

1 HB407
2 136177-4
3 By Representatives McCutcheon, Williams (D), Greer, Ball,
4 Long, Johnson (W), Rich, Patterson, Collins, Williams (P),
5 Buttram, Johnson (K), Hall, Morrow and Black
6 RFD: Ways and Means Education
7 First Read: 23-FEB-12

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ENROLLED, An Act,

To amend Sections 16-16A-2, 16-16A-7, and 16-16A-8, Code of Alabama 1975, to change the baseline date to January 1, 2006; to provide that the average salary or equivalent wage can be attributed to 2005 BRAC that is equal to or exceeding \$80,000; to remove the provision that a school district may not receive the proceeds of the bonds issued by the Public School and College Authority unless the district or political subdivision has experienced an increase in the sales tax rate; to provide funds for transportation as it relates to fleet renewal; and to remove the provision that in order to qualify for bond proceeds, a local school system may redirect an existing tax not currently dedicated to schools to qualify for bonds.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 16-16A-2, 16-16A-7, and 16-16A-8, Code of Alabama 1975, are amended to read as follows:

"§16-16A-2.

"As used in this chapter, the following words and phrases shall have the following meanings:

"(1) AUTHORITY. The Public School and College Authority.

"(2) BASELINE DATE. January 1, ~~2010~~ 2006.

1 "(3) 2005 BRAC. a. Closure actions according to the
 2 2005 Base Closure and Realignment Commission Report of the
 3 U.S. Department of Defense as they relate to Redstone Arsenal.

4 "b. Subsequent BRAC Actions are closure actions
 5 according to any Base Closure and Realignment Commission
 6 Report of the U.S. Department of Defense subsequent to the
 7 2005 Base Closure and Realignment Commission Report of the
 8 U.S. Department of Defense or administrative actions by a
 9 United States government agency, department, or organization
 10 which positively impact the number of Redstone Arsenal jobs.

11 "(4) BRAC DISTRIBUTIONS. Bond proceeds to be
 12 distributed to the local school districts for purposes of and
 13 as allocated by this chapter.

14 "(5) BRAC IMPACTED AREA. The geographic area within
 15 Madison County and the City of Huntsville described by a
 16 closed perimeter boundary consisting of Cummings Research
 17 Park, East and West, Thornton Research Park, Redstone Gateway
 18 EUL Area, and Redstone Arsenal.

19 "(6) DETERMINATION DATE. September 30 of the fiscal
 20 year in which the Authority obtains certification that the
 21 jobs requirements of this chapter have been satisfied.

22 "(7) GARRISON. The Garrison located at Redstone
 23 Arsenal, Alabama, and any successor thereto.

24 "(8) PERMITTED INVESTMENTS. (i) Government
 25 Securities; (ii) bonds, debentures, notes or other evidences

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

1 extent such time deposits are not covered by federal deposit
2 insurance, such time deposits (including interest thereon) are
3 fully secured by a pledge of obligations described in clauses
4 (i), (ii), (iii), and (v) above, which at all times have a
5 market value not less than the amount of such bank time
6 deposits required to be so secured and which meet the greater
7 of 100% collateralization or the "AA" collateral levels
8 established by Standard & Poor's Ratings Group for structured
9 financings; (vii) repurchase agreements for obligations of the
10 type specified in clauses (i), (ii), (iii), and (v) above,
11 provided such repurchase agreements are fully collateralized
12 and secured by such obligations which have a market value at
13 least equal to the purchase price of such repurchase
14 agreements which are held by a depository satisfactory to the
15 State Treasurer in such manner as may be required to provide a
16 perfected security interest in such obligations, and which
17 meet the greater of 100% collateralization or the "AA"
18 collateral levels established by Standard & Poor's Ratings
19 Group for structured financings; and (viii) uncollateralized
20 investment agreements with, or certificates of deposit issued
21 by, banks or bank holding companies, the senior long-term
22 securities of which are rated at least "AA" by Standard &
23 Poor's Ratings Group and at least "Aa" by Moody's Investors
24 Service.

25 "§16-16A-7.

1 "(a) The Legislature finds that the number of
2 students attending the several school systems located in those
3 areas of North Alabama that will be directly impacted by the
4 2005 BRAC and Subsequent BRAC Actions will collectively
5 increase by an estimated 9,000 students. As a result, there
6 will be a need for the construction of additional school
7 facilities as well as the renovation of existing school
8 facilities. The Legislature also finds that the 2005 BRAC and
9 Subsequent BRAC Actions will have a positive impact on future
10 receipts to the Education Trust Fund, as the significant
11 population growth in North Alabama will increase sales,
12 income, and other tax collections. Thus, it is an efficient
13 use of state funds to allow such revenue growth to help pay
14 for capital improvement costs associated with BRAC-related
15 school construction.

16 "(b) The Alabama Public School and College Authority
17 is hereby authorized to sell and issue its Bonds in the
18 aggregate principal amount of up to ~~one hundred seventy-five~~
19 ~~million dollars (\$175,000,000)~~ two hundred eight million
20 dollars (\$208,000,000) to provide funds for school bus fleet
21 renewal and to provide funds for the renovation of existing
22 school facilities or construction of new school facilities
23 once proof is provided deemed adequate by the Authority that
24 ~~7,000~~ 4,700 direct full-time jobs can be attributed to 2005
25 BRAC, Subsequent BRAC Actions, and as a result of

1 administrative actions by a United States government agency,
2 department, or organization placed in service after January 1,
3 ~~2010~~ 2006, and paying an average salary or equivalent wages
4 equal to or exceeding ~~eighty-five thousand dollars (\$85,000)~~
5 eighty thousand dollars (\$80,000) per year. Recipient school
6 districts shall apply such proceeds for either the renovation
7 of existing school facilities or the construction of new
8 school facilities in the several school districts located in
9 the BRAC Impacted Area or in the Primary Study Area, as such
10 area was identified in the Tennessee Valley Regional Growth
11 Coordination Plan of March 2009.

12 ~~"(1) Provided, however, that in no event shall any~~
13 ~~school district receive the proceeds of the bonds issued~~
14 ~~herein unless such district or political subdivision including~~
15 ~~the district has experienced, on or after July 1, 2008, an~~
16 ~~increase in the sales tax rate of at least one-half cent, or~~
17 ~~equivalent property tax rate increase, with the revenue~~
18 ~~generated from such tax rate increase dedicated to schools~~
19 ~~within that district or political subdivision. To the extent a~~
20 ~~school district is located within a political subdivision with~~
21 ~~a sales tax of nine percent or greater, that school district~~
22 ~~may use any funds available to satisfy the local match~~
23 ~~requirements in this subdivision and subdivision (2).~~

24 "(1) Of the total aggregate principal amount of
25 bonds authorized to be sold and issued, thirty-three million

1 dollars (\$33,000,000) shall be allocated and expended for
2 local boards of education for the purpose of school bus fleet
3 renewal by January 1, 2013. This allocation shall be
4 distributed by the State Department of Education to the
5 various local boards of education in the same manner that
6 fleet renewal funds are distributed for purposes of the
7 Foundation Program.

8 ~~"(2) (1) (2)~~ The bond proceeds of the Authority
9 authorized by this chapter, except for the bond proceeds
10 allocated and expended pursuant to subdivision (1) of this
11 subsection, shall be provided as a dollar for dollar match for
12 local support of such capital projects. ~~School~~ Except for the
13 bond proceeds allocated and expended pursuant to subdivision
14 (1) of this subsection, school systems seeking to participate
15 in the bond issue program authorized by this chapter shall
16 remit to the Authority amounts equal to half of the
17 semi-annual debt service payments required to satisfy all
18 covenants of the debt issuance authorized under this chapter
19 for the satisfaction of such debt obligations attributable to
20 the cost of projects to be placed in service in such school
21 system at such times as the Authority shall require.

22 ~~"(3) (2) (3)~~ In the event a school district fails to
23 meet the local revenue requirements in this chapter within 12
24 months of the Determination Date, the aggregate amount
25 authorized in this chapter for the renovation of existing

1 school facilities, or the construction of new school
2 facilities shall be reduced by the amount allocated to that
3 school district. ~~In no event shall,~~ and those proceeds shall
4 be reallocated to any remaining approved school system.

5 "~~(4)~~ ~~(3)~~ (4) The Bonds herein authorized shall be in
6 addition to all other bonds previously authorized to be issued
7 by the Alabama Public School and College Authority, and the
8 powers conferred herein are in addition to all other powers
9 heretofore conferred on the Alabama Public School and College
10 Authority by acts heretofore enacted by the Legislature.

11 "(c) The Bonds shall be signed by the president or
12 vice-president of the Alabama Public School and College
13 Authority, and the seal of the Alabama Public School and
14 College Authority affixed thereto, or a facsimile thereof
15 imprinted thereon, and attested by its secretary. All
16 signatures of the president, vice-president, and secretary may
17 be facsimile signatures if the Alabama Public School and
18 College Authority, in its proceedings with respect to
19 issuance, provides for manual authentication, which may be in
20 the form of a certificate as to registration, of the Bonds by
21 a trustee, registrar, or paying agent, or by named individuals
22 who are employees of the state and who are assigned to the
23 Finance Department or State Treasurer's Office of the state.
24 All Bonds bearing signatures or facsimiles of the signatures
25 of officers of the Alabama Public School and College Authority

1 in office on the date of signing thereof shall be valid and
2 binding notwithstanding that before the delivery thereof and
3 payment therefor, any officer whose signature appears thereon
4 shall have ceased to be an officer of the Alabama Public
5 School and College Authority. The Bonds and the income
6 therefrom shall be exempt from all taxation in the State of
7 Alabama, may be used as security for deposits, and shall be
8 eligible for investments of fiduciary funds, as provided in
9 the 1965 Act. The Bonds shall be construed to have all the
10 qualities and incidents of negotiable instruments subject to
11 any registration provisions pertaining to transfers. The
12 Alabama Public School and College Authority and the Bonds
13 shall be exempt from all laws of the state governing usury
14 including, without limitation, the provisions of Title 8,
15 Chapter 8, or any subsequent statute of similar import. The
16 Bonds shall be in such form or forms and denomination or
17 denominations and of such tenor and maturities, shall bear
18 such rate or rates of interest payable and evidenced in such
19 manner, may be made subject to redemption prior to their
20 maturities, and may contain provisions not inconsistent with
21 this chapter, all as may be provided by the resolution of the
22 Alabama Public School and College Authority under which the
23 Bonds may be issued; provided, that no Bonds shall have a
24 specified maturity date later than twenty years after their
25 date; and provided further, that those Bonds having maturities

1 more than ten years after their date shall be subject to
2 redemption at the option of the Alabama Public School and
3 College Authority on any date on and after the tenth
4 anniversary after their date at such redemption price or
5 prices and under such conditions as may be prescribed in the
6 proceedings of the Alabama Public School and College Authority
7 under which they are issued. For the purpose of paying the
8 principal of, premium, if any, and interest on the Bonds or
9 any Refunding Bonds, the Alabama Public School and College
10 Authority shall designate the State Treasurer or such bank or
11 banks as the Alabama Public School and College Authority, in
12 its discretion, determines to be appropriate and desirable.
13 Funds for the payment of debt service shall be transferred by
14 the Alabama Public School and College Authority or the State
15 Treasurer on behalf of the Alabama Public School and College
16 Authority to the designated paying agent on the actual due
17 date of such principal, premium, if any, or interest.

18 "(d) The Bonds may be sold by the Alabama Public
19 School and College Authority from time to time in series, and
20 if sold in more than one series, may all be authorized in one
21 initial resolution of the Alabama Public School and College
22 Authority with the pledges therefor made by the Alabama Public
23 School and College Authority in such initial resolution
24 although some of the details applicable to each series may be
25 specified in the respective resolutions under which the

1 different series are issued. The Alabama Public School and
2 College Authority, in the course of establishing, by
3 resolution, a principal amount of Bonds to be authorized for
4 sale at any given time, or to be sold in any series, may take
5 into account the existence of any unexpended proceeds of prior
6 issues of bonds of the Alabama Public School and College
7 Authority, and of any other issuer, if such should be deemed
8 by the Alabama Public School and College Authority to be
9 relevant, and may structure the portions of the allocations
10 provided for in this chapter to be distributed from the
11 proceeds of a particular series, constituting less than all
12 the Bonds authorized by this chapter, as the Alabama Public
13 School and College Authority deems necessary or prudent in
14 order to enable the Alabama Public School and College
15 Authority to comply with any tax covenants that may be
16 required of it, or that may be deemed by it to be prudent to
17 be given by it, in connection with the sale of any series of
18 the Bonds. The Alabama Public School and College Authority may
19 fix the method and the terms and conditions under which the
20 sale of any series of the Bonds may otherwise be held;
21 provided that such terms and conditions shall not conflict
22 with any requirement of this chapter. Approval by the Governor
23 of Alabama of the terms and conditions under which any of the
24 Bonds may be issued shall be requisite to their validity.
25 Before any series of the Bonds shall be offered for sale by

1 the Alabama Public School and College Authority, the Governor
2 shall first determine that the issuance of that series of
3 Bonds and the application of the taxes pledged to the payment
4 of the principal of the Bonds as they mature and the interest
5 thereon as the same shall come due will not impair the
6 adequacy of the Trust Fund to pay appropriations therefrom and
7 to support the public schools and institutions of higher
8 learning during the period over which the Bonds will mature.
9 The Governor's determination in this regard shall be in
10 writing signed by the Governor and such determination shall be
11 final and conclusive. Neither a public hearing nor consent of
12 the State Department of Finance or any other department or
13 agency shall be a prerequisite to the issuance of any of the
14 Bonds.

15 "(e) For the purpose of providing for payment of the
16 principal, premium, if any, and interest on the Bonds, and to
17 accomplish the objectives of this chapter, there is hereby
18 irrevocably pledged to those purposes, and hereby
19 appropriated, such amount as may be necessary therefor from
20 the following sources:

21 "(1) The residue of the receipts from the excise
22 tax, "the utility gross receipts tax," levied by Title 40,
23 Chapter 21, Article 3, as amended, "Article 3," remaining
24 after payment of the expenses of administration and
25 enforcement of Article 3, being that portion of the tax that

1 is required by Article 3 to be deposited in the State Treasury
2 to the credit of the Trust Fund, after there shall have been
3 taken from the residue the amount necessary to pay at their
4 respective maturities the principal of and interest on those
5 bonds issued by the Authority under this chapter or any prior
6 act that may be outstanding at the time of the delivery of the
7 respective series of the Bonds authorized herein.

8 "(2) The residue of the receipts from the excise
9 tax, "the utility service use tax," levied by Title 40,
10 Chapter 21, Article 4, "Article 4," remaining after payment of
11 the expenses of administration and enforcement of Article 4,
12 being that portion of the tax that is required by Article 4 to
13 be deposited in the State Treasury to the credit of the Trust
14 Fund, after there shall have been taken from the residue the
15 amount necessary to pay at their respective maturities the
16 principal of and interest on those bonds issued by the
17 Authority under this chapter or any prior act that may be
18 outstanding at the time of the delivery of the respective
19 series of the Bonds authorized herein.

20 "(3) To the extent and to the extent only that the
21 revenues appropriated in the foregoing subdivisions (1) and
22 (2) of this subsection may not be sufficient to pay at their
23 respective maturities the principal of, premium, if any, and
24 interest on the Bonds, the residue of the receipts from the
25 excise tax, "the sales tax," levied by Title 40, Chapter 23,

1 Article 1, Division 1, as amended, "Article 1," after there
2 shall have been taken from the residue the amounts
3 appropriated for other educational purposes in Section
4 40-23-35, which residue constitutes that portion of the
5 receipts from the sales tax that is now required by law to be
6 paid into the Trust Fund, and after there shall have been
7 taken from the residue amounts sufficient to meet all prior
8 charges on the residue including such amounts as may be
9 necessary to pay at their respective maturities the principal
10 of and interest on those bonds issued by the Authority under
11 this chapter or any prior act that may be outstanding at the
12 time of the delivery of the respective series of the Bonds
13 authorized herein.

14 "(4) To the extent and to the extent only that the
15 revenues appropriated in the foregoing subdivisions (1), (2),
16 and (3) of this subsection may not be sufficient to pay at
17 their respective maturities the principal of, premium, if any,
18 and the interest on the Bonds, the residue of the receipts
19 from the excise tax, "the use tax," levied by Title 40,
20 Chapter 23, Article 2, as amended, "Article 2," after there
21 shall have been taken from the residue the amount necessary to
22 meet the expenses of the State Department of Revenue in
23 collecting the use tax, which residue constitutes that portion
24 of the receipts from the use tax that is now required by law
25 to be paid into the Trust Fund, and after there shall have

1 been taken from the residue such amounts as may be necessary
2 to meet all prior charges on the use tax including the amounts
3 sufficient to pay at their respective maturities the principal
4 of and interest on those outstanding bonds referred to in
5 subdivision (3) of this subsection.

6 "(5) All monies hereby appropriated and pledged
7 shall constitute a sinking fund for the purpose of paying the
8 principal of, premium, if any, and interest on the Bonds. The
9 State Treasurer is authorized and directed to pay at their
10 respective maturities the principal of, premium, if any, and
11 interest on the Bonds out of this fund and out of the residues
12 of the tax receipts herein appropriated and pledged for the
13 benefit of the Bonds, and is further authorized and directed
14 to set up and maintain appropriate records pertaining thereto.

15 "(f) The Bonds shall not be general obligations of
16 the State of Alabama but shall be limited obligations payable
17 solely out of the residues of the tax receipts appropriated
18 and pledged herein. All Bonds issued by the Alabama Public
19 School and College Authority pursuant to the provisions of
20 this chapter shall be solely and exclusively obligations of
21 the Alabama Public School and College Authority and shall not
22 constitute or create an obligation or debt of the State. As
23 security for the payment of the principal of, premium, if any,
24 and interest on the Bonds, the Alabama Public School and
25 College Authority is hereby authorized and empowered to pledge

1 the residues of the tax receipts that are appropriated and
2 pledged herein. All such pledges made by the Alabama Public
3 School and College Authority shall take precedence in the
4 order of the adoption of the resolutions containing the
5 pledges. All such pledges shall be prior and superior to any
6 pledges that may be made for any refunding bonds hereafter
7 issued by the Alabama Public School and College Authority
8 under the provisions of any act heretofore enacted.

9 "(g) For the purpose of refunding any Bonds or
10 Refunding Bonds of the Alabama Public School and College
11 Authority issued under the provisions of this chapter, or any
12 other act previously enacted, or any combination thereof,
13 whether such refunding shall occur before, at, or after the
14 maturity of the Bonds refunded and for the purpose of paying
15 all premiums and expenses of such refunding, including, but
16 not limited to, attorneys' fees, costs of printing the
17 Refunding Bonds, fiscal agents' fees, and accountants' fees,
18 the Alabama Public School and College Authority is hereby
19 authorized to sell and issue its Refunding Bonds. Such
20 Refunding Bonds may be sold and issued from time to time, by
21 negotiated or public sale, and on such other terms and
22 conditions as the Alabama Public School and College Authority
23 shall determine to be advantageous and shall adopt and provide
24 for in its proceedings for the sale and issuance of such
25 Refunding Bonds. Provided, however, no Refunding Bonds shall

1 be issued unless the present value of all debt service on the
2 Refunding Bonds, computed with a discount rate equal to the
3 true interest rate of the Refunding Bonds and taking into
4 account all underwriting discount and other issuance expenses,
5 shall not be greater than 97 percent of the present value of
6 all debt service on the Bonds to be refunded, computed using
7 the same discount rate and taking into account the
8 underwriting discount and other issuance expenses originally
9 applicable to such Bonds, determined as if such Bonds to be
10 refunded were paid and retired in accordance with the schedule
11 of maturities, considering mandatory redemption as scheduled
12 maturity, provided at the time of their issuance. Provided
13 further that the average maturity of the Refunding Bonds, as
14 measured from the date of issuance of such Refunding Bonds,
15 shall not exceed by more than three years the average maturity
16 of the Bonds to be refunded, as also measured from such date
17 of issuance, with the average maturity of any principal amount
18 of Bonds to be determined by multiplying the principal of each
19 maturity by the number of years, including any fractional part
20 of a year, intervening between such date of issuance and each
21 such maturity, taking the sum of all such products, and then
22 dividing such sum by the aggregate principal amount of Bonds
23 for which the average maturity is to be determined. For the
24 purpose of providing funds to enable the Alabama Public School
25 and College Authority to pay at their respective maturities

1 the principal of, premium, if any, and interest on the
2 Refunding Bonds issued under this chapter, the Alabama Public
3 School and College Authority is hereby authorized to pledge
4 irrevocably for such purpose, and there is hereby appropriated
5 for such purpose, such amount as may be necessary of the
6 residues of the receipts from the excise taxes pledged and
7 appropriated herein, any reserves or sinking funds established
8 by the Alabama Public School and College Authority, as well as
9 revenues of the Alabama Public School and College Authority
10 from any other sources specified in the proceedings wherein
11 the Refunding Bonds are authorized to be issued. Pending the
12 application of the proceeds of Refunding Bonds issued in
13 accordance with this subsection, the proceeds, together with
14 investment earnings therefrom, and amounts in any sinking
15 fund, together with investment earnings thereon, may be held
16 by the State Treasurer as treasurer of the Alabama Public
17 School and College Authority in trust, or may be deposited by
18 the State Treasurer in trust, on such terms as the State
19 Treasurer and the Alabama Public School and College Authority
20 shall approve, with a trustee or escrow agent, which trustee
21 or escrow agent shall be a banking institution or trust
22 company authorized to exercise trust powers in Alabama, for
23 investment in Permitted Investments, as such term is defined
24 in Act 2007-415. Proceeds of Refunding Bonds shall be so
25 invested and applied as to assure that the principal,

1 interest, and redemption premium, if any, on the Bonds being
2 refunded shall be paid in full on the respective maturity,
3 redemption, or interest payment dates. Refunding Bonds issued
4 by the Alabama Public School and College Authority shall not
5 be general obligations of the Alabama Public School and
6 College Authority but shall be payable solely from the sources
7 specified in this chapter and in the proceedings whereby the
8 Refunding Bonds are authorized to be issued. All Refunding
9 Bonds issued by the Alabama Public School and College
10 Authority shall be solely and exclusively obligations of the
11 Alabama Public School and College Authority and shall not
12 create debts of the State of Alabama. The faith and credit of
13 the State of Alabama shall never be pledged for the payment of
14 any Refunding Bonds issued by the Alabama Public School and
15 College Authority under this chapter. The Alabama Public
16 School and College Authority may contract with respect to the
17 safekeeping and application of the proceeds of Refunding Bonds
18 and other funds included therewith and the income therefrom,
19 and shall have the right and power to appoint a trustee
20 therefor, which may be any bank or company authorized to
21 exercise trust powers and located within and/or without the
22 state. All pledges made by this chapter, or by the Alabama
23 Public School and College Authority pursuant to the provisions
24 of this chapter, for the benefit of Refunding Bonds issued
25 under this chapter, and all such pledges for the benefit of

1 Refunding Bonds which may be issued to refund any bonds issued
2 under any prior act, shall take precedence in the order of the
3 adoption of the resolutions authorizing the issuance of such
4 Refunding Bonds. Bonds refunded prior to their maturity with
5 the proceeds of Refunding Bonds shall be deemed paid and the
6 pledges herein and by the Alabama Public School and College
7 Authority made for the payment thereof defeased if the Alabama
8 Public School and College Authority, in its proceedings
9 regarding issuance of the Refunding Bonds, shall provide for
10 and establish a trust or escrow fund comprised of monies or
11 Government Securities, as such term is defined in Act
12 2007-415, or both, sufficient to pay, when due, the entire
13 principal of, premium, if any, and interest on the Bonds to be
14 refunded thereby; provided, that such Government Securities,
15 as such term is defined in Act 2007-415, shall not be subject
16 to redemption prior to their maturities other than at the
17 option of the holder thereof. Upon the establishment of such a
18 trust or escrow fund, the refunded Bonds shall no longer be
19 deemed to be outstanding, shall no longer be secured by the
20 funds pledged therefor in this chapter, shall no longer be
21 obligations of the Alabama Public School and College
22 Authority, and shall be secured solely by and payable from
23 monies and Government Securities, as such term is defined in
24 Act 2007-415, deposited in such trust or escrow fund.

1 "(h) The Alabama Public School and College Authority
2 is authorized to pay out of proceeds of any series of Bonds
3 the costs and expenses incurred in connection with the
4 issuance of such Bonds, including, without limitation, legal
5 and accounting fees and expenses, fees and expenses of any
6 financial or fiscal advisor employed by the Alabama Public
7 School and College Authority, printing costs, rating agency
8 fees, and premiums or charges for any credit enhancement or
9 liquidity providers. Notwithstanding any provision of this
10 chapter or any previous act, in appointing, employing, or
11 contracting with attorneys, fiscal advisers, trustees, paying
12 agents, investment bankers, banks, and underwriters, the
13 Alabama Public School and College Authority may appoint,
14 employ, or contract with firms whose principal offices are
15 located without or within Alabama. The Alabama Public School
16 and College Authority shall hire or contract with attorneys,
17 fiscal advisors, trustees, paying agents, investment bankers,
18 banks, and underwriters which shall reflect the racial and
19 ethnic diversity of the state. The Alabama Public School and
20 College Authority shall issue Requests For Proposals for
21 attorneys, fiscal advisors, trustees, paying agents,
22 investment bankers, banks, and underwriters. The Alabama
23 Public School and College Authority shall evaluate each
24 proposed bid publicly and award each contract publicly.
25 Minutes of the Alabama Public School and College Authority's

1 meeting shall record the reasons for awarding each contract.
2 The Alabama Public School and College Authority shall hire or
3 contract with businesses or individuals which reflect the
4 racial and ethnic diversity of the State. The Alabama Public
5 School and College Authority shall have the power to make such
6 payments to the United States of America as the board of
7 directors of the Alabama Public School and College Authority
8 deems necessary to cause the interest on any bonds of the
9 Alabama Public School and College Authority, including the
10 Bonds, to be and remain exempt from, or excludible from gross
11 income for purposes of, federal income taxation. The Alabama
12 Public School and College Authority shall have the power to
13 make such agreements respecting the investment of funds of the
14 Alabama Public School and College Authority as the Alabama
15 Public School and College Authority shall deem necessary in
16 order that the interest income on bonds of the Alabama Public
17 School and College Authority be and remain exempt from, or
18 excludible from gross income for purposes of, federal income
19 taxation.

20 "§16-16A-8.

21 "In addition to the counties participating under
22 Section 16-16A-7, Jackson County and Marshall County may also
23 participate in the funding benefits of this chapter. ~~In~~
24 ~~addition, in order to qualify for bond proceeds, a local~~
25 ~~school system may redirect an existing tax not currently~~

1 ~~dedicated to schools to qualify for bonds in lieu of the~~
2 ~~requirements otherwise provided for in Section 16-16A-7."~~

3 Section 2. This act shall become effective
4 immediately following its passage and approval by the
5 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 03-MAY-12, as amended.

Greg Pappas
Clerk

Senate

16-MAY-12

Passed