

1 HB178
2 204850-2
3 By Representative Ball (Constitutional Amendment)
4 RFD: State Government
5 First Read: 02-FEB-21
6 PFD: 01/28/2021

SYNOPSIS: Under Amendment No. 8 of the Constitution of Alabama of 1901, as amended, now appearing as Section 216.01 of the Recompiled Constitution of Alabama of 1901, certain designated municipalities in the state may levy and collect an ad valorem tax for the purpose of paying debt service on bonds to finance capital improvements.

This bill proposes an amendment to authorize the levy and collection of the ad valorem tax authorized by Amendment No. 8 and to authorize as an alternative the use of the proceeds to directly pay the costs of public capital improvements on a pay-as-you-go basis, as well as to use the proceeds to pay debt service on bonds, warrants, and other securities issued to finance the costs of the improvements, and would validate any prior levy and use of the tax for these purposes.

A BILL
TO BE ENTITLED

1 AN ACT

2
3 Proposing an amendment to the Constitution of
4 Alabama of 1901, as amended, to authorize each municipality
5 authorized under Amendment No. 8 to the Constitution of
6 Alabama of 1901, now appearing Section 216.01 of the
7 Recompiled Constitution of Alabama of 1901, as amended, to
8 levy and collect the ad valorem tax under Amendment No. 8 for
9 the purpose of paying debt service on bonds, to levy and
10 collect the ad valorem tax at the rate lawfully permitted for
11 such municipality to directly pay the costs of public capital
12 improvements, as well as to pay the principal of and interest
13 on bonds, warrants, or other securities issued to finance or
14 refinance the costs of improvements; and to ratify, validate,
15 and confirm any prior levy and collection of the ad valorem
16 tax for these purposes.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. The following amendment to the
19 Constitution of Alabama of 1901, as amended, is proposed and
20 shall become valid as a part thereof when approved by a
21 majority of the qualified electors voting thereon and in
22 accordance with Sections 284, 285, and 287 of the Constitution
23 of Alabama of 1901, as amended:

24 PROPOSED AMENDMENT

25 Each municipality authorized to levy and collect the
26 special ad valorem tax authorized in Amendment No. 8 to the
27 Constitution of Alabama 1901, now appearing as Section 216.01

1 of the Recompiled Constitution of Alabama of 1901, as amended,
2 for the payment of bonds and the interest thereon, may levy
3 and collect such ad valorem tax at a rate not exceeding the
4 millage rate then lawfully permitted to be levied and
5 collected by the municipality to directly pay the costs of
6 public capital improvements, as well as to pay the principal
7 of and interest on bonds, warrants, or other securities issued
8 to finance or refinance the costs of the improvements; and any
9 levy and collection of such ad valorem tax for these purposes
10 by the municipality prior to the ratification of this
11 amendment is hereby ratified, validated, and confirmed.

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

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

23 "Proposing an amendment to the Constitution of
24 Alabama of 1901, as amended, each municipality authorized
25 under Amendment No. 8 to the Constitution of Alabama of 1901,
26 now appearing Section 216.01 of the Recompiled Constitution of
27 Alabama of 1901, as amended, to levy and collect the ad

1 valorem tax pursuant to Amendment No. 8 for the purpose of
2 paying bonds and the interest thereon, and may also levy and
3 collect such ad valorem tax and utilize such funds for capital
4 improvements on a pay-as-you-go basis at a rate not exceeding
5 the rate then lawfully permitted for the municipality to
6 directly pay the costs of public capital improvements, as well
7 as to pay the principal and interest on bonds, warrants, or
8 other securities issued to finance or refinance the costs of
9 the improvements; and to ratify, validate, and confirm the
10 levy and collection of such tax levied and collected for any
11 of these purposes prior to the ratification of this
12 amendment."

13 "Proposed by Act _____."

14 This description shall be followed by the following
15 language:

16 "Yes () No ()."