

1 HB420
2 164973-2
3 By Representatives Jones and Howard
4 RFD: Ways and Means General Fund
5 First Read: 07-APR-15

ENGROSSED

A BILL

TO BE ENTITLED

AN ACT

To amend Sections 14-2-12 and 14-2-19, Code of Alabama 1975, relating to the Alabama Corrections Institute Finance Authority; to allow the authority to issue up to \$60 million in bonds for any facilities, instead of the facility in Perry County only and provide for the use of proceeds derived from the sale of bonds.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 14-2-12 and 14-2-19, Code of Alabama 1975, are amended to read as follows:

"§14-2-12.

"(a) For the purpose of providing funds for the acquisition of sites, for the construction, reconstruction, alteration and improvement of facilities, for the procurement and installation of equipment therefor and for payment of obligations incurred and the principal of and interest on any temporary loans made for any of the said purposes, the authority is hereby authorized, from time to time, to sell and issue, in addition to all bonds heretofore authorized to be issued by the authority, its bonds in such aggregate principal amounts as may be determined by the corporation to be

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

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

17 "(c) Any monetary transactions completed pursuant to
18 Act 2010-729 shall be fully disclosed to the public.

19 "(d) Any bonds issued pursuant to this section shall
20 be sold by competitive bid if practical and economically
21 feasible as determined by the authority.

22 ~~(e) The authority is strongly encouraged to utilize~~
23 ~~businesses and companies in all aspects of the bond and~~
24 ~~construction portions of this chapter that reflect the racial~~
25 ~~and ethnic diversity of the state.~~

26 "§14-2-19.

"(a) All proceeds derived from the sale of any bonds, except refunding bonds, sold by the authority, remaining after payment of the expenses of issuance thereof, shall be turned over to the State Treasurer, shall be carried in a special account to the credit of the authority, and shall be subject to be drawn on by the authority solely for the purposes of:

"(1) Acquiring land for and constructing, reconstructing and equipping thereon one or more facilities;

"(2) Acquiring, constructing, reconstructing, altering, and improving the Perry County facility including providing up to one million dollars to the Perry County Commission to compensate for the future loss of tax revenue.

"(3) (2) Constructing additional improvements on property currently owned by the Department of Corrections or the authority in order to provide for additional bedspace.

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

"(5) (4) Paying the interest which will accrue on the said bonds during the period required for the construction and equipment of the said facilities and for a period not exceeding six months after the completion thereof; and

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

"The balance of the said proceeds thereafter remaining, unless required for the construction of other facilities by the authority as shall be determined by resolution of its board of directors within six months after completion of the facilities for which the bonds were issued, shall be set aside as additional security for the bonds or shall be used to pay, purchase or redeem bonds as may be provided in the proceedings authorizing their issuance. The reasonable and necessary expenses incident to the construction of any facility shall, if deemed advisable by the authority, include all or any part of the expense of providing temporary facilities, during the construction of a new facility, for any penal or correctional institution facility which is demolished or rendered unserviceable as such.

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

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

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House of Representatives

4 Read for the first time and re-
5 ferred to the House of Representa-
6 tives committee on Ways and Means
7 General Fund..... 07-APR-15

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9 Read for the second time and placed
10 on the calendar..... 23-APR-15

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12 Read for the third time and passed
13 as amended..... 07-MAY-15

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Yea 103, Nays 0, Abstains 0

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Jeff Woodard
Clerk