

1 SB395
2 138636-1
3 By Senator Sanders (Constitutional Amendment)
4 RFD: Finance and Taxation Education
5 First Read: 15-MAR-12

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8 SYNOPSIS: This bill would propose an amendment to the
9 Constitution of Alabama of 1901, to amend Sections
10 IV, VIII, and IX of Amendment 666 to the
11 Constitution of Alabama of 1901, now appearing as
12 Sections IV, VIII, and IX of Section 219.04 of the
13 Official Recompilation of the Constitution of
14 Alabama of 1901, as amended, to increase the total
15 amount of bonding authority granted under the
16 amendment; to provide for the payment of debt
17 service on the bonds by increasing the annual oil
18 and gas capital payments deposited into the Capital
19 Improvement Trust Fund; to provide for competitive
20 bidding on the bonds; to require the Bond
21 Commission to contract with businesses or
22 individuals which reflect the racial and ethnic
23 diversity in the State; and to repeal Amendment 796
24 to the Constitution of Alabama of 1901, now
25 appearing as Section 219.041 of the Official
26 Recompilation of the Constitution of Alabama of
27 1901.

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2 A BILL
3 TO BE ENTITLED
4 AN ACT
5

6 To propose an amendment to the Constitution of
7 Alabama of 1901, to amend Sections IV, VIII, and IX of
8 Amendment 666 to the Constitution of Alabama of 1901, now
9 appearing as Sections IV, VIII, and IX of Section 219.04 of
10 the Official Recompilation of the Constitution of Alabama of
11 1901, as amended, to increase the total amount of bonding
12 authority granted under the amendment; to provide for the
13 payment of debt service on the bonds by increasing the annual
14 oil and gas capital payments deposited into the Capital
15 Improvement Trust Fund; to provide for competitive bidding on
16 the bonds; to require the Bond Commission to contract with
17 businesses or individuals which reflect the racial and ethnic
18 diversity in the State; and to repeal Amendment 796 to the
19 Constitution of Alabama of 1901, now appearing as Section
20 219.041 of the Official Recompilation of the Constitution of
21 Alabama of 1901.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. The following amendment to the
24 Constitution of Alabama of 1901, as amended, is proposed and
25 shall become valid as a part thereof when approved by a
26 majority of the qualified electors voting thereon and in

1 accordance with Sections 284, 285, and 287 of the Constitution
2 of Alabama of 1901, as amended:

3 PROPOSED AMENDMENT

4 I. AMENDMENT OF SECTIONS IV, VIII AND IX OF
5 AMENDMENT 666

6 "Section IV. Beginning on October 1 immediately
7 following the ratification of this amendment, ~~35%~~ 70% of all
8 Oil and Gas Capital Payments paid into the Alabama Trust Fund
9 in any fiscal year shall be transferred by the State Treasurer
10 to the special trust funds created by this amendment in the
11 following manner: (a) an amount equal to seven percent (7%) of
12 all Oil and Gas Capital Payments received by the Alabama Trust
13 Fund during the preceding fiscal year shall be paid into the
14 County and Municipal Government Capital Improvement Trust
15 Fund; and (b) an amount equal to ~~twenty-eight percent (28%)~~
16 sixty-three percent (63%) of all Oil and Gas Capital Payments
17 received by the Alabama Trust Fund during the preceding fiscal
18 year shall be paid into the Alabama Capital Improvement Trust
19 Fund.

20 "Section VIII. The State of Alabama is authorized
21 to become indebted and to sell and issue its interest-bearing
22 General Obligation Bonds, in addition to all other bonds of
23 the state, in an aggregate principal amount not exceeding ~~\$350~~
24 million \$1.25 billion. The General Obligation Bonds issued
25 pursuant to this amendment shall be general obligations of the
26 State, and the full faith and credit of the State are hereby
27 irrevocably pledged for the prompt and faithful payment of the

1 principal, interest and redemption premium (if any) on the
2 General Obligation Bonds.

3 "Section IX. The Governor, the Director of Finance,
4 the Commissioner of Revenue, the Chairman of the Senate
5 Finance and Taxation General Fund Committee and the Chairman
6 of the House Ways and Means General Fund Committee are hereby
7 constituted a Bond Commission with full authority, except as
8 herein specified or limited, to determine the terms and
9 conditions of the General Obligation Bonds and to provide for
10 the sale and issuance thereof. All of the bonds shall be sold
11 only at public sale or sales, either on sealed bids or at
12 public auction, after such advertisement as may be prescribed
13 by the Bond Commission, to the bidder whose bid reflects the
14 lowest true interest cost to the State computed to the
15 respective maturities of the bonds sold; provided, that if no
16 bid deemed acceptable by the commission is received all bids
17 may be rejected. Relative to issuance expenses, contracts and
18 appointments incurred in connection with the issuance of
19 bonds, the Bond Commission shall contract with businesses or
20 individuals which reflect the racial and ethnic diversity of
21 the state. No member of the Bond Commission shall receive
22 compensation in any form for any services performed by him or
23 her in and about his or her duties as a member or officer of
24 the Bond Commission. The Bond Commission shall meet at the
25 call of the Governor, who is hereby designated its chairman.
26 Three members of the Bond Commission (at least one of which
27 shall be the Chairman of the Senate Finance and

1 Taxation-General Fund Committee or the Chairman of the Ways
2 and Means-General Fund Committee) shall constitute a quorum
3 for the transaction of business, and all proceedings of the
4 Bond Commission shall be reduced to writing, recorded in a
5 substantial record book and filed with the Director of
6 Finance, who is hereby designated as the Secretary of the Bond
7 Commission and who shall keep the records of the proceedings
8 of the Bond Commission.

9 II. Amendment 796 to the Constitution of Alabama of
10 1901, now appearing as now appearing as Section 219.041 of the
11 Official Recompilation of the Constitution of Alabama of 1901,
12 as amended, is hereby repealed; provided however, this repeal
13 shall not affect the validity of any bonds authorized under
14 Amendment 796 prior to the ratification of this amendment."

15 Section 2. An election upon the proposed amendment
16 shall be held in accordance with Sections 284, and 285 of the
17 Constitution of Alabama of 1901, now appearing as Sections 284
18 and 285 of the Official Recompilation of the Constitution of
19 Alabama of 1901, as amended, and the election laws of this
20 state.

21 Section 3. The appropriate election official shall
22 assign a ballot number for the proposed constitutional
23 amendment on the election ballot and shall set forth the
24 following description of the substance or subject matter of
25 the proposed constitutional amendment:

26 "Proposing an amendment to the Constitution of
27 Alabama of 1901, to amend Sections IV, VIII, and IX of

1 Amendment 666 to the Constitution of Alabama of 1901, now
2 appearing as Sections IV, VIII, and IX of Section 219.04 of
3 the Official Recompilation of the Constitution of Alabama of
4 1901, as amended, to increase the total amount of bonding
5 authority granted under the amendment; to provide for the
6 payment of debt service on the bonds by increasing the annual
7 oil and gas capital payments deposited into the Capital
8 Improvement Trust Fund; to provide for competitive bidding on
9 the bonds; to require the Bond Commission to contract with
10 businesses or individuals which reflect the racial and ethnic
11 diversity in the State; and to repeal Amendment 796 to the
12 Constitution of Alabama of 1901, now appearing as Section
13 219.041 of the Official Recompilation of the Constitution of
14 Alabama of 1901.

15 "Proposed by Act _____."

16 This description shall be followed by the following
17 language:

18 "Yes () No ()."