

1 HB107  
2 215993-1  
3 By Representative South  
4 RFD: Transportation, Utilities and Infrastructure  
5 First Read: 11-JAN-22

SYNOPSIS: Under existing law, the State Department of Transportation is required to set aside the first monies received out of the revenues pledged to the obligations of the Alabama Federal Aid Highway Finance Authority in each fiscal year and deposit the same in a sinking fund established within the State Treasury until there shall have been accumulated therein an amount at least sufficient to pay the principal of and interest on the obligations.

This bill would provide that the pledged revenues instead be deposited into the sinking fund no later than the date for payment of the principal of and interest on the obligations.

A BILL  
TO BE ENTITLED  
AN ACT

1           Relating to the Alabama Federal Aid Highway Finance  
2 Authority; to amend Section 23-1-314, Code of Alabama 1975, to  
3 provide further for the date for payment of the principal of  
4 and interest on the obligations issued by the authority.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6           Section 1. Section 23-1-314, Code of Alabama 1975,  
7 is amended to read as follows:

8           "§23-1-314.

9           "(a) For the purpose of providing funds to enable  
10 the authority to pay at their respective maturities and due  
11 dates the principal of and interest on the obligations that  
12 may be issued by it under this article at any time after March  
13 1, 2014, there hereby is irrevocably pledged and appropriated  
14 so much as shall be necessary for the purpose of the state's  
15 share of net gasoline tax proceeds.

16           "(b) In addition, for the purpose of providing funds  
17 to enable the authority to pay at their respective maturities  
18 and due dates the principal of and interest on the obligations  
19 that may be issued by it under this article, there hereby is  
20 irrevocably pledged and appropriated each year all federal aid  
21 funds for federal aid projects to be received by the State  
22 Department of Transportation from the United States government  
23 to the extent that such funds may be required to pay the  
24 principal of and interest on such obligations. All federal aid  
25 funds for federal aid projects received by the State  
26 Department of Transportation from the United States government  
27 during each such federal fiscal year shall be held in trust by

1 the state and applied to the extent required to the payment of  
2 the principal of and interest on the obligations authorized to  
3 be issued under this article.

4 "(c) ~~All moneys~~ No later than the date for payment  
5 of the principal of and interest on the obligations issued by  
6 the authority during each fiscal year, all monies hereby  
7 appropriated and pledged shall be paid into the State Treasury  
8 and shall constitute a sinking fund which shall be held in  
9 trust to be used to pay the principal of and interest on the  
10 obligations; provided, however, that the pledge of the state's  
11 share of net gasoline tax proceeds shall be on parity with the  
12 pledge contained in Section 23-1-181 to secure obligations  
13 issued by the Alabama Highway Finance Corporation. As security  
14 for the payment of the principal of and interest on the  
15 obligations issued under this article, the authority is  
16 authorized to pledge the proceeds of the appropriation and  
17 pledge provided for in this section. All pledges made by the  
18 authority shall take precedence among themselves in the order  
19 of the adoption of the resolutions making such pledges, except  
20 as may be otherwise provided in such resolutions. ~~The State~~  
21 ~~Department of Transportation is hereby authorized and directed~~  
22 ~~to set aside the first moneys received out of the revenues~~  
23 ~~pledged hereunder in each fiscal year and deposit the same in~~  
24 ~~the sinking fund provided for in this subsection until there~~  
25 ~~shall have been accumulated therein an amount at least~~  
26 ~~sufficient to pay the principal of and interest on the~~  
27 ~~obligations issued by the authority hereunder which mature,~~

1     ~~are subject to mandatory redemption or otherwise become due~~  
2     ~~during such fiscal year."~~

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