

1 HB315  
2 156456-1  
3 By Representatives Scott, Melton, Coleman-Evans, Ford, Black,  
4 McCampbell, Boyd and Buskey  
5 RFD: Ways and Means Education  
6 First Read: 21-JAN-14

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8 SYNOPSIS: This bill would repeal Act 2011-3, HB57,  
9 2011 Regular Session, the Education Trust Fund  
10 Rolling Reserve Act, providing for the maximum  
11 amount that may be appropriated annually from the  
12 Education Trust Fund; and to provide for the  
13 establishment and operation of a budget  
14 stabilization fund and a capital fund for the  
15 Education Trust Fund and repealing Section  
16 40-1-32.1, Code of Alabama 1975.

17 This bill would reenact Section 40-1-32.1,  
18 Code of Alabama 1975, providing for the Education  
19 Trust Fund Proration Account.  
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21 A BILL  
22 TO BE ENTITLED  
23 AN ACT  
24

25 To repeal Act 2011-3, HB57, 2011 Regular Session,  
26 the Education Trust Fund Rolling Reserve Act, providing for  
27 the maximum amount that may be appropriated annually from the

1 Education Trust Fund; and to reenact Section 40-1-32.1, Code  
2 of Alabama 1975, providing for the Education Trust Fund  
3 Proration Account.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. Act 2011-3, HB57, 2011 Regular Session,  
6 the Education Trust Fund Rolling Reserve Act, is repealed.

7 Section 2. Section 40-1-32.1, Code of Alabama 1975,  
8 is reenacted to read as follows:

9 §40-1-32.1. Education Trust Fund Proration  
10 Prevention Act.

11 (a) Short title. This section shall be known as the  
12 Education Trust Fund Proration Prevention Act of 1988.

13 (b) Establishment of Proration Prevention Account.  
14 There is hereby created and shall be a distinct and separate  
15 fund established within the State Treasury to be known as the  
16 Education Trust Fund Proration Prevention Account to which  
17 monies shall be deposited as provided herein for the purpose  
18 of preventing proration of funds which have been appropriated  
19 by the Legislature from the Education Trust Fund. Monies which  
20 accrue in the Education Trust Fund Proration Prevention  
21 Account shall not be subject to appropriation except as  
22 provided in this section.

23 (c) Appropriations. The following monies are hereby  
24 appropriated to the Education Trust Fund Proration Prevention  
25 Account: Beginning on October 1, 2008, and on October 1 of  
26 each fiscal year thereafter, there is hereby appropriated into  
27 the Education Trust Fund Proration Prevention Account,

1 established in subsection (b), 75 percent of the ending  
2 balance in the Education Trust Fund from the preceding fiscal  
3 year that was unanticipated and unappropriated by the  
4 Legislature as a beginning balance in the current fiscal year.  
5 The Legislature shall set forth the amount of the beginning  
6 balance anticipated and appropriated in the Education Trust  
7 Fund appropriation act each year beginning in the Education  
8 Trust Fund appropriation act for the fiscal year beginning  
9 October 1, 1999. The Finance Director shall transfer 75  
10 percent of the unanticipated and unappropriated beginning  
11 balance by October 15 of each year.

12 (d) Withdrawals. Money in the Education Trust Fund  
13 Proration Prevention Account may be withdrawn only:

14 (1) To prevent proration in the Education Trust  
15 Fund. The Governor of the State of Alabama must certify to the  
16 Comptroller and notify the Legislature that proration would  
17 occur in the Education Trust Fund before funds could be  
18 withdrawn. Upon the certification by the Governor, withdrawals  
19 may be executed under the direction of the Governor; however,  
20 withdrawals must be limited to the amount of the anticipated  
21 proration and funds allotted only to the extent necessary to  
22 avoid proration of appropriations in the Education Trust Fund.

23 (2) By an act of the Legislature with a recorded  
24 vote of at least two-thirds of the membership of each  
25 legislative chamber.

26 (e) Repayment. Monies withdrawn under the provisions  
27 of subsection (d) shall be repaid as provided by the

1 Legislature at its discretion. Repayment of funds may be  
2 suspended during those fiscal years in which the Education  
3 Trust Fund is actually prorated. Repayment of monies withdrawn  
4 from the account shall not be required during a fiscal year in  
5 which the repayment will cause proration.

6 (f) Interest. Any monetary interest which accrues in  
7 the Proration Prevention Account shall be retained in the  
8 account from year to year and shall be subject only to the  
9 provisions of this section.

10 (g) Reversion to trust fund. Any amount of money in  
11 the Proration Prevention Account which is in excess of 10  
12 percent of the preceding year's Education Trust Fund  
13 appropriations act shall revert back to the Education Trust  
14 Fund for the support and maintenance of public education.

15 Section 3. This act shall become effective on the  
16 first day of the third month following its passage and  
17 approval by the Governor, or its otherwise becoming law.