

1 SB99
2 189217-1
3 By Senators Orr, Reed and Holtzclaw
4 RFD: Transportation and Energy
5 First Read: 09-JAN-18

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8 SYNOPSIS: This bill would create the Alabama Federal
9 Fund Exchange Program to provide eligible entities
10 and the Alabama Department of Transportation with
11 greater flexibility in funding transportation
12 projects.

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14 A BILL
15 TO BE ENTITLED
16 AN ACT

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18 To establish the Alabama Federal Fund Exchange
19 Program; to provide authority for the Alabama Department of
20 Transportation or political or governmental subdivision or
21 public corporation to enter into agreements with a political
22 or governmental subdivision or public corporation to exchange
23 federal transportation funds; to allow the Alabama Department
24 of Transportation to set an appropriate exchange rate; to
25 require a political or governmental subdivision or public
26 corporation to submit required documentation for the exchange
27 program; and to require the Alabama Department of

1 Transportation to report annually to the Joint Transportation
2 Committee on any agreements entered into during the previous
3 fiscal year.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. This act shall be cited as the Alabama
6 Federal Fund Exchange Program.

7 Section 2. The Alabama Department of Transportation,
8 on behalf of the state, and any political or governmental
9 subdivision or public corporation of this state shall have the
10 authority to enter into agreements with each other whereby an
11 entity may purchase from another entity the federal
12 transportation funds made available to such entity. Such funds
13 may be purchased at an appropriate discount rate determined by
14 the department to be in its best interest. Such agreements
15 shall provide that the funds obtained from such sale by the
16 political or governmental subdivision or public corporation be
17 expended for the cost of construction, reconstruction,
18 maintenance, and repair of public highways, streets, roads, or
19 bridges and facilities, appurtenances, and structures deemed
20 necessary in connection therewith.

21 Section 3. All entities which sell federal
22 transportation funds shall provide proof to the department
23 that the proceeds of the sale were expended for the described
24 purposes. The manner in which the proof shall be provided and
25 the time at which proof shall be made shall be at the
26 discretion of the department and shall be set forth in the
27 agreement.

1 Section 4. An eligible entity that participates in
2 the program shall comply with applicable public purchasing
3 laws and competitive bidding requirements with respect to
4 projects funded through the program.

5 Section 5. Except as otherwise prohibited by Federal
6 law, all contracts funded with revenue or bond proceeds which
7 are authorized pursuant to this act shall be performed by a
8 workforce which consists of only legal residents of the State
9 of Alabama.

10 Section 6. Not later than November 1 of each year,
11 the department shall submit a report on the program to the
12 Joint Transportation Committee. A report submitted under this
13 section must include:

14 (a) a summary of the exchange agreements entered
15 into during the State's previous fiscal year; and

16 (b) a status report on the implementation of
17 projects funded through the program.

18 Section 7. This act shall become effective on the
19 first day of the third month following its passage and
20 approval by the Governor, or its otherwise becoming law.