

1 HB93
2 172428-2
3 By Representatives Baker and Jones (N & P)
4 RFD: Local Legislation
5 First Read: 03-FEB-16

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ENROLLED, An Act,

Relating to Escambia County; to amend Section 45-27-246.30 of the Code of Alabama 1975, relating to the Escambia Oil and Gas Severance Trust, to further provide for investments in certificates of deposit.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 45-27-246.30 of the Code of Alabama 1975, is amended to read as follows:

"§45-27-246.30.

"(a) The Legislature recognizes that there has been a certain windfall to Escambia County paid during the fiscal year 1983-84 and arising under the oil and gas severance tax levied under provisions of Section 40-20-2, and distributed under Section 40-20-8. The legislative intent of this section is to establish a trust fund, the corpus of which is to be composed of four million dollars (\$4,000,000) from the oil and gas severance tax paid to Escambia County during the fiscal year of 1983-84 together with 20 percent of the annual income thereon each year during the existence of this trust beginning with the fiscal year 1984-85.

"(b) Subject to any limitation of the Constitution of Alabama of 1901, or of any general law of this state, the Escambia County Commission shall establish a trust fund which shall be entitled the Escambia County Oil and Gas Severance

1 Trust and which shall hereafter in this section be referred to
2 as the trust. The Escambia County Commission shall pay into
3 the trust four million dollars (\$4,000,000) of the oil and gas
4 severance tax paid to Escambia County during the fiscal year
5 1983-84 together with 20 percent of the income thereon
6 beginning with fiscal year 1984-85 and each year thereafter
7 during the existence of the trust. Such amounts so deposited
8 shall be referred to as the corpus of the trust.

9 "(c) The members of the Escambia County Commission,
10 or their successors in office, shall constitute the trustees
11 of the trust. Provided, however, the members of the Escambia
12 County Commission, or their successors in office, may in their
13 discretion, appoint one or more trustees or escrow agents for
14 the trust, which trustees or escrow agents shall be trust
15 companies or national or state banks having powers of a trust
16 company within or without the State of Alabama. The trustees
17 shall invest the corpus of the trust either directly or
18 indirectly in securities otherwise eligible for the Security
19 for Alabama Funds Enhancement (SAFE) program, as defined in
20 Section 41-14-35, or as otherwise authorized by law. Provided,
21 however, that notwithstanding any legal limitation that might
22 otherwise be applicable, the trustees ~~shall further have the~~
23 ~~authority in their discretion to~~ may invest such trust fund in
24 certificates of deposit of any savings and loan associations
25 or banks whether federally or state chartered ~~whose principal~~

1 ~~office is located in the state,~~ provided that ~~such~~ the funds
2 so invested are fully secured by pledge of eligible SAFE
3 program securities, as defined in Section 41-14-35, from the
4 issuing bank or are fully insured by the Federal Deposit
5 Insurance Corporation (FDIC).

6 "(d) Beginning with the fiscal year 1984-85, up to
7 80 percent of the income from investments shall be distributed
8 quarterly, semi-annually, or annually as designated by the
9 trustees to the General Fund of Escambia County.

10 "(e) The provisions of this section shall not
11 terminate at the end of 20 years from the date of enactment,
12 unless a majority of the qualified electors of the county vote
13 to terminate the provisions of this section at a special
14 election called for such purpose."

15 Section 2. This act shall become effective
16 immediately following its passage and approval by the
17 Governor, or its otherwise becoming law.

