, the council may assess individual property owners for any cleanup and tree removal performed on private lands where the debris constituted a health hazard and where the owners were unable to secure a private source to perform the cleanup service.

- Ala. Op. Att’y Gen. No. 2005-0073 (Feb. 24, 2005): The determination of whether a city may expend funds to improve drainage on private property must be made by the city governing body based on whether the improvement will serve a public purpose, and the city must have an easement on the land. A public purpose is served if the expenditure confers a direct public benefit of a reasonably general character, and this must be determined by the governing body on a case-by-case basis.
- Ala. Op. Att’y Gen. No. 2006-0137 (Aug. 24, 2006): Under Section 11-3-11(a) (19), Code of Alabama 1975, a county commission can perform industrial development work for a municipality on property owned, leased, or under option to the municipality if the county commission determines the work serves a public purpose.
- Ala. Op. Att’y Gen. No. 2007-0074 (Apr. 6, 2007): The appropriation of city funds for the purpose of awarding college scholarships is neither expressly nor impliedly authorized by the state, nor is the authority essential to the operation of a municipality. The city cannot make appropriations directly or indirectly to a non-profit foundation for the purpose of awarding college scholarships to graduates of the local public high school unless the voters of the municipality vote to levy a special tax for a scholarship program and the city council determines such a program would serve a public purpose.
- Ala. Op. Att’y Gen. No. 2008-0101 (June 25, 2008): A county board of education may enter into contractual arrangements with a city as long as the school board receives fair and adequate consideration for these transactions and the board determines that its actions serve a public purpose. The city may enter into the contractual arrangements with the board as long as any funds expended by the city serve a public purpose and the arrangement does not bind future councils.
- Ala. Op. Att’y Gen. No. 2008-0115 (July 30, 2008): A health care authority can contract with the governmental entity responsible for maintaining the public road between a hospital and a medical park to widen the road if the authority’s board of directors determines the improvement would accomplish a purpose of the authority. The authority can donate property to be used as the location of a senior citizens facility to the city if the property does not constitute a material part of the assets of the authority and the disposition will not significantly reduce or impair the level of health care services.
- Ala. Op. Att’y Gen. No. 2009-0086 (June 29, 2009): Under Section 94.01 of the Alabama Constitution, a town may borrow money and grant public funds to a private corporation or other private entity to aid the corporation with the expense of installing a center turn lane for the purpose of promoting economic development in the town, if the town determines a public purpose will be served. Local Constitutional Amendments may also authorize the expenditure of funds by the town. If public funds are transferred to a private entity, such funds are not subject to Alabama’s laws regarding competitive bidding or public works bidding.
- Ala. Op. Att’y Gen. No. 2010-010 (Nov. 4, 2009): A county commission may appropriate funds to a local university, which is a state institution of higher learning, to be utilized in support of its football program, if the commission determines that the appropriation serves to promote economic development within the county.
- Ala. Op. Att’y Gen. No. 2010-0014 (Nov. 12, 2009): A municipality, through the operation of its city gas and electric utility department, may institute a voluntary donation program whereby the city helps meet local needs by allowing utility customers the option of donating money through the bill payment process and the city may use these donations to provide funds to the utility department to assist low-income families having difficulty paying their utility bills if the governing body determines that a public purpose is served by such action.
- Ala. Op. Att’y Gen. No. 2010-0102 (Sept. 8, 2010): A city may transfer property to an Electrical Cooperative for less than adequate consideration if the city determines that the transfer serves a public purpose. The publication and resolution requirements found in Section 94.01 (Amendment 772) of the Alabama Constitution of 1901, may apply.
- Ala. Op. Att’y Gen. No. 2011-0051 (Apr. 5, 2011): A municipality, for less than adequate consideration, may convey real property owned by the city to the industrial development board for the board’s use for the promotion of industry within the city, if the city council complies with the conditions of section 94.01 (Amendment 772) of the Alabama Constitution, including a determination that a public purpose is served by the transfer.
- Ala. Op. Att’y Gen. No. 2012-0002 (Oct. 11, 2011): To determine whether a public purpose is served, the governing body must look to the statutes setting forth the powers of the governmental entity. If within such powers, there exists the authority to promote the action at issue, then the governing body need only decide whether the appropriation will help accomplish that purpose.

- Ala. Op. Att’y Gen. No. 2012-0044 (Mar. 12, 2012): Absent statutory authority to promote the general welfare and development of citizens who are mentally and developmentally disabled, a county or municipality may not use and appropriate government funds to a nonprofit corporation serving such individuals for the payment of fire and hazard insurance on a building owned by the corporation.
- Ala. Op. Att’y Gen. No. 2014-0057 (May 14, 2014): A city may establish a tuition assistance program for the employees of the city, provided that the city determines that courses of study provided for therein are related to the duties of the employee seeking assistance and that the expenditure serves a public purpose. The city may establish, by ordinance, a tuition assistance program for employees whose compensation is not otherwise fixed by statute.
- Ala. Op. Att’y Gen. No. 2014-0062 (May 30, 2014): A city may appropriate funds to a private property owner where damage to the property resulted from city work on a drainage easement. The city utilities board may make a similar expenditure if the Board determines it is within its corporate powers to make the expenditure.
- Ala. Op. Att’y Gen. No. 2014-0094 (Sept. 9, 2014): A city may donate funds to the Rotary Club, a nonprofit organization, for the purpose of assisting with a project if the city council determines that the project is a cultural or related facility open to public use.
- Ala. Op. Att’y Gen. No. 2015-0058 (July 31, 2015): Because the town has the authority to make expenditures to provide a fire department, the town may expend municipal funds to raise money for the fire department if the town council determines the expenditure serves a public purpose.
- Ala. Op. Att’y Gen. No. 2016-0016 (Dec. 9, 2015): A city may convey property and improvements to a Community Action Committee for less than adequate consideration, only if the city determines that a public purpose is served by the benefits provided to the general public by the Community Action Committee and the property is not needed by the city for municipal purposes.
- Ala. Op. Att’y Gen. No. 2016-0022 (Feb. 11, 2016): A city may lease property for a maximum term of 99 years, pursuant to Section 11-47-21 of the Code of Alabama. The city may enter into a long-term lease with a County Health Care Authority for less than adequate consideration and allow the Authority to sublease the property to a private entity for use as a medical clinic and medical office complex.
- Ala. Op. Att’y Gen. No. 2017-006 (Nov. 18, 2016): A municipality may guarantee the mortgage of a nonprofit organization to support the construction of soccer fields for the purpose of promoting economic development if the city council complies with the conditions of Section 94.01(c) of Article IV or Section 3 of the Local Amendments for Baldwin County of the Recompiled Constitution of Alabama.
- Ala. Op. Att’y Gen. No. 2017-0007 (Dec. 1, 2016): City officials and employees can expend municipal funds to solicit donations for a charity benefitting a park if the donations are voluntary, the donor knows that the charity is the recipient, and the town council determines that a public purpose is served.
- Ala. Op. Att’y Gen. No. 2017-0025 (Mar. 24, 2017): The municipality may reimburse a public utility for the costs of relocating utility lines for the purpose of promoting economic development if the city council complies with the conditions of Section 94.01(c) of Article IV of the Recompiled Constitution of Alabama. In the alternative, the municipality may donate funds to a downtown redevelopment authority which may use the funds to reimburse a public utility for the costs of relocating utility lines.
- Ala. Op. Att’y Gen. No. 2018-0035 (June 5, 2018): An electric utility board established under Section 11-50-490, et seq., of the Code of Alabama, which is part of a municipality, may not enter into loan agreements with customers for the purchase of a new heating, ventilation, and air conditioning system. To do so would be to lend credit to individuals without serving a public purpose, which is a violation Section 94 of Article IV of the Recompiled Constitution of Alabama.
- Ala. Op. Att’y Gen. No. 2019-0027 (Mar. 22, 2019): A city may engage in a fundraising campaign for charities and assign employees to work on such campaign, if the donations are voluntary, the donor knows that the charity is the recipient, and the city council determines that the campaign is being conducted for a public purpose consistent with its statutory authority. The campaign may solicit donations from employees and include donation of goods and services. A city may only hold a charity event, e.g. a gold tournament, if the council determines that a public purpose is served and donations are solicited for charities for which a statutory basis has been identified.

- Ala. Op. Att’y Gen. No. 2019-0029 (Apr. 2, 2019): The purchase of law enforcement equipment with forfeiture proceeds does not violate Section 94 of Article IV of the Recompiled Constitution of Alabama. The use of forfeiture proceeds to benefit private persons or entities does not violate Section 94 if a valid law enforcement purpose is served.
- Ala. Op. Att’y Gen. No. 2019-0034 (June 24, 2019): A municipality may not expend municipal funds or lend its credit for the repair and/or replacement of private roads and bridges in a private gated community located in the city.
- Ala. Op. Att’y Gen. No. 2019-0040 (Aug. 15, 2019): A municipality may expend public funds and allow its employees, agents, or contractors to enter private property with the owner’s consent to remove any unsightly and damaged trees if the city council determines that the work promotes economic and industrial development for the city and the council complies with the conditions of Section 94.01(c) of the Recompiled Constitution of Alabama.
- Ala. Op. Att’y Gen. No. 2022-0015 (Jan. 13, 2022): Although the a county sheriff may not contract with a private religious school to partially fund and place a school resource officer at the school, individual deputy sheriffs may lawfully be hired by the school during their off-duty hours to provide this service.
- Ala. Op. Att’y Gen. No. 2023-0006 (Nov. 4, 2022): The Alabama Department of Revenue may expend public funds on promotional items if it determines that the expenditure furthers a public purpose in recruiting potential employees necessary to carry out its statutory duties.
- Ala. Op. Att’y Gen. No. 2023-0030 (May 17, 2023): A municipality may expend public funds under Amendment 772 of the Alabama Constitution to assist a local business that has already located in the municipality, if the council determines that the expenditure will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities, and if Amendment 772’s notice and hearing requirements are met.

