

1 HB102
2 147733-4
3 By Representative Buttram
4 RFD: Ways and Means Education
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ENROLLED, An Act,

To provide for The 21st Century Workforce Act; to authorize the Alabama Public School and College Authority to sell and issue up to \$50,000,000 in aggregate principal amount of additional bonds to provide funds for career and technical education equipment for local boards of education; to authorize the authority to provide for the details of the bonds and the sale and issuance thereof; to make an appropriation and pledge for payment of the principal of and interest on the bonds from specific taxes necessary to pay the principal and interest at their respective maturities; to authorize the authority to pledge for payment of the principal of and interest on the bonds the funds that are appropriated and pledged; to provide for the investment of funds by the State Treasurer; to provide that the bonds not constitute a debt of the state but shall be limited obligations payable out of the funds appropriated and pledged therefor; to provide that the bonds and the income therefrom shall be exempt from taxation in this state and that the bonds may be used to secure deposits of funds of this state and its political subdivisions, instrumentalities, and agencies, and for investment of fiduciary funds; to authorize the authority to establish procedures and requirements to ensure compliance with tax covenants with which the authority must comply; to

1 exempt the bonds from the usury laws of the state; to
2 authorize the authority to issue refunding bonds and give
3 details of such refunding; to provide for the employment of
4 attorneys, fiscal advisors, trustees, paying agents,
5 investment bankers, banks and underwriters and for the payment
6 of all expenses incurred in the issuance of the bonds; to
7 provide that after payment of the expenses of the issuance of
8 the bonds the proceeds from the sale thereof shall be
9 disbursed on orders or warrants issued by or under the
10 direction of the authority for the purposes for which the
11 bonds are authorized to be issued; to provide for the timely
12 expenditure of the proceeds from the sale of the bonds; to
13 provide that if any portion of this act should be held invalid
14 such holding shall not affect the validity of any other
15 portion thereof; and to authorize the authority to reimburse
16 the Building Commission, the Department of Finance, and the
17 State Treasurer's Office for costs incurred in providing
18 services for the authority.

19 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

20 Section 1. This act shall be known as The 21st
21 Century Workforce Act. Wherever used in this act, the
22 following terms shall have the following meanings
23 respectively, unless the context clearly indicates otherwise:

1 (1) 1965 Act. Act No. 243 enacted at the 1965 First
2 Special Session of the Legislature, codified as Title 16,
3 Chapter 16, Code of Alabama 1975.

4 (2) 1971 Acts. Act No. 94 enacted at the 1971 First
5 Special Session of the Legislature, Act No. 2428 enacted at
6 the 1971 Regular Session of the Legislature, and Act No. 56
7 enacted at the 1971 Second Special Session of the Legislature.

8 (3) 1973 Act. Act No. 1277 enacted at the 1973
9 Regular Session of the Legislature as amended by Act No. 73
10 enacted at the 1975 Third Special Session of the Legislature
11 and Act No. 1223 enacted at the 1975 Regular Session of the
12 Legislature.

13 (4) 1978 Act. Act No. 138 enacted at the 1978 Second
14 Special Session of the Legislature, as amended by Act No.
15 79-41 enacted at the 1979 Special Session of the Legislature
16 and Act No. 81-827 enacted at the 1981 Regular Session of the
17 Legislature.

18 (5) 1985 Act. Act No. 85-943 enacted at the 1985
19 Second Special Session of the Legislature.

20 (6) 1990 Act. Act No. 90-280 enacted at the 1990
21 Regular Session of the Legislature.

22 (7) 1995 Act. Act No. 95-752 enacted at the 1995
23 Regular Session of the Legislature.

24 (8) 1998 Act. Act No. 98-373 enacted at the 1998
25 Regular Session of the Legislature.

1 (9) 1999 Act. Act No. 99-348 enacted at the 1999
2 Regular Session of the Legislature.

3 (10) 2001 Act. Act No. 2001-668 enacted at the 2001
4 Regular Session of the Legislature.

5 (11) 2002 Act. Act No. 2002-240 enacted at the 2002
6 Regular Session of the Legislature.

7 (12) 2003 Act. Act No. 2003-436 enacted at the 2003
8 Second Special Session of the Legislature.

9 (13) 2007 Act. Act No. 2007-415 enacted at the 2007
10 Regular Session of the Legislature.

11 (14) 2010 Act. Act No. 2010-720 enacted at the 2010
12 Regular Session of the Legislature.

13 (15) AUTHORITY. The Public School and College
14 Authority.

15 (16) ACCELERATE ALABAMA PLAN. The plan developed by
16 the Economic Development Partnership of Alabama (EDPA).

17 (17) BONDS. Except where that word is used with
18 reference to bonds issued under another act, those bonds,
19 other than refunding bonds, issued under the provisions of
20 this act.

21 (18) CAPITAL IMPROVEMENT. Capital outlay projects
22 that include the planning, designing, inspection, purchasing,
23 construction, reconstruction, enlargement, improvement,
24 repair, or renovation of permanent buildings containing
25 classrooms, offices, libraries, laboratories, clinical or

1 teaching facilities, dormitories, vocational and professional
2 and industrial training facilities, research facilities,
3 academic structures to reduce portable classrooms or
4 substandard classroom facilities, related improvements and
5 land as sites therefor, together with furnishings and
6 equipment required for the operation of the facilities and the
7 programs provided therein.

8 (19) CAREER AND TECHNICAL EDUCATION. Education that
9 prepares youth (K-12) and adults for careers as related to
10 industry needs in jobs that may not require a college degree.

11 (20) COMMISSION. The Building Commission created by
12 Section 41-9-140, Code of Alabama 1975, and its successors as
13 the state agency for awarding construction contracts and
14 supervising construction.

15 (21) DEPARTMENT. Alabama Department of Education.

16 (22) GOVERNMENT SECURITIES. Any bonds or other
17 obligations which as to principal and interest constitute
18 direct obligations of, or are unconditionally guaranteed by,
19 the United States of America, including obligations of any
20 federal agency to the extent such obligations are
21 unconditionally guaranteed by the United States of America and
22 any certificates or any other evidences of an ownership
23 interest in such obligations of, or unconditionally guaranteed
24 by, the United States of America or in specified portions

1 thereof (which may consist of the principal thereof or the
2 interest thereon).

3 (23) LEGISLATURE. The Legislature of Alabama.

4 (24) PERMITTED INVESTMENTS. (i) Government
5 Securities; (ii) bonds, debentures, notes, or other evidences
6 of indebtedness issued by any of the following agencies: Bank
7 for Cooperatives; Federal Intermediate Credit Banks; Federal
8 Financing Bank; Federal Home Loan Banks; Federal Farm Credit
9 Bank; Export-Import Bank of the United States; Federal Land
10 Banks; or Farmers Home Administration or any other agency or
11 corporation which has been or may hereafter be created by or
12 pursuant to an act of the Congress of the United States as an
13 agency or instrumentality thereof; (iii) bonds, notes, pass
14 through securities, or other evidences of indebtedness of
15 Government National Mortgage Association and participation
16 certificates of Federal Home Loan Mortgage Corporation; (iv)
17 full faith and credit obligations of any state, provided that
18 at the time of purchase such obligations are rated at least
19 "AA" by Standard & Poor's Ratings Group and at least "Aa" by
20 Moody's Investors Service; (v) public housing bonds issued by
21 public agencies or municipalities and fully secured as to the
22 payment of both principal and interest by contracts with the
23 United States of America, or temporary notes, preliminary
24 notes, or project notes issued by public agencies or
25 municipalities, in each case fully secured as to the payment

1 to both principal and interest by a requisition or payment
2 agreement with the United States of America; (vi) time
3 deposits evidenced by certificates of deposit issued by banks
4 or savings and loan associations which are members of the
5 Federal Deposit Insurance Corporation, provided that, to the
6 extent such time deposits are not covered by federal deposit
7 insurance, such time deposits (including interest thereon) are
8 fully secured by a pledge of obligations described in clauses
9 (i), (ii), (iii), and (v) above, which at all times have a
10 market value not less than the amount of such bank time
11 deposits required to be so secured and which meet the greater
12 of 100 percent collateralization or the "AA" collateral levels
13 established by Standard & Poor's Ratings Group for structured
14 financings; (vii) repurchase agreements for obligations of the
15 type specified in clauses (i), (ii), (iii), and (v) above,
16 provided such repurchase agreements are fully collateralized
17 and secured by such obligations which have a market value at
18 least equal to the purchase price of such repurchase
19 agreements which are held by a depository satisfactory to the
20 State Treasurer in such manner as may be required to provide a
21 perfected security interest in such obligations, and which
22 meet the greater of 100 percent collateralization or the "AA"
23 collateral levels established by Standard & Poor's Ratings
24 Group for structured financings; and (viii) uncollateralized
25 investment agreements with, or certificates of deposit issued

1 by, banks or bank holding companies, the senior long-term
2 securities of which are rated at least "AA" by Standard &
3 Poor's Ratings Group and at least "Aa" by Moody's Investors
4 Service.

5 (25) REGIONAL WORKFORCE DATA. Economic data
6 assessing current and anticipated jobs requiring workforce
7 readiness skills compiled for each of the 10 workforce regions
8 in Alabama by the Department of Labor and other entities.

9 (26) REFUNDING BONDS. Those refunding bonds issued
10 under the provisions of this act.

11 (27) STATE. The State of Alabama.

12 (28) TRUST FUND. The Education Trust Fund, formerly
13 designated as the Alabama Special Educational Trust Fund, the
14 name of which was changed to the Education Trust Fund,
15 effective October 1, 1996, pursuant to Act No. 95-264 enacted
16 at the 1995 Regular Session of the Legislature.

17 (29) WORKFORCE READY SKILLS. Academic and
18 employability skills, providing opportunities to students for
19 preparation and assessment, and connecting with business and
20 industry.

21 Nouns and pronouns when used in this act shall be
22 deemed to include both singular and plural and all applicable
23 genders.

24 Section 2. The purpose of this act is to provide new
25 equipment purchases for career and technical education

1 programs in local boards of education in order to ensure that
2 programs meet current business and industry standards to
3 provide students with the training and skills necessary to
4 provide a workforce for new, existing, or expanding jobs.

5 Section 3. The Legislature finds that the number of
6 students receiving Alabama Secondary Workforce Development
7 training will need to increase if alignment of industry
8 training is expected to meet the needs of each workforce
9 region based on industry sectors and regional workforce data.
10 Workforce development training begins in secondary schools
11 where a need for current industry defined equipment is
12 critical to meet the training defined by industry in a 21st
13 century training environment.

14 Section 4. (a) The authority is hereby authorized to
15 sell and issue its bonds in the aggregate principal amount of
16 up to fifty million dollars (\$50,000,000) to provide funds for
17 career and technical education equipment for local boards of
18 education. The bonds authorized in this act to be issued by
19 the authority shall be in addition to all other bonds
20 previously authorized to be issued by the authority, and the
21 powers conferred on the authority by this act are in addition
22 to all other powers heretofore conferred on the authority by
23 acts heretofore enacted by the Legislature.

24 (b) Proceeds from the sale of the bonds and the
25 earnings thereon shall be paid out from time to time on orders

1 or warrants issued by or at the direction of the authority to
2 provide equipment for career and technical education programs
3 in order to meet industry standards by utilizing needs
4 assessments provided by local education agencies (LEAs) that
5 reference industry developed equipment lists. Program
6 offerings will be determined based upon regional workforce
7 data utilizing the Accelerate Alabama Plan and identifying
8 local program needs as they relate to addressing industry
9 skills, gaps, and needs. Specifically, the proceeds from the
10 sale of the bonds and the earnings thereof shall be
11 distributed to the State Department of Education to be
12 allocated as follows:

13 (1) Ten million dollars (\$10,000,000) to be
14 allocated to each local board of education, pro rata, based on
15 the number of Career Technical Education units operating in
16 each local board of education during the 2012-2013 school
17 year;

18 (2) Twenty million dollars (\$20,000,000) to be
19 allocated to each local board of education, pro rata, based on
20 the number of students in each local board of education's
21 Career Technical Education program during the 2012-2013 school
22 year; and

23 (3) Twenty million dollars (\$20,000,000) to be
24 allocated to the 21st Century Workforce Fund created in
25 subsection (c).

1 (c) (1) There is hereby created the 21st Century
2 Workforce Fund. Twenty million dollars (\$20,000,000) from the
3 first series of bonds issued pursuant to this act shall be
4 deposited into the fund. Distributions from the fund may only
5 be made by the 21st Century Workforce Grant Committee created
6 in subsection (c) (2).

7 (2) There is hereby created the 21st Century
8 Workforce Grant Committee. The committee shall be made up of
9 the State Superintendent of Education, who shall serve as
10 chair of the committee; the Secretary of Commerce, who shall
11 serve as vice-chair of the committee; the Director of the
12 Alabama Industrial Development Training Institute; the
13 Director of the State Department of Education's Office of
14 Career Technical Education and Workforce Development; the
15 Chancellor of the Alabama College System; and one member,
16 appointed by the Governor, who serves on the Governor's
17 College and Career Ready Task Force. The committee shall
18 allocate funds deposited into the 21st Century Workforce Fund,
19 but only to reimburse career and technical education programs
20 for expenses related to purchasing equipment necessary for
21 those programs to meet industry standards, as determined by
22 needs assessments provided by local education agencies that
23 reference industry developed equipment lists. Authorized
24 reimbursements from the 21st Century Workforce Fund will be
25 determined by the committee based upon regional workforce data

1 utilizing the Accelerate Alabama Plan and local program
2 equipment purchases as they relate to addressing industry
3 skills, gaps, and needs.

4 Consideration will be given to collaborating
5 industry partners who commit leveraged resources in
6 partnership with K-12 and Post-Secondary.

7 The membership of the committee shall be inclusive
8 and shall reflect the racial, gender, geographic, urban/rural,
9 and economic diversity of the state.

10 (3) Local education agencies applying for grants
11 from the committee shall make application to members of the
12 committee on a form or in a format prescribed by the chair of
13 the committee. Upon the deposit of monies into the 21st
14 Century Workforce Fund, the committee shall meet at least
15 quarterly to consider grant applications. Meetings of the
16 committee shall be called by the chair or the vice-chair.
17 ~~Three~~ Four members of the committee shall constitute a quorum
18 and ~~three~~ four members of the committee must be present and
19 vote affirmatively for the approval of any grant application.
20 Meetings of the committee shall be open to the public and
21 notice of such meetings shall comply with all applicable open
22 records and open meetings laws.

23 (4) Within 10 calendar days after the committee
24 authorizes any distributions from the fund, the chair of the
25 committee shall report to the Governor, the Lieutenant

1 Governor, the Speaker of the House of Representatives, the
2 Senate President Pro Tempore, the Chair of the House Ways and
3 Means - Education Committee, and the Chair of the Senate
4 Finance and Taxation - Education Committee the recipient of
5 each distribution, the amounts provided to each recipient, and
6 the purpose of each allocation.

7 Section 5. The bonds shall be signed by the
8 president or vice president of the authority and the seal of
9 the authority shall be affixed thereto (or a facsimile thereof
10 imprinted thereon) and attested by its secretary. All
11 signatures of the president, vice president, and secretary may
12 be facsimile signatures if the authority, in its proceedings
13 with respect to issuance, provides for manual authentication
14 (which may be in the form of a certificate as to registration)
15 of the bonds by a trustee, registrar, or paying agent or by
16 named individuals who are employees of the state and who are
17 assigned to the Finance Department or State Treasurer's
18 Office. All bonds bearing signatures or facsimiles of the
19 signatures of officers of the authority in office on the date
20 of signing thereof shall be valid and binding notwithstanding
21 that before the delivery thereof and payment therefor, any
22 officer whose signature appears thereon shall have ceased to
23 be an officer of the authority. The bonds and the income
24 therefrom shall be exempt from all taxation in the State of
25 Alabama, may be used as security for deposits, and shall be

1 eligible for investments of fiduciary funds, as provided in
2 the 1965 Act. The bonds shall be construed to have all the
3 qualities and incidents of negotiable instruments subject to
4 any registration provisions pertaining to transfers. The
5 authority and the bonds shall be exempt from all laws of the
6 state governing usury including, without limitation, the
7 provisions of Title 8, Chapter 8, Code of Alabama 1975, or any
8 subsequent statute of similar import. The bonds shall be in
9 such form or forms and denomination or denominations and of
10 such tenor and maturities, shall bear such rate or rates of
11 interest payable and evidenced in such manner, may be made
12 subject to redemption prior to their maturities, and may
13 contain provisions not inconsistent with this act, all as may
14 be provided by the resolution of the authority under which the
15 bonds may be issued; provided, that no bonds shall have a
16 specified maturity date later than twenty years after their
17 date; and provided further, that those bonds having maturities
18 more than ten years after their date shall be subject to
19 redemption at the option of the authority on any date on and
20 after the tenth anniversary after their date at such
21 redemption price or prices and under such conditions as may be
22 prescribed in the proceedings of the authority under which
23 they are issued. For the purpose of paying the principal of,
24 premium, if any, and interest on the bonds or any refunding
25 bonds, the authority shall designate the State Treasurer or

1 such bank or banks as the authority, in its discretion,
2 determines to be appropriate and desirable. Funds for the
3 payment of debt service shall be transferred by the authority
4 or the State Treasurer on behalf of the authority to the
5 designated paying agent on the actual due date of such
6 principal, premium, if any, or interest.

7 Section 6. The bonds may be sold by the authority
8 from time to time in series, and if sold in more than one
9 series, may all be authorized in one initial resolution of the
10 authority with the pledges therefor made by the authority in
11 such initial resolution although some of the details
12 applicable to each series may be specified in the respective
13 resolutions under which the different series are issued. The
14 authority, in the course of establishing, by resolution, a
15 principal amount of bonds to be authorized for sale at any
16 given time, or to be sold in any series, may take into account
17 the existence of any unexpended proceeds of prior issues of
18 bonds of the authority (and of any other issuer, if such
19 should be deemed by the authority to be relevant), and may
20 structure the portions of the allocations provided for in
21 Section 10 of this act to be distributed from the proceeds of
22 a particular series (constituting less than all the bonds
23 authorized by this act) as the authority deems necessary or
24 prudent in order to enable the authority to comply with any
25 tax covenants that may be required of it, or that may be

1 deemed by it to be prudent to be given by it, in connection
2 with the sale of any series of the bonds. Each series of the
3 bonds shall be sold at competitive bid and at such price or
4 prices and at such time or times as the authority may consider
5 advantageous. Bonds sold by competitive bid must be sold to
6 the bidder whose bid reflects the lowest effective borrowing
7 cost to the authority on the series of the bonds being sold;
8 provided, that if no bid acceptable to the authority is
9 received it may reject all bids. Notice or summary notice of
10 each such sale by competitive bids shall be given by
11 publication in either a financial journal or a financial
12 newspaper published in the City of New York, New York, and
13 also by publication in a newspaper published in the state
14 which is customarily published not less often than five days
15 during each calendar week, each of which notices must be
16 published at least one time not less than ten days prior to
17 the date fixed for the sale or, in the event no bid acceptable
18 to the authority is received at any such sale and the bonds so
19 offered are thereafter reoffered on the same terms and
20 conditions, not less than five days prior to the date fixed
21 for sale. The authority may fix the method and the terms and
22 conditions under which the sale of any series of the bonds may
23 otherwise be held; provided, that the terms and conditions
24 shall not conflict with any requirement of this act. Approval
25 by the Governor of Alabama of the terms and conditions under

1 which any bonds may be issued shall be requisite to their
2 validity. Before any series of the bonds shall be offered for
3 sale by the authority, the Governor shall first determine that
4 the issuance of that series of bonds and the application of
5 the taxes pledged to the payment of the principal of the bonds
6 as they mature and interest thereon as the same shall come due
7 will not impair the adequacy of the trust fund to pay
8 appropriations therefrom and to support the public schools and
9 institutions of higher learning during the period over which
10 the bonds will mature. The Governor's determination shall be
11 in writing signed by the Governor and that determination shall
12 be final and conclusive. Neither a public hearing nor consent
13 of the state Department of Finance or any other department or
14 agency shall be a prerequisite to the issuance of any of the
15 bonds.

16 Section 7. For the purpose of providing for payment
17 of the principal of, premium, if any, and interest on the
18 bonds and to accomplish the objectives of this act, there is
19 hereby irrevocably pledged to those purposes, and hereby
20 appropriated, such amount as may be necessary therefor from
21 the following sources:

22 (a) The residue of the receipts from the excise tax
23 ("the utility gross receipts tax") levied by Title 40, Chapter
24 21, Article 3, Code of Alabama 1975, as amended ("Article 3"),
25 remaining after payment of the expenses of administration and

1 enforcement of Article 3, being that portion of the tax that
2 is required by Article 3 to be deposited in the State Treasury
3 to the credit of the trust fund, after there shall have been
4 taken from the residue the amount necessary to pay at their
5 respective maturities the principal of and interest on those
6 bonds issued by the authority under the 1965 Act, 1971 Acts,
7 the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act, the
8 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the 2002
9 Act, the 2003 Act, the 2007 Act, the 2010 Act, or this act
10 that may be outstanding at the time of the delivery of the
11 respective series of the bonds authorized herein;

12 (b) The residue of the receipts from the excise tax
13 ("the utility service use tax") levied by Title 40, Chapter
14 21, Article 4, Code of Alabama 1975 ("Article 4"), remaining
15 after payment of the expenses of administration and
16 enforcement of Article 4, being that portion of the tax that
17 is required by Article 4 to be deposited in the State Treasury
18 to the credit of the trust fund, after there shall have been
19 taken from the residue the amount necessary to pay at their
20 respective maturities the principal of and interest on those
21 bonds issued by the authority under the 1965 Act, the 1971
22 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act,
23 the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the
24 2002 Act, the 2003 Act, the 2007 Act, the 2010 Act, or this

1 act that may be outstanding at the time of the delivery of the
2 respective series of the bonds authorized herein;

3 (c) To the extent and to the extent only that the
4 revenues appropriated in the foregoing subsections (a) and (b)
5 of this section may not be sufficient to pay at their
6 respective maturities the principal of, premium, if any, and
7 interest on the bonds, the residue of the receipts from the
8 excise tax ("the sales tax") levied by Title 40, Chapter 23,
9 Article 1, Division 1, Code of Alabama 1975, as amended
10 ("Article 1"), after there shall have been taken from the
11 residue the amounts appropriated for other educational
12 purposes in Section 40-23-35, Code of Alabama 1975 (which
13 residue constitutes that portion of the receipts from the
14 sales tax that is now required by law to be paid into the
15 trust fund), and after there shall have been taken from the
16 residue amounts sufficient to meet all prior charges on the
17 residue including such amounts as may be necessary to pay at
18 their respective maturities the principal of and interest on
19 those bonds issued by the authority under the 1965 Act, the
20 1971 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990
21 Act, the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act,
22 the 2002 Act, the 2003 Act, the 2007 Act, the 2010 Act, or
23 this act that may be outstanding at the time of the delivery
24 of the respective series of the bonds authorized herein; and

1 (d) To the extent and to the extent only that the
2 revenues appropriated in the foregoing subsections (a), (b),
3 and (c) of this section may not be sufficient to pay at their
4 respective maturities the principal of, premium, if any, and
5 the interest on the bonds, the residue of the receipts from
6 the excise tax ("the use tax") levied by Title 40, Chapter 23,
7 Article 2, Code of Alabama 1975, as amended ("Article 2"),
8 after there shall have been taken from the residue the amount
9 necessary to meet the expenses of the state Department of
10 Revenue in collecting the use tax (which residue constitutes
11 that portion of the receipts from the use tax that is now
12 required by law to be paid into the trust fund), and after
13 there shall have been taken from the residue such amounts as
14 may be necessary to meet all prior charges on the use tax
15 including the amounts sufficient to pay at their respective
16 maturities the principal of and interest on those outstanding
17 bonds referred to in subsection (c) of this section.

18 (e) All monies hereby appropriated and pledged shall
19 constitute a sinking fund for the purpose of paying the
20 principal of, premium, if any, and interest on the bonds. The
21 State Treasurer is authorized and directed to pay at their
22 respective maturities the principal of, premium, if any, and
23 interest on the bonds out of this fund and out of the residues
24 of the tax receipts herein appropriated and pledged for the

1 benefit of the bonds, and is further authorized and directed
2 to set up and maintain appropriate records pertaining thereto.

3 Section 8. The bonds shall not be general
4 obligations of the authority but shall be limited obligations
5 payable solely out of the residues of the tax receipts
6 appropriated and pledged in Section 7. All bonds issued by the
7 authority pursuant to the provisions of this act shall be
8 solely and exclusively obligations of the authority and shall
9 not constitute or create an obligation or debt of the state.
10 As security for the payment of the principal of, premium, if
11 any, and interest on the bonds, the authority is hereby
12 authorized and empowered to pledge the residues of the tax
13 receipts that are appropriated and pledged in Section 7 hereof
14 for such purposes. All such pledges made by the authority
15 shall take precedence in the order of the adoption of the
16 resolutions containing the pledges. All such pledges shall be
17 prior and superior to any pledges that may be made for any
18 refunding bonds hereafter issued by the authority under the
19 provisions of any of the 1965 Act, the 1971 Acts, the 1973
20 Act, the 1978 Act, the 1985 Act, the 1990 Act, the 1995 Act,
21 the 1998 Act, the 1999 Act, the 2001 Act, the 2002 Act, the
22 2003 Act, the 2007 Act, the 2010 Act, or any other act
23 heretofore enacted.

24 Section 9. For the purpose of refunding any bonds or
25 refunding bonds of the authority issued under the provisions

1 of this act, the 1965 Act, the 1971 Acts, the 1973 Act, the
2 1978 Act, the 1985 Act, the 1990 Act, the 1995 Act, the 1998
3 Act, the 1999 Act, the 2001 Act, the 2002 Act, the 2003 Act,
4 the 2007 Act, the 2010 Act, or any other act previously
5 enacted, or any combination thereof, whether such refunding
6 shall occur before, at or after the maturity of the bonds
7 refunded and for the purpose of paying all premiums and
8 expenses of the refunding (including, but not limited to,
9 attorneys' fees, costs of printing the refunding bonds, fiscal
10 agents' fees, and accountants' fees), the authority is hereby
11 authorized to sell and issue its refunding bonds. Such
12 refunding bonds may be sold and issued from time to time, at
13 public sale, on sealed bids and on such other terms and
14 conditions as the authority shall determine to be advantageous
15 and shall adopt and provide for in its proceedings for the
16 sale and issuance of such refunding bonds. Provided, however,
17 that no refunding bonds shall be issued unless the present
18 value of all debt service on the refunding bonds (computed
19 with a discount rate equal to the true interest rate of the
20 refunding bonds and taking into account all underwriting
21 discount and other issuance expenses) shall not be greater
22 than 97 percent of the present value of all debt service on
23 the bonds to be refunded (computed using the same discount
24 rate and taking into account the underwriting discount and
25 other issuance expenses originally applicable to such bonds)

1 determined as if such bonds to be refunded were paid and
2 retired in accordance with the schedule of maturities
3 (considering mandatory redemption as scheduled maturity)
4 provided at the time of their issuance. Provided further that
5 the average maturity of the refunding bonds, as measured from
6 the date of issuance of such refunding bonds, shall not exceed
7 by more than three years the average maturity of the bonds to
8 be refunded, as also measured from such date of issuance, with
9 the average maturity of any principal amount of bonds to be
10 determined by multiplying the principal of each maturity by
11 the number of years (including any fractional part of a year)
12 intervening between such date of issuance and each such
13 maturity, taking the sum of all such products, and then
14 dividing such sum by the aggregate principal amount of bonds
15 for which the average maturity is to be determined. For the
16 purpose of providing funds to enable the authority to pay at
17 their respective maturities the principal of, premium, if any,
18 and interest on the refunding bonds issued under this act, the
19 authority is hereby authorized to pledge irrevocably for such
20 purpose, and there is hereby appropriated for such purpose,
21 such amount as may be necessary of the residues of the
22 receipts from the excise taxes pledged and appropriated in
23 subsections (a), (b), (c), and (d) of Section 7 of this act,
24 any reserves or sinking funds established by the authority, as
25 well as revenues of the authority from any other sources

1 specified in the proceedings wherein the refunding bonds are
2 authorized to be issued. Pending the application of the
3 proceeds of refunding bonds issued in accordance with this
4 section, the proceeds, together with investment earnings
5 therefrom, and amounts in any sinking fund, together with
6 investment earnings thereon, may be held by the State
7 Treasurer as treasurer of the authority in trust, or may be
8 deposited by the State Treasurer in trust, on such terms as
9 the State Treasurer and the authority shall approve, with a
10 trustee or escrow agent, which trustee or escrow agent shall
11 be a banking institution or trust company authorized to
12 exercise trust powers in Alabama, for investment in permitted
13 investments. Proceeds of refunding bonds shall be so invested
14 and applied as to assure that the principal, interest, and
15 redemption premium, if any, on the bonds being refunded shall
16 be paid in full on the respective maturity, redemption, or
17 interest payment dates. Refunding bonds issued by the
18 authority shall not be general obligations of the authority
19 but shall be payable solely from the sources specified in this
20 act and in the proceedings whereby the refunding bonds are
21 authorized to be issued. All refunding bonds issued by the
22 authority shall be solely and exclusively obligations of the
23 authority and shall not create debts of the State of Alabama.
24 The faith and credit of the State of Alabama shall never be
25 pledged for the payment of any refunding bonds issued by the

1 authority under this act. The authority may contract with
2 respect to the safekeeping and application of the refunding
3 bonds and other funds included therewith and the income
4 therefrom which may be any bank or trust company authorized to
5 exercise trust powers and located within and/or without the
6 state. All other provisions of this act shall apply to the
7 refunding bonds issued hereunder except (a) the limitation
8 contained in Section 4 of this act on the amount of bonds that
9 may be issued under this act and (b) the provisions of Section
10 10 of this act. All pledges made by this act or by the
11 authority pursuant to the provisions of this act, for the
12 benefit of refunding bonds issued under this act, and all such
13 pledges for the benefit of refunding bonds which may be issued
14 to refund any bonds issued under any of the 1965 Act, the 1971
15 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act,
16 the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the
17 2002 Act, the 2003 Act, the 2007 Act, the 2010 Act, or this
18 act, shall take precedence in the order of the adoption of the
19 resolutions authorizing the issuance of such refunding bonds.
20 Bonds refunded prior to their maturity with the proceeds of
21 refunding bonds shall be deemed paid and the pledges herein
22 and by the authority made for the payment thereof defeased if
23 the authority, in its proceedings regarding issuance of the
24 refunding bonds shall provide for and establishes a trust or
25 escrow fund comprised of monies or government securities, or

1 both, sufficient to pay, when due, the entire principal of,
2 premium, if any, and interest on the bonds to be refunded
3 thereby; provided, that such government securities shall not
4 be subject to redemption prior to their maturities other than
5 at the option of the holder thereof. Upon the establishment of
6 such a trust or escrow fund, the refunded bonds shall no
7 longer be deemed to be outstanding, shall no longer be secured
8 by the funds pledged therefore in Section 7 of this act, shall
9 no longer be obligations of the authority and shall be secured
10 solely by and payable from monies and government securities
11 deposited in such trust or escrow fund.

12 Section 10. (a) The proceeds derived from each sale
13 of the bonds issued pursuant to this act shall be deposited
14 into the State Treasury and shall be carried in a separate
15 fund therein for the account of the authority, which shall pay
16 the expenses of issuance therefrom. The expenses of issuance
17 of the bonds shall be prorated among the recipients of the
18 proceeds from the sale of the bonds in the same proportions as
19 the allocations received of the proceeds thereunder. The
20 proceeds from the sale of the bonds remaining after payment of
21 the expenses of issuance thereof shall be retained in the
22 funds and, until they are paid out, shall be invested by the
23 State Treasurer at the direction of the authority in permitted
24 investments maturing at such time or times as the authority
25 shall direct.

1 (b) Proceeds from the sale of the bonds and the
2 earnings thereon shall be paid out from time to time on orders
3 or warrants issued by or at the discretion of the authority
4 for the purposes specified in this act.

5 Section 11. Not later than three years following
6 allocation of bond proceeds as provided herein, the authority
7 shall review the status of any unexpended allocations, and, at
8 its sole discretion, determine if unexpended allocations or
9 any portion thereof shall revert to the authority.

10 Section 12. Notwithstanding any of the foregoing and
11 in addition to all powers heretofore granted to the authority,
12 the authority is hereby expressly authorized to use the
13 proceeds derived from the sale of bonds and income on
14 permitted investments in accordance with the provisions of
15 this act. Additionally, the authority is hereby expressly
16 permitted to pay to the Department of Finance and the State
17 Treasurer's Office, from time to time and from any funds
18 available to the authority, amounts to offset costs incurred
19 in the administration of the business of the authority. The
20 cost of such compensation shall be prorated among the
21 recipients of proceeds of the bonds in the same manner as the
22 expenses of issuance of the bonds are required hereby to be
23 prorated.

1 Section 13. The authority shall hire or contract
2 with businesses or individuals which reflect the racial and
3 ethnic diversity of the state.

4 Section 14. The authority shall have the power to
5 make such payments to the United States of America as the
6 board of directors of the authority deems necessary to cause
7 the interest on any bonds of the authority, including the
8 bonds, to be and remain exempt from, or excludible from gross
9 income for purposes of, federal income taxation. The authority
10 shall have the power to make such agreements respecting the
11 investment of funds of the authority as the authority shall
12 deem necessary in order that the interest income on bonds of
13 the authority be and remain exempt from, or excludible from
14 gross income for purposes of, federal income taxation.

15 Section 15. The authority is authorized to pay out
16 of proceeds of any series of bonds the costs and expenses
17 incurred in connection with the issuance of such bonds,
18 including without limitation legal and accounting fees and
19 expenses, fees, and expenses of any financial or fiscal
20 advisor employed by the authority, printing costs, rating
21 agency fees, and premiums or charges for any credit
22 enhancement or liquidity providers. Notwithstanding any
23 provision of this act or the 1965 Act, in appointing,
24 employing, or contracting with attorneys, fiscal advisors,
25 trustees, paying agents, investment bankers, banks and

1 underwriters, the authority may appoint, employ, or contract
2 with firms whose principal offices are located without and/or
3 within Alabama. The authority shall hire or contract with
4 attorneys, fiscal advisors, trustees, paying agents,
5 investment bankers, banks and underwriters which shall reflect
6 the racial and ethnic diversity of the state. The authority
7 shall issue requests for proposals for attorneys, fiscal
8 advisors, trustees, paying agents, investment bankers, banks,
9 and underwriters. The authority shall evaluate each proposed
10 bid publicly and award each contract publicly. Minutes of the
11 authority's meeting shall record the reasons for awarding each
12 contract.

13 Section 16. In the event any section, sentence,
14 clause or provision of this act shall be declared invalid by a
15 court of competent jurisdiction, such action shall not affect
16 the validity of the remaining sections, sentences, clauses, or
17 provisions of this act, which shall continue effective.

18 Section 17. This act shall become effective
19 immediately following its passage and approval by the
20 Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 12-FEB-13, as amended.

Jeff Woodard
Clerk

Senate	20-MAY-13	Amended and Passed
House	20-MAY-13	Concurred in Senate Amendment