

1 SB59
2 181096-1
3 By Senator Ward
4 RFD: Judiciary
5 First Read: 07-FEB-17
6 PFD: 02/06/2017

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8 SYNOPSIS: This bill will be known as the Alabama
9 Prison Transformation Initiative Act.

10 This bill would provide for the construction
11 of four modern, efficient prison facilities to
12 reduce overcrowding, to improve safety conditions
13 for corrections officers, to allow for additional
14 inmate re-entry programs and to improve operational
15 practices and procedures.

16 This bill would require increased reporting
17 to the Joint Legislative Prison Committee.

18 Under existing law, the Alabama Corrections
19 Institution Finance Authority is authorized to
20 issue bonds for prison construction purposes. The
21 Authority is required to construct facilities using
22 plans and specifications of architects or
23 engineers, or both.

24 This bill would also allow the Authority to
25 construct women's and regional prison facilities
26 using various types of construction agreements.

1 This bill would allow the Authority to issue
2 additional bonds with no specified maturity date
3 later than 30 years for the purpose of financing
4 women's and regional prison facilities, for the
5 renovation of existing prison facilities, and for
6 demolition of obsolete prison facilities.

7 This bill would require the Department of
8 Corrections to consolidate facilities for certain
9 male inmates.

10 This bill would also provide for disposing
11 of property not required for use by the Department
12 of Corrections and further provide for actions to
13 be taken upon payment of all bonds issued by the
14 Authority.

15 This bill would provide for the pledge of a
16 portion of the proceeds of the one mill tax levied
17 by Section 40-8-3 and to pledge a portion of the
18 proceeds of the tax on all spirituous or vinous
19 liquors levied by current law to secure the
20 Authority's bonds.

21
22 A BILL

23 TO BE ENTITLED

24 AN ACT

25
26 To amend Sections 14-2-1, 14-2-6, 14-2-12,
27 14-2-13.1, 14-2-14, 14-2-16, 14-2-19, 14-2-21, 14-2-28, and

1 14-2-34, relating to the Alabama Corrections Institution
2 Finance Authority, to allow the Authority to issue up to \$800
3 million in bonds or other forms of funding deemed optimal for
4 the project with no specified maturity date later than 30
5 years for the purpose of financing the construction of women's
6 and regional prison facilities, renovating existing prison
7 facilities, and demolishing obsolete prison facilities; to
8 allow the Authority to design, construct, finance, lease, and
9 maintain, or any combination thereof, women's and regional
10 prison facilities using various types of agreements; and to
11 revise the membership of the Authority; to require the
12 Department of Corrections to consolidate facilities for
13 certain male inmates; to authorize the Authority to dispose of
14 property not required for Department of Corrections purposes;
15 to require reporting to the Joint Legislative Prison
16 Committee; to further provide for actions to be taken upon
17 payment of all bonds issued by the Authority; to amend Section
18 29-2-20, Code of Alabama 1975, as last amended by Act
19 2015-165, 2015 Regular Session, to revise the membership of
20 the Joint Legislative Prison Committee; to amend Sections
21 28-3-201, 28-3-202, 28-3-24, and 40-8-3, Code of Alabama 1975,
22 relating to allocation of a portion of the proceeds of the one
23 mill (\$.10 on each \$100 of assessed value) tax and the tax on
24 all spirituous or vinous liquors provided therein as a second
25 and third priority security for the Authority's bonds; to
26 amend Section 38-4-12, Code of Alabama 1975, relating to the

1 priority of the use of the one mill tax; and to define certain
2 terms.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. This act shall be known and cited as the
5 Alabama Prison Transformation Initiative Act.

6 Section 2. The Legislature finds all of the
7 following: (1) Many of the state's current prison facilities
8 were constructed decades ago; (2) The age and design of the
9 facilities are causing many inefficiencies in the operation of
10 the prison system, including increasing costs of maintaining
11 and repairing the facilities, increasing costs of transporting
12 inmates from prisons to medical care facilities, increasing
13 correctional and support staff costs because of the geographic
14 disparity of the system and the antiquated design of the
15 prison facilities, and increasing medical costs due to
16 inefficiencies in delivering medical services to inmates; (3)
17 Many of these higher costs could be reduced by constructing
18 women's and regional prison facilities designed to house a
19 larger number of inmates; (4) The purpose of this act is to
20 allow the Alabama Corrections Institution Finance Authority to
21 issue bonds for the purpose of financing the construction of
22 women's and regional prison facilities and for other purposes;
23 and (5) In order to achieve the most advantageous interest
24 rates and borrowing costs for the bonds it is necessary to
25 secure them with an additional source of payment.

26 Section 3. The Alabama Corrections Institution
27 Finance Authority shall report to the Joint Legislative Prison

1 Committee on any plans for the demolition or disposal of any
2 existing prison facilities pursuant to this act. In addition,
3 the Department of Corrections shall report to the Joint
4 Legislative Prison Committee and the Chairmen of the House
5 Ways and Means General Fund Committee and the Senate Finance
6 and Taxation General Fund Committee on the operational savings
7 directly realized as a result of the consolidation of prisons
8 pursuant to this act. This operational savings report shall be
9 made annually beginning on the date on which the first bond
10 payment is due, and continuing until all bonds authorized by
11 this act have matured, been redeemed, or are otherwise no
12 longer outstanding.

13 Section 4. Sections 14-2-1, 14-2-6, 14-2-12,
14 14-2-13.1, 14-2-14, 14-2-16, 14-2-19, 14-2-21, 14-2-28, and
15 14-2-34, Code of Alabama 1975, are amended to read as follows:

16 "§14-2-1.

17 For the purposes of this chapter, the following
18 terms shall have the meanings respectively ascribed to them by
19 this section:

20 (1) AUTHORITY. The public corporation organized
21 pursuant to the provisions of this chapter.

22 (2) COMMISSION. The Building Commission created by
23 Section 41-9-140 and its successors as the state agency for
24 awarding construction contracts and supervising construction.

25 (3) DEPARTMENT. The Alabama Department of
26 Corrections created by Section 14-1-1.1 and its successors as

1 the state agency responsible for supervising and controlling
2 the operation of the correctional institutions of the state.

3 (4) STATE. The State of Alabama.

4 (5) BONDS. The bonds issued under the provisions of
5 this chapter.

6 (6) FACILITIES. Such term includes any one or more
7 of the following:

8 a. Prisons;

9 b. Buildings and enclosures for housing, containing
10 or supervising prisoners; and

11 c. Any facilities necessary or useful in connection
12 with prisons, buildings or enclosures, including, without
13 limiting the generality of the foregoing, hospitals, offices,
14 correctional officers' quarters and residences, warehouses,
15 garages, storage facilities, abattoirs, cold storage plants,
16 canning plants, laundries and manufacturing plants for the
17 employment of prison labor.

18 (7) KILBY PROPERTY. Such term includes all of the
19 real property commonly referred to as Kilby prison property,
20 embracing not only the real property owned by the state on
21 which Kilby prison is located, but also all real property
22 owned by the state used in connection with Kilby prison and
23 adjacent thereto, all located in sections 2, 3, 10, 11, 21,
24 22, 26, 27, 28, 29, 30, 33, 34, and 35 in township 17, range
25 18 in Montgomery County, Alabama, together with all personal
26 property owned by the state and used in connection with Kilby
27 prison and the real property adjacent thereto.

1 (8) PERRY COUNTY FACILITY. The Perry County
2 Correctional Center, including all real property, buildings
3 and improvements located at the facility in Perry County.

4 (9) NET PROCEEDS OF THE ONE MILL TAX. The portion of
5 the proceeds of the tax levied under Section 40-8-3 at the
6 rate of \$.10 on each \$100 of the assessed value of taxable
7 property, remaining after payment of one percent of the
8 proceeds thereof to the Alabama Historical Commission for the
9 purposes set forth therein.

10 (10) REGIONAL PRISON FACILITY. A prison facility
11 designed to house at least 3,500 inmates with a construction
12 project cost of at least \$100 million dollars procured by the
13 bond issue.

14 (11) WOMEN'S PRISON FACILITY. A prison facility
15 designed and constructed to house female inmates and intended
16 to replace the existing Julia Tutwiler Prison for Women.

17 "§14-2-6.

18 "The applicants named in the application and their
19 respective successors in office shall constitute the members
20 of the authority. The Governor shall be the president of the
21 authority, the Commissioner of Corrections shall be the
22 vice-president of the authority and the Director of Finance
23 shall be the secretary of the authority. In addition, one
24 member of the House of Representatives appointed by the
25 Speaker of the House and one member of the Senate appointed by
26 the President Pro Tempore of the Senate shall be members of
27 the authority. The State Treasurer shall be the treasurer and

1 custodian of the funds of the authority, but shall not be a
2 member of the authority. The members of the authority shall
3 constitute all the members of the board of directors of the
4 authority, which shall be the governing body of the authority.
5 A majority of the members of the said board of directors shall
6 constitute a quorum for the transaction of business. Should
7 any person holding any state office named in this section
8 cease to hold such office by reason of death, resignation,
9 expiration of his term of office or for any other reason, then
10 his successor in office shall take his place as a member,
11 officer or director, as the case may be, of the authority. No
12 member, officer or director of the authority shall draw any
13 salary in addition to that now authorized by law for any
14 service he may render or for any duty he may perform in
15 connection with the authority. No member, officer, director or
16 employee of the authority shall be personally liable for any
17 debt, obligation or liability of the authority.

18 "§14-2-12.

19 (a) For the purpose of providing funds for the
20 acquisition of sites, for the construction, reconstruction,
21 alteration and improvement of facilities, for the procurement
22 and installation of equipment therefor and for payment of
23 obligations incurred and the principal of and interest on any
24 temporary loans made for any of the said purposes, the
25 authority is hereby authorized, from time to time, to sell and
26 issue, in addition to all bonds heretofore authorized to be
27 issued by the authority, its bonds in such aggregate principal

1 amounts as may be determined by the corporation to be
2 necessary for the said purposes but not to exceed \$25,000,000,
3 plus an additional seven million five hundred thousand dollars
4 (\$7,500,000) pursuant to Act 97-950, in aggregate principal
5 amount.

6 (b) In addition to the authorization provided in
7 subsection (a), the authority is hereby authorized, from time
8 to time, to sell and issue its bonds in amounts determined by
9 the authority to be necessary for the acquisition,
10 construction, reconstruction, alteration, and improvement of
11 facilities. Additional bonds may be issued to provide for
12 additional bedspace by improving properties currently owned by
13 the Department of Corrections or the authority. The total
14 additional bonds authorized by this subsection shall not
15 exceed \$60 million.

16 (c) In addition to any other authorization provided
17 in this chapter, the authority is hereby authorized, from time
18 to time, to sell and issue its bonds in amounts determined by
19 the authority to be necessary for the acquisition of sites,
20 construction, reconstruction, alteration, demolition, and
21 improvement of facilities owned and operated by the Department
22 of Corrections or the Alabama Corrections Institution Finance
23 Authority, including but not limited to women's prison
24 facilities and regional prison facilities and for the
25 procurement and installation of equipment therefor. The total
26 additional bonds authorized by this subsection shall not

1 exceed \$800 million. Bonds authorized by this subsection shall
2 be sold as provided in Section 14-2-16.

3 The authority shall hire or contract with businesses
4 or individuals which reflect the racial and ethnic diversity
5 of the state, and the authority shall hire or contract with
6 attorneys, fiscal advisors, trustees, paying agents,
7 investment bankers, banks, and underwriters which reflect the
8 racial and ethnic diversity of the state.

9 The bonding authority provided herein must file a
10 report, in concise, simple language to each legislator between
11 the first and the twelfth legislative day of each legislative
12 session which shall reflect the date of the issuance of the
13 bonds, total amount of the bonds, maturity date, schedule of
14 payments, including interest and principal, amount of attorney
15 fees, architect fees and bond attorney fees, discount points
16 and all other costs incurred in the issuance of and sale of
17 the bonds herein authorized, and to what person, firm,
18 corporation, company or other entity to which any such fees or
19 money is to be or has been paid.

20 ~~(c)~~ (d) Any monetary transactions completed pursuant
21 to Act 2010-729 shall be fully disclosed to the public.

22 ~~(d)~~ (e) Any bonds issued pursuant to this section
23 shall be sold by competitive bid if practical and economically
24 feasible as determined by the authority.

25 ~~(e)~~ (f) The authority is strongly encouraged to
26 utilize businesses and companies in all aspects of the bond

1 and construction portions of this chapter that reflect the
2 racial and ethnic diversity of the state.

3 "§14-2-13.1.

4 It is hereby further provided that no refunding
5 bonds as provided for by Section 14-2-13 shall be issued
6 unless the present value of all debt service on the refunding
7 bonds (computed with a discount rate equal to the true
8 interest rate of the refunding bonds and taking into account
9 all underwriting discount and other issuance expenses) shall
10 not be greater than ~~95~~ 98% of the present value of all debt
11 service on the bonds to be refunded (computed using the same
12 discount rate and taking into account the underwriting
13 discount and other issuance expenses originally applicable to
14 such bonds) determined as if such bonds to be refunded were
15 paid and retired in accordance with the schedule of maturities
16 (considering mandatory redemption as a scheduled maturity)
17 provided at the time of their issuance. Provided further that
18 the average maturity of the refunding bonds, as measured from
19 the date of issuance of such refunding bonds, shall not exceed
20 by more than three years the average maturity of the bonds to
21 be refunded, as also measured from such date of issuance, with
22 the average maturity of any principal amount of bonds to be
23 determined by multiplying the principal of each maturity by
24 the number of years (including any fractional part of a year)
25 intervening between such date of issuance and each such
26 maturity, taking the sum of all such products, and then

1 dividing such sum by the aggregate principal amount of bonds
2 for which the average maturity is to be determined.

3 "§14-2-14.

4 Any bonds of the authority may be executed and
5 delivered by it at any time and from time to time, shall be in
6 such form and denominations and of such tenor and maturities,
7 shall bear such rate or rates of interest payable and
8 evidenced in such manner, may contain provisions for
9 redemption prior to maturity and may contain other provisions
10 not inconsistent with this section, all as may be provided by
11 the resolution of the board of directors whereunder such bonds
12 are authorized to be issued; provided, that no bond of the
13 authority shall have a specified maturity date later than ~~20~~
14 30 years after its date. In the event that the authority shall
15 make more than one pledge of the same revenues, such pledges
16 shall, unless otherwise provided in the resolution or
17 resolutions authorizing the earlier issued bonds, take
18 precedence in the order of the adoption of the resolutions in
19 which the pledges are made; provided, that each pledge for the
20 benefit of refunding bonds shall have the same priority as the
21 pledge for the benefit of the bonds refunded thereby.

22 "§14-2-16.

23 Bonds of the authority may be sold at such price or
24 prices and at such time or times as the board of directors of
25 the authority may consider advantageous, either at public sale
26 or private sale. Bonds of the authority sold by competitive
27 bid must be sold, whether on sealed bids or at public auction,

1 to the bidder whose bid reflects the lowest effective
2 borrowing cost to the authority for the bonds being sold;
3 provided, that if no bid acceptable to the authority is
4 received, it may reject all bids. Notice of each such sale by
5 competitive bids shall be given by publication in either a
6 financial journal or a financial newspaper published in the
7 City of New York, New York, and also by publication in a
8 newspaper published in the State of Alabama, each of which
9 notices must be published at least one time not less than 10
10 days before the date for the sale. The board of directors may
11 fix the terms and conditions under which such sale may be
12 held; provided, that such terms and conditions shall not
13 conflict with any of the requirements of this chapter. The
14 authority may pay out of the proceeds of the sale of its bonds
15 all expenses, including capitalized interest during a period
16 not to exceed ~~one~~ three years from the date of issuance of
17 such bonds, publication and printing charges, attorneys' fees
18 and other expenses which said board of directors may deem
19 necessary and advantageous in connection with the
20 authorization, advertisement, sale, execution and issuance of
21 such bonds. Neither a public hearing nor consent of the State
22 Department of Finance or any other department or agency of the
23 state shall be a prerequisite to the issuance or sale of bonds
24 by the authority.

25 "§14-2-19.

26 (a) All proceeds derived from the sale of any bonds,
27 except refunding bonds, sold by the authority, remaining after

1 payment of the expenses of issuance thereof, shall be turned
2 over to the State Treasurer, shall be carried in a special
3 account to the credit of the authority, and shall be subject
4 to be drawn on by the authority solely for the purposes of:

5 (1) Acquiring land for and constructing,
6 reconstructing and equipping thereon one or more facilities, ~~and~~
7 including, but not limited to, one or more women's prison
8 facilities and one or more regional prison facilities.

9 (2) Constructing additional improvements on property
10 currently owned by the Department of Corrections or the
11 authority in order to provide for additional bedspace;

12 (3) Paying all reasonable and necessary expenses
13 incidental thereto, including filing, recording, surveying,
14 legal and engineering fees and expenses;

15 (4) Paying the interest which will accrue on the
16 said bonds during the period required for the construction and
17 ~~equipment~~ equipping of the said facilities and for a period
18 not exceeding six months after the completion thereof; and

19 (5) Paying the principal of and interest on all then
20 outstanding notes theretofore issued by the authority pursuant
21 to the provisions of Section 14-2-10.

22 The balance of the said proceeds thereafter
23 remaining, unless required for the construction of other
24 facilities by the authority as shall be determined by
25 resolution of its board of directors within six months after
26 completion of the facilities for which the bonds were issued,
27 shall be set aside as additional security for the bonds or

1 shall be used to pay, purchase or redeem bonds as may be
2 provided in the proceedings authorizing their issuance. The
3 reasonable and necessary expenses incident to the construction
4 of any facility shall, if deemed advisable by the authority,
5 include all or any part of the expense of providing temporary
6 facilities, during the construction of a new facility, for any
7 penal or correctional institution facility which is demolished
8 or ~~rendered~~ unserviceable as such.

9 (b) All proceeds from the sale of refunding bonds
10 issued by the authority that remain after paying the expenses
11 of their issuance may be used only for the purpose of
12 refunding the principal of and any unpaid and accrued interest
13 on the outstanding bonds of the authority for the refunding of
14 which the refunding bonds are authorized to be issued,
15 together with any premium that may be necessary to be paid in
16 order to redeem or retire such outstanding bonds.

17 "§14-2-21.

18 (a) The principal of, premium, if any, and interest
19 on the bonds of the authority shall be secured, first, by any
20 or all of the following, as the authority may determine:

21 (1) The rent and revenue for the use of one or more
22 facilities of the authority;

23 (2) The net rent or sale proceeds from the Kilby
24 property;

25 (3) Any bond proceeds remaining unexpended upon
26 completion of all facilities to be constructed with such bond
27 proceeds and the payment of the cost thereof;

1 (4) Any insurance proceeds which the authority may
2 receive by reason of its ownership of any of the facilities;
3 ~~and~~

4 (5) Any mortgage upon or security interest in one or
5 more facilities of the authority, granted in connection with
6 the issuance of such bonds; and

7 (6) Operational savings realized from the
8 consolidation of prison facilities as a result of this
9 amendatory act.

10 (b) To such extent and to such extent only as the
11 revenues described in subsection (a) of this section may not
12 be sufficient to pay at their respective maturities the
13 principal of and interest on the bonds of the authority, there
14 is irrevocably pledged and appropriated, as a second priority
15 security, so much of the portion of the net proceeds of the
16 one mill tax allocated to the Department of Human Resources
17 under Section 38-4-12 as may be necessary, when added to the
18 amounts described in subsection (a) of this section, for the
19 purpose of providing funds to enable the authority to pay at
20 their respective maturities and due dates the principal of and
21 interest on the bonds that may be issued by it under this
22 article at any time. The revenues pledged by this subsection
23 shall be limited to the payment of debt service on the bonds
24 authorized by this amendatory act, including debt service on
25 any refunding bonds issued to refund the bonds authorized by
26 this amendatory act.

1 (c) To such extent and to such extent only as the
2 revenues described in subsections (a) and (b) may not be
3 sufficient to pay at their respective maturities the principal
4 of and interest on the bonds of the authority, there is
5 irrevocably pledged and appropriated, as a third priority
6 security, so much of the net proceeds of the net proceeds of
7 the tax levied on spirituous or vinous liquors allocated to
8 the Public Welfare Trust Fund under Sections 28-3-201,
9 28-3-202, and 28-3-204, as may be necessary, when added to the
10 amounts described in subsections (a) and (b), for the purpose
11 of providing funds to enable the authority to pay at their
12 respective maturities and due dates the principal of and
13 interest on the bonds that may be issued by it under this
14 article at any time. The revenues pledged by this subsection
15 shall be limited to the payment of debt service on the bonds
16 authorized by this amendatory act, including debt service on
17 any refunding bonds issued to refund the bonds authorized by
18 this amendatory act.

19 (d) In the event that revenues pledged by subsection
20 (b) or (c) are used to pay debt service on bonds authorized by
21 this amendatory act, including debt service on refunding bonds
22 issued to refund the bonds authorized by this amendatory act,
23 the Legislature shall provide for the reimbursement of the
24 amount used for those debt service payments to the Department
25 of Human Resources.

26 (e) The authority shall have authority to transfer
27 and assign any lease of any of the facilities and any lease or

1 mortgage of the Kilby property as security for the payment of
2 such principal, premium, if any, and interest. The bonds may
3 be issued under, and secured by, a resolution which may, but
4 need not, provide for an indenture of trust covering one or
5 more facilities of the authority. Such resolution or such
6 indenture of trust may contain any provision or agreement
7 customarily contained in instruments securing evidences of
8 indebtedness, including, without limiting the generality of
9 the foregoing, provisions respecting the collection and
10 application of any receipts pledged to the payment of bonds,
11 the terms to be incorporated in lease agreements respecting
12 the facilities, the maintenance and insurance thereof, the
13 creation and maintenance of reserve and other special funds
14 from such receipts and the rights and remedies available in
15 the event of default to the holders of the bonds or to the
16 trustee for the holders of the bonds or under any indenture of
17 trust, all as the authority may deem advisable and as shall
18 not be in conflict with the provisions of this chapter;
19 provided, however, that in making such agreements or
20 provisions the authority shall not have the power to obligate
21 itself except with respect to its facilities, the Kilby
22 property and the application of the receipts which it is
23 authorized in this chapter to pledge.

24 (f) For each fiscal year in which the department,
25 under a lease agreement with the authority, is required to pay
26 rent to the authority in an amount at least equal to the
27 annual debt service on bonds issued pursuant to the act adding

1 this amendatory language, the department, from the amount
2 appropriated to it in each annual general fund appropriations
3 act, shall pay the rent payments as a first priority
4 expenditure, and all other expenditures of the department for
5 each fiscal year shall be adjusted accordingly.

6 "§14-2-28.

7 (a) Except as provided in subsection (b), all ~~All~~
8 facilities constructed by the authority shall be constructed
9 according to plans and specifications of architects or
10 engineers, or both, selected by the department. Such plans and
11 specifications shall be approved by the department and by the
12 commission. All work in the construction of facilities, or any
13 part thereof, which is determined by the commission to be
14 suitable and proper for construction by prison labor under
15 force account shall be performed by such prison labor under
16 such supervision and directions as shall be ordered by the
17 department. All construction of facilities or any part thereof
18 which the commission shall determine not to be suitable and
19 proper for construction by prison labor shall be done under
20 the supervision and direction of the commission following
21 award for each part of the work to the lowest responsible
22 bidder after advertising for, receipt and public opening of
23 sealed bids. Each such invitation for bids and the bidding
24 documents applicable thereto shall be so arranged that any
25 alternates shall constitute cumulative deductions from the
26 base bid rather than additions thereto. In determining the
27 lowest bidder if funds are insufficient to construct the

1 facility on the lowest base bid, then the commission may
2 proceed to consider the bids upon the basis of the base bids
3 of all bidders minus the respective reductions stated for the
4 first alternate. If the lowest bid so determined is not then
5 within the funds available, the commission shall proceed to
6 consider the base bid minus the first and second alternates
7 together to determine the lowest bid and in like manner
8 throughout all alternates, if need be, so that in no event
9 shall there be any discretion as to which alternate or
10 alternates will be used in determining the lowest responsible
11 bidder. If no bid deemed acceptable by the commission and the
12 authority is received, all bids may be rejected, in which
13 event bids may again from time to time be invited and acted on
14 as provided in this section. All such contracts shall be lump
15 sum contracts. All contracts for the entire work on a facility
16 shall be awarded at the same time, but notice to proceed may
17 be withheld until prior work under another contract has
18 progressed to a point where the joint or following work can
19 best be coordinated for the earliest completion of the entire
20 project in a sound and workmanlike manner. Each contract shall
21 be executed by the authority upon the determination of the
22 commission as to the lowest bidder. Payments made by the
23 authority under the construction contracts shall be upon the
24 contractor's written sworn request only if endorsed as
25 approved by the commission or in any lesser amount the
26 commission shall endorse as having been then earned on said
27 contract. After the contracts for a facility have been

1 awarded, such construction cost estimate shall be revised and
2 all extras on the contracts shall be awarded within the funds
3 available. The authority shall pay to the commission as a part
4 of the cost of constructing the facility such sums for the
5 services of its employees as may be mutually agreed between
6 the department and the commission.

7 (b) All projects awarded using bond proceeds
8 authorized by this act shall comply with the provisions of
9 Title 39, except for the construction of regional prison
10 facilities. In constructing, reconstructing, or renovating
11 regional prison facilities, the authority may enter into
12 contracts or agreements with private parties using alternative
13 project delivery methods, including but not limited to
14 design-build, design-build-finance, construction management at
15 risk or public-private partnerships, pursuant to which the
16 design, construction, financing, leasing, and maintenance, or
17 any combination thereof, is accomplished on behalf of the
18 authority by the private party. Regional prison facilities may
19 be individually or jointly awarded using alternative delivery
20 methods if determined by the authority that doing so is in the
21 best interest of the state, and the authority shall report its
22 findings to the Joint Legislative Prison Committee. Before
23 construction proposals are developed and evaluated, project
24 requirements shall be established by expert professionals
25 selected by and working directly for the authority. The
26 Division of Construction Management of the Department of
27 Finance shall establish a project management team that

1 includes, but is not limited to, in-house staff, design
2 professionals, consulting firms, and other experts, and shall
3 develop competitive qualification-based selection policies and
4 procedures for the procurement of contracts or agreements
5 through alternative project delivery methods, including, but
6 not limited to, proposal content, selection criteria,
7 prequalification, applicant interview, proposal evaluation,
8 proposal negotiation, selection and award which will be
9 outlined in each request for proposal. Notwithstanding any
10 provision of law to the contrary, proposals under this section
11 with respect to regional prison facilities that the Authority
12 determines can be more efficiently accomplished by alternative
13 project delivery methods may be evaluated and awarded by the
14 Authority based on the qualifications of participants or best
15 value, or both, as evaluated by the procedures of the Division
16 of Construction Management and taking into consideration the
17 best interest of the State of Alabama. Selection for design
18 and construction contracts shall be based on the bidder's
19 qualifications and best value offered in each bidder's
20 response to project requirements, as established by the
21 authority. The authority is strongly encouraged to award
22 contracts or agreements under the provisions of this
23 subsection that reflect the racial and ethnic diversity of the
24 state. In evaluating and awarding contracts, the authority
25 shall develop and utilize selection criteria giving preference
26 to proposals that include participation by resident
27 contractors and subcontractors and participation by minority

1 contractors, in addition to other quality and performance
2 criteria. All architects and engineers who prepare plans and
3 specifications for these prison facilities shall be duly
4 licensed in the State of Alabama.

5 The successful proposer shall retain resident design
6 professionals that include subsurface investigations,
7 surveying, environmental, civil engineering, electrical
8 engineering, mechanical engineering, structural engineering,
9 and architects familiar with the local project conditions for
10 each project. Notwithstanding the foregoing, each contract
11 entered into pursuant to this act shall require the contractor
12 of the design-build portion of the prison facility contract to
13 comply with Section 39-1-1.

14 "§14-2-34.

15 When all bonds and securities issued by the
16 authority and all obligations assumed by it under the
17 provisions of this chapter shall have been paid in full, the
18 then president of the authority shall thereupon execute and
19 deliver in the name of, and in behalf of, the authority an
20 appropriate deed or deeds, to which the seal of the authority
21 shall be affixed and attested by the secretary of the
22 authority, conveying all facilities and other assets then
23 owned by the authority to the state, except that no such
24 conveyance shall be required if the president of the authority
25 determines that the issuance of additional bonds to finance
26 additional facilities or improvements to existing facilities
27 is contemplated. The then officers and directors of the

1 authority may, in their discretion, at such time file with the
2 Secretary of State a written statement, subscribed and sworn
3 to by each of them, reciting the payment in full of all bonds
4 theretofore issued by the authority and the execution and
5 delivery of such deed or deeds, which statement shall be filed
6 by the Secretary of State and recorded with the certificate of
7 incorporation of the authority, and thereupon the authority
8 shall stand dissolved.

9 Section 5. (a) Separate and apart from the power
10 granted to the authority in regard to the Kilby property in
11 Section 14-2-26 and 14-2-27, and in addition to those powers,
12 the authority shall have the power to sell, convey and lease
13 all or any part of any real and personal property now or
14 hereafter owned by it, together with the improvements thereon
15 and ancillary thereto, that is not being used by the
16 department as a facility, and the sale of which will not
17 impair the outstanding obligations of the authority, and as an
18 aid to the sale or lease, to cause to be prepared by competent
19 real estate experts a land use map and plan. The authority may
20 lease or sell lands and property owned by it without going
21 through the Lands Division or in any other way complying with
22 the provisions of Title 9, Chapter 15, Article 3, Code of
23 Alabama, 1975. The authority must have duly adopted written
24 policies and procedures governing the sale or lease of the
25 property which invoke open competition and produce the best
26 price, to include obtaining an appraisal, advertising the sale
27 or lease and conducting the sale by public auction or publicly

1 sought sealed bid. No such sale or lease shall be made except
2 at public offering, on sealed bids or at auction, and upon
3 such published notice as the authority shall determine to be
4 necessary or desirable in order to attract the greatest
5 interest from prospective bidders.

6 (b) The award of any property offered for sale or
7 lease shall be made to the highest responsible bidder unless
8 all bids shall be rejected as inadequate and other public
9 offering shall be made upon notice republished as prescribed
10 above. Any sale shall be for all cash. Each deed or lease to
11 effectuate any sale or lease shall be signed in the name of
12 the authority by its president, to which the seal of the
13 authority shall be affixed and attested by its secretary.

14 (c) The proceeds of each sale or lease of any such
15 property shall be used first to pay the reasonable and
16 necessary expenses of the sale or lease, and the balance
17 remaining shall be paid to the State Treasurer and held by him
18 in a special account and disbursed on order of the authority
19 for any one or more of the following purposes:

20 (1) To acquire land for, and to construct,
21 reconstruct, renovate, repair, maintain and equip one or more
22 facilities; or

23 (2) To pay for such services, goods, repairs,
24 renovations, construction, demolition, or other activities in
25 or about facilities as may be deemed necessary by the board of
26 the authority in the exercise of its sole discretion, to
27 further the purposes of the authority or the department,

1 including developing of a master plan for the use of the real
2 or personal property that is owned by or which may be acquired
3 by the authority for its statutory purposes, the preparation
4 for sale or lease, or the preservation of, facilities or
5 excess unimproved property owned for the authority; or

6 (3) To pay the principal of, and interest on, its
7 bonds at maturity or upon refunding or redemption.

8 (d) The department will maintain all facilities not
9 being used for the purposes designated in Section 14-2-1(6),
10 and designated for sale, lease, demolition or other
11 disposition, so long as title thereto is held by the
12 authority, to enable the authority to achieve the best
13 possible price or other result upon the sale, lease or other
14 disposition thereof.

15 (e) Upon request of the authority the department
16 shall convey to the authority any real and personal property
17 to which the department holds title and acquired with proceeds
18 of the authority's bonds or income thereon.

19 Section 6. Upon the three regional prison facilities
20 for male inmates becoming operational, the department shall
21 consolidate all operations housing medium or higher custody
22 level male inmates into not more than six independent
23 facilities. This limitation shall not apply if the future male
24 inmate population increases above one hundred twenty-five
25 percent (125%) of design capacity.

26 Section 7. Prior to the closing of a prison or
27 correctional facility, the Department of Corrections shall

1 consider whether the facility has any bonded indebtedness that
2 a governmental entity has undertaken or incurred to serve the
3 existing facility.

4 Section 8. A person or entity submitting a proposal
5 for a project under this act shall disclose both of the
6 following:

7 (1) The names of all lobbyists, attorneys, or other
8 professionals or professional firms hired or retained by the
9 person or entity on or after January 1, 2014.

10 (2) The names of all current or past elected
11 officials or family members as defined in Section 36-25-1(15),
12 Code of Alabama 1975, associated in any manner with the person
13 or entity submitting the proposal or associated in any manner
14 with a subcontractor of the person or entity on or after
15 January 1, 2014.

16 Section 9. Section 29-2-20, Code of Alabama 1975, as
17 last amended by Act 2015-165, 2015 Regular Session, is amended
18 to read as follows:

19 "§29-2-20.

20 "(a) A permanent legislative committee which shall
21 be composed of ~~eight~~ 12 members, two of whom shall be ex
22 officio members and ~~six~~ 10 of whom shall be appointed members,
23 ~~three~~ five each to be appointed by the President of the Senate
24 and Speaker of the House, who shall both serve as the ex
25 officio members, shall be formed to assist in realizing the
26 recommendations of the Legislative Prison Task Force and
27 examine all aspects of the operations of the Department of

1 Corrections. The four additional members appointed on or after
2 the effective date of the act adding this amendatory language
3 shall include two members from the majority party and two
4 members from the minority party. The chairman of the committee
5 shall be selected by and from among the membership. The
6 committee shall make diligent inquiry and a full examination
7 of Alabama's present and long term prison needs and they shall
8 file reports of their findings and recommendations to the
9 Alabama Legislature not later than the fifteenth legislative
10 day of each regular session that the committee continues to
11 exist.

12 (b) The committee shall study and address mental
13 health issues for prisoners reentering the community after a
14 term of imprisonment in order to streamline the sharing of
15 critical mental health information and in order to address
16 barriers to accessing mental health treatment for such
17 prisoners. The committee shall report such findings to the
18 Legislature no later than April 20, 2016, and shall work in
19 conjunction with the following in studying and addressing such
20 issues:

- 21 (1) Department of Corrections;
- 22 (2) Board of Pardons and Paroles;
- 23 (3) Department of Mental Health;
- 24 (4) Administrative Office of Courts;
- 25 (5) Office of Prosecution Services;
- 26 (6) Office of the Attorney General;
- 27 (7) Alabama Law Enforcement Agency;

1 (8) Association of County Commissions of Alabama;
2 (9) Alabama Probate Judges Association;
3 (10) Alabama Sheriffs' Association;
4 (11) Alabama Criminal Defense Lawyers Association;
5 (12) Alabama Circuit Judges' Association;
6 (13) Department of Public Health;
7 (14) Office of the Governor;
8 (15) Alabama District Attorneys Association;
9 (16) Alabama Drug Abuse Task Force; and
10 (17) Any other advocacy groups as determined by the
11 committee.

12 (c) The committee shall study and address issues
13 related to felony restitution collection in order to improve
14 rates of collection for restitution obligations in felony
15 cases and establish best practices relating to a defendant's
16 ability to pay obligations owed. The committee shall report
17 such findings to the Legislature no later than April 20, 2016,
18 and shall work in conjunction with the following in studying
19 and addressing such issues:

- 20 (1) Department of Corrections;
21 (2) Board of Pardons and Paroles;
22 (3) Administrative Office of Courts;
23 (4) Office of Prosecution Services;
24 (5) Office of the Attorney General;
25 (6) Alabama Law Enforcement Agency;
26 (7) Alabama Criminal Defense Lawyers Association;
27 (8) Alabama Circuit Judges' Association;

1 (9) Association of County Commissions of Alabama;
2 (10) Alabama Sheriffs' Association;
3 (11) Alabama Crime Victims Compensation Commission;
4 (12) The Alabama Circuit Clerk's Association;
5 (13) Two crime victims' rights advocates designated
6 by the Attorney General;

7 (14) Two members from the Alabama District Attorneys
8 Association, of which one shall be from a largely populated
9 metropolitan judicial circuit and the other shall be from a
10 small, rurally populated judicial circuit; and

11 (15) Any other advocacy groups as determined by the
12 committee.

13 (d) The committee shall study and address capacity
14 issues within the Department of Corrections to include, but
15 not limited to, the issue of design capacity and operational
16 or functional capacity, as well as the construction of new
17 prison facilities and the renovation of current correctional
18 facilities as they relate to prison overcrowding and public
19 safety. The committee shall report such findings to the
20 Legislature no later than April 20, 2016, and shall work in
21 conjunction with the following in studying and addressing such
22 issues:

- 23 (1) Department of Corrections;
24 (2) Board of Pardons and Paroles;
25 (3) Department of Mental Health;
26 (4) Department of Public Health;
27 (5) Administrative Office of Courts;

- 1 (6) Office of Prosecution Services;
- 2 (7) Office of the Attorney General;
- 3 (8) Alabama Law Enforcement Agency;
- 4 (9) Alabama Drug Abuse Task Force;
- 5 (10) Alabama Criminal Defense Lawyers Association;
- 6 (11) Alabama Circuit Judges' Association;
- 7 (12) Association of County Commissions of Alabama;
- 8 (13) Two members from the Alabama Sheriffs'

9 Association, of which one shall be from a largely populated
10 metropolitan judicial circuit and the other shall be from a
11 small, rurally populated judicial circuit; and

12 (14) Two members from the Alabama District Attorneys
13 Association, of which one shall be from a largely populated
14 metropolitan judicial circuit and the other shall be from a
15 small, rurally populated judicial circuit.

16 (e) The studies and collaborating partners provided
17 for in this section shall reflect the racial, gender,
18 geographic, urban/rural, and economic diversity of the state."

19 Section 10. Section 40-8-3, Code of Alabama 1975, is
20 amended to read as follows:

21 "§40-8-3.

22 There is hereby levied for the purpose and upon the
23 property hereinafter named and not specifically exempted from
24 taxation annual taxes, as follows:

25 (1) For the maintenance of the public schools of
26 this state, \$.30 on each \$100 of the assessed value of taxable
27 property.

1 (2) For the relief of needy Confederate soldiers and
2 sailors, resident citizens of Alabama and their widows, and to
3 secure the obligations of the Alabama Corrections Institution
4 Finance Authority as provided in Title 14, Chapter 2, \$.10 on
5 each \$100 of the assessed value of taxable property of which
6 one percent of the gross amount collected will be expended by
7 the Alabama Historical Commission to provide for capital
8 improvements and maintenance at the Confederate Memorial Park
9 at Mountain Creek, Chilton County, Alabama.

10 (3) For the use of the state and to raise revenue
11 therefor, \$.25 on each \$100 of the assessed value of taxable
12 property.

13 Section 11. Sections 28-3-201, 28-3-202, and
14 28-3-204, Code of Alabama 1975, are amended to read as
15 follows:

16 "§28-3-201.

17 In addition to all other taxes of every kind now
18 imposed by law and in addition to any marked-up price
19 authorized or required by law, there is hereby levied and
20 shall be collected a tax at the rate of 10 percent upon the
21 selling price of all spirituous or vinous liquors sold by the
22 Alabama Alcoholic Beverage Control Board. The tax hereby
23 imposed shall be collected by the board from the purchaser at
24 the time the purchase price is paid. In computing the proceeds
25 of this tax, the board shall divide the total sales of
26 spirituous and vinous liquors made by it by a factor of 110
27 and multiply the quotient by 100 and by 10. An amount equal to

1 the quotient multiplied by 100 shall be deposited in the State
2 Treasury to the credit of the Alcoholic Beverage Control Board
3 Store Fund and an amount equal to the quotient multiplied by
4 10 shall be deposited in the State Treasury to ~~the credit of~~
5 ~~the Public Welfare Trust Fund and shall be used for general~~
6 ~~welfare purposes and is hereby appropriated therefor.~~ to be
7 distributed as follows:

8 (1) A sum equal to the amount necessary to pay the
9 principal of and interest on bonds issued by the Alabama
10 Corrections Institution Finance Authority as and to the extent
11 provided in Section 14-2-21, shall be distributed to the
12 authority.

13 (2) The remainder shall be distributed to the Public
14 Welfare Trust Fund.

15 "§28-3-202.

16 (a) Repealed by Acts 1986, No. 86-212, p. 264, §3.

17 (b) Levy; collection; disposition of proceeds. In
18 addition to all other taxes of every kind now imposed by law
19 and in addition to any marked-up price authorized or required
20 by law, there is hereby levied and shall be collected a tax at
21 the rate of 10 percent upon the selling price of all
22 spirituous or vinous liquors sold by the board. The tax
23 imposed by this subsection shall be collected by the board
24 from the purchaser at the time the purchase price is paid. One
25 half of the proceeds derived from the tax shall be deposited
26 in the State Treasury to be distributed as follows: (1) a sum
27 equal to the amount necessary to pay the principal of and

1 interest on bonds issued by the Alabama Corrections
2 Institution Finance Authority as and to the extent provided in
3 Section 14-2-21, shall be distributed to the authority; and
4 (2) the remainder shall be distributed to the credit of the
5 Public Welfare Trust Fund and shall be used for general
6 welfare purposes and is hereby appropriated therefor. The
7 remainder of such proceeds from the tax levied by this
8 subsection shall be deposited in the State Treasury to the
9 credit of a special fund which shall be designated the Alabama
10 Special Mental Health Fund and shall be used only for mental
11 health purposes, including the prevention of mental illness,
12 the care and treatment of the mentally ill and the mentally
13 deficient and the acquisition, equipment, operation and
14 maintenance of facilities for mental health purposes.

15 The markup as currently established by the board on
16 spirituous or vinuous liquors shall not be reduced by the
17 board for the purpose of absorbing the tax levied by this
18 subsection, it being the intention of this provision that the
19 said tax shall be passed on to the purchaser.

20 "§28-3-204.

21 (a) Repealed by Acts 1986, No. 86-212, p. 264, §3.

22 (b) Levy and collection. In addition to all other
23 taxes of every kind now imposed by law and in addition to any
24 marked-up price authorized or required by law, there is hereby
25 levied and shall be collected a tax at the rate of three
26 percent upon the selling price of all spirituous or vinous
27 liquors sold by the board.

1 The board shall have the authority to examine the
2 books and records of any wine wholesaler to determine the
3 accuracy of any return required to be filed with the board.

4 The markup as currently established by the board on
5 spirituous or vinous liquors shall not be reduced by the board
6 for the purpose of absorbing the tax levied in this
7 subsection, it being the intention of this provision that the
8 said tax shall be passed on to the purchaser.

9 (c) Distribution of proceeds. One half of the
10 proceeds derived from the tax shall be deposited in the State
11 Treasury to be distributed as follows: (1) a sum equal to the
12 to the amount necessary to pay the principal of and interest
13 on bonds issued by the Alabama Corrections Institution Finance
14 Authority as and to the extent provided in Section 14-2-21,
15 shall be distributed to the Authority; and (2) the remainder
16 shall be distributed the credit of the Public Welfare Trust
17 Fund and shall be used for general welfare purposes and is
18 hereby appropriated therefor. The remainder of such proceeds
19 from the tax levied by this section shall be deposited in the
20 State Treasury to the credit of a special fund which shall be
21 designated the Special Mental Health Fund and shall be used
22 only for mental health purposes, including the prevention of
23 mental illness, the care and treatment of the mentally ill and
24 the mentally deficient and the acquisition, equipment,
25 operation and maintenance of facilities for mental health
26 purposes.

1 Section 12. Section 38-4-12, Code of Alabama 1975,
2 is amended to read as follows:

3 "§38-4-12.

4 (a) Except as provided in subsection (b), there is
5 appropriated, beginning with the fiscal year ending September
6 30, 1998, ~~to the state department, for old age pension~~
7 ~~purposes,~~ out of the proceeds from the levy of the one mill
8 tax ~~for the relief of needy Confederate soldiers and sailors~~
9 ~~and their widows,~~ a sum not to exceed \$20,773,500 annually of
10 the surplus or residue from the tax after the payment in full
11 of the pensions to the widows of Confederate soldiers and
12 sailors to pay the principal of and interest on bonds issued
13 by the Alabama Corrections Institution Finance Authority as
14 and to the extent provided in Section 14-2-21, and then to the
15 State Department, for old-age pension purposes, other charges
16 against the fund set out in the laws authorizing the payment
17 of the pensions to the widows, and annually to the Department
18 of Revenue, as a first charge against the proceeds of the one
19 mill tax, funds for the annual costs of the Department of
20 Revenue for administering the tax. In making this
21 appropriation, it is declared to be the legislative policy
22 that the Department of Human Resources shall expend its
23 portion of the surplus or residue hereby appropriated and all
24 moneys received by it from the federal government as matching
25 funds for all funds expended for Confederate pensions or as
26 matching funds for the surplus or residue hereby appropriated
27 under this section, for old age pension purposes exclusively

1 insofar as is possible under existing laws and the rules and
2 regulations of the federal government and of the Department of
3 Human Resources in regard thereto, before any part thereof may
4 be expended for any other purposes of the Department of Human
5 Resources.

6 (b) Beginning with the fiscal year ending September
7 30, 1997, all of the remaining surplus or residue from the tax
8 provided in (a) above, after deducting the amounts
9 appropriated to the Department of Human Resources and the
10 Department of Revenue under the annual appropriations act for
11 the fiscal year ending September 30, 1997, and under
12 subsection (a) of this section for each year thereafter, is
13 hereby appropriated to the State Veterans' Assistance Fund to
14 be expended for veterans' programs approved by the State Board
15 of Veterans' Affairs, including expenditures for emergencies
16 and needs in the state's veterans' nursing homes.

17 Section 13. (a) Beginning January 2, 2018, and every
18 six months thereafter until the annual reports begin on the
19 date on which the first bond issue payment is due, the
20 Commissioner of the Department of Corrections shall prepare a
21 report on the progress of prison construction activities in
22 the state during the previous six-month period. The report
23 shall include, but not be limited to, expenditures, savings,
24 cost-analyses, and the number of agreements entered into,
25 including design-build, construction, architectural, and legal
26 agreements.

1 (b) The Commissioner of the Department of
2 Corrections shall report his or her findings to the Joint
3 Legislative Prison Committee, the House Ways and Means General
4 Fund Committee, the Senate Committee on Finance and Taxation
5 General Fund, and any other appropriate House and Senate
6 Standing Committee.

7 Section 14. The provisions of this act are
8 severable. If any part of this act is declared invalid or
9 unconstitutional, that declaration shall not affect the part
10 which remains.

11 Section 15. This act shall become effective
12 immediately following its passage and approval by the
13 Governor, or its otherwise becoming law.