

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

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9 A BILL
10 TO BE ENTITLED
11 AN ACT
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13 Relating to Escambia County; to amend Section
14 45-27-246.30 of the Code of Alabama 1975, relating to the
15 Escambia Oil and Gas Severance Trust, to further provide for
16 investments in certificates of deposit.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

20 "§45-27-246.30.

21 "(a) The Legislature recognizes that there has been
22 a certain windfall to Escambia County paid during the fiscal
23 year 1983-84 and arising under the oil and gas severance tax
24 levied under provisions of Section 40-20-2, and distributed
25 under Section 40-20-8. The legislative intent of this section
26 is to establish a trust fund, the corpus of which is to be
27 composed of four million dollars (\$4,000,000) from the oil and

1 gas severance tax paid to Escambia County during the fiscal
2 year of 1983-84 together with 20 percent of the annual income
3 thereon each year during the existence of this trust beginning
4 with the fiscal year 1984-85.

5 "(b) Subject to any limitation of the Constitution
6 of Alabama of 1901, or of any general law of this state, the
7 Escambia County Commission shall establish a trust fund which
8 shall be entitled the Escambia County Oil and Gas Severance
9 Trust and which shall hereafter in this section be referred to
10 as the trust. The Escambia County Commission shall pay into
11 the trust four million dollars (\$4,000,000) of the oil and gas
12 severance tax paid to Escambia County during the fiscal year
13 1983-84 together with 20 percent of the income thereon
14 beginning with fiscal year 1984-85 and each year thereafter
15 during the existence of the trust. Such amounts so deposited
16 shall be referred to as the corpus of the trust.

17 "(c) The members of the Escambia County Commission,
18 or their successors in office, shall constitute the trustees
19 of the trust. Provided, however, the members of the Escambia
20 County Commission, or their successors in office, may in their
21 discretion, appoint one or more trustees or escrow agents for
22 the trust, which trustees or escrow agents shall be trust
23 companies or national or state banks having powers of a trust
24 company within or without the State of Alabama. The trustees
25 shall invest the corpus of the trust either directly or
26 indirectly in securities otherwise eligible for the Security
27 for Alabama Funds Enhancement (SAFE) program, as defined in

1 Section 41-14-35, or as otherwise authorized by law. Provided,
2 however, that notwithstanding any legal limitation that might
3 otherwise be applicable, the trustees ~~shall further have the~~
4 ~~authority in their discretion to~~ may invest such trust fund in
5 certificates of deposit of any savings and loan associations
6 or banks whether federally or state chartered ~~whose principal~~
7 ~~office is located in the state~~, provided that ~~such~~ the funds
8 so invested are fully secured by pledge of eligible SAFE
9 program securities, as defined in Section 41-14-35, from the
10 issuing bank or are fully insured by the Federal Deposit
11 Insurance Corporation (FDIC).

12 "(d) Beginning with the fiscal year 1984-85, up to
13 80 percent of the income from investments shall be distributed
14 quarterly, semi-annually, or annually as designated by the
15 trustees to the General Fund of Escambia County.

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

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