

1 SB545
2 115508-4
3 By Senator Coleman
4 RFD: Finance and Taxation General Fund
5 First Read: 11-MAR-10

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8 SYNOPSIS: This bill would allow, on a one-time basis,
9 any county levying any sales and use tax and is in
10 default or imminent threat of default on its sewer
11 system bonded debt exceeding \$3,000,000,000 to
12 pledge revenues of any sales and use tax levied by
13 the county for the financing or refinancing of
14 bonds and/or warrants for the sewer system debt.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT

19
20 Relating to any county levying any sales and use
21 tax, which is in default or imminent threat of default on its
22 sewer system indebtedness, and whose indebtedness evidenced by
23 bonds or warrants issued by said county, secured by such sewer
24 system revenues, exceeds \$3,000,000,000; to allow any such
25 county, on a one-time basis, to pledge any county sales and
26 use tax proceeds for the financing or refinancing of the
27 county sewer system debt for a period of time.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. (a) Any county which levies any county
3 sales and use tax, and that is in default or in imminent
4 threat of default on its county sewer system indebtedness on
5 the effective date of this act is authorized to pledge any
6 such sales and use tax revenues, except that portion of any
7 such revenues that may be pledged in part to indigent health
8 care, levied by such county for the servicing of its sewer
9 debt and the financing or refinancing of bonds or warrants for
10 the county sewer debt if, and only if, such county sewer
11 system bond debt exceeds three billion dollars
12 (\$3,000,000,000) on the effective date of this act, and if,
13 and only if, any existing debt service obligations for school
14 bonds or warrants that have been issued using such sales and
15 use tax levy as a pledge are financed or refinanced in whole
16 and concurrently with such servicing of sewer debt. A county
17 is authorized to utilize the process provided in this section
18 on a one-time basis, by a resolution adopted by a majority
19 vote of its commission specifically stating its intent to
20 exercise such authority, and a county is authorized to act
21 under the authority of this section not later than six months
22 after the effective date of this act.

23 (b) A pledge of tax revenue authorized pursuant to
24 this section for financing or refinancing county sewer debt
25 and for refinancing school construction debt and school debt
26 for fixtures and equipment shall be in effect for the duration
27 of the debt as prescribed in the indenture evidencing said

1 debt and no future debt refunding may occur subsequent to the
2 initial financing or refinancing of such debt.

3 Section 2. This act shall become effective October
4 1, 2010, following its passage and approval by the Governor,
5 or its otherwise becoming law.