

1 SB302
2 183959-1
3 By Senators Ward and Albritton
4 RFD: Judiciary
5 First Read: 14-MAR-17

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8 SYNOPSIS: Under existing law, counties and
9 municipalities are authorized to form an authority
10 to acquire real and personal property for lease to
11 the United States.

12 This bill would allow the creation of such
13 an authority for the purpose of acquiring real and
14 personal property for lease to the State of Alabama
15 as a prison facility.

16 The bill would also authorize the Department
17 of Corrections to enter into a lease of a prison
18 facility with up to three of the authorities.

19 Under existing law, the Alabama Corrections
20 Institution Finance Authority is authorized to
21 issue bonds for prison construction purposes.

22 This bill would allow the authority to issue
23 additional bonds in the amount of up to \$350
24 million for the purpose of financing the renovation
25 of existing prison facilities and constructing a
26 prison if an agreement to lease at least two
27 facilities from the local authorities is in place

1 and reduce that amount if three facilities are
2 leased from local authorities.

3 The bill would pledge a portion of the one
4 mill ad valorem tax levied under Section 40-8-3,
5 Code of Alabama 1975, and a portion of the tax on
6 spirituous and vinous liquors levied under existing
7 law to secure the bonds.

8

9 A BILL

10 TO BE ENTITLED

11 AN ACT

12

13 Relating to the finance and construction of prisons;
14 to amend the heading of Chapter 101A (commencing with Section
15 11-101A-1) of Title 11 and Sections 11-101A-1, 11-101A-2,
16 11-101A-4, and 11-101A-8 of and to add Section 11-101A-8.1 to
17 the Code of Alabama 1975; to authorize counties and
18 municipalities to create authorities to construct prisons; to
19 authorize the Department of Corrections to enter into a lease
20 of up to three prisons from authorities; to amend Sections
21 14-2-1, 14-2-6, 14-2-12, 14-2-13.1, 14-2-14, 14-2-16, 14-2-19,
22 14-2-21, 14-2-28, and 14-2-34, Code of Alabama 1975, to allow
23 the Alabama Corrections Institution Finance Authority to issue
24 up to \$325 million in bonds for the purpose of the renovation
25 of existing prison facilities and the construction of a new
26 prison upon the lease of two prison facilities from a local
27 authority; to revise the membership of the authority; to

1 require reporting to the Joint Legislative Prison Committee;
2 to further provide for actions to be taken upon payment of all
3 bonds issued by the authority; to amend Section 29-2-20, Code
4 of Alabama 1975, to revise the membership of the Joint
5 Legislative Prison Committee; to amend Sections 28-3-201,
6 28-3-202, 28-3-204, and 40-8-3, Code of Alabama 1975, relating
7 to the allocation of a portion of the proceeds of the one mill
8 tax and the tax on all spirituous or vinous liquors as a
9 second and third priority security for the authority's bonds;
10 to amend Section 38-4-12, Code of Alabama 1975, relating to
11 the priority of the use of the one mill tax; and to define
12 certain terms.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. This act shall be known and may be cited
15 as the Corrections Construction and Renovation Public Safety
16 Act.

17 Section 2. The heading of Chapter 101A (commencing
18 with Section 11-101A-1, of Title 11) of the Code of Alabama
19 1975, is amended to read as follows:

20 "CHAPTER 101A.

21 "ACQUISITION OF REAL AND PERSONAL PROPERTY FOR LEASE
22 TO THE UNITED STATES OR TO THE STATE OF ALABAMA FOR A PRISON."

23 Section 3. Sections 11-101A-1, 11-101A-2, 11-101A-4,
24 and 11-101A-8 of the Code of Alabama 1975, are amended to read
25 as follows:

26 "§11-101A-1.

"It is the intent of the Legislature to authorize the several counties and municipalities in the state effectively to form public corporations whose corporate purpose shall be to provide buildings, facilities, and other property for lease to and use by the United States of America, its departments, agencies, and instrumentalities, or for buildings, facilities, and other property for lease to and use by the State of Alabama acting through the Department of Corrections as a prison facility, to invest those public corporations with all powers that may be necessary to enable them to accomplish that purpose, and to authorize each county and municipality forming each public corporation to provide financial support and to take other action as may be necessary to enable the public corporation to carry out the purposes of this chapter. This chapter shall be liberally construed in conformity with this intent.

"§11-101A-2.

"As used in this chapter, the following terms shall have the following meanings, respectively, unless the context clearly indicates otherwise:

"(1) APPLICANT. A natural person who files a written application with the governing body of a county or municipality, or two or more thereof, in accordance with Section 11-101A-3.

"(2) AUTHORITY. A public corporation organized pursuant to this chapter.

1 "(3) AUTHORIZING RESOLUTION. A resolution adopted by
2 the governing body of an authorizing subdivision in accordance
3 with Section 11-101A-3, that authorizes the incorporation of
4 an authority under this chapter.

5 "(4) AUTHORIZING SUBDIVISION. Each county and
6 municipality with the governing body of which an application
7 for the incorporation of an authority under this chapter is
8 filed.

9 "(5) BOARD. The board of directors of an authority.

10 "(6) BONDS. Any bonds authorized to be issued by an
11 authority hereunder, including refunding bonds.

12 "(7) CODE. The Code of Alabama 1975.

13 "(8) COUNTY. Any county in the state.

14 "(9) DEPARTMENT. The Alabama Department of
15 Corrections and its successors as the state agency responsible
16 for supervising and controlling the operation of the
17 correctional institutions of the state.

18 "(9) (10) DIRECTOR. A member of the board of an
19 authority.

20 "(11) DIVISION. The Division of Construction
21 Management of the Department of Finance.

22 "(10) (12) FEDERAL SECURITIES. Direct obligations of
23 the United States of America for the payment of which the full
24 faith and credit of the United States of America is pledged,
25 or obligations issued by a person controlled or supervised by
26 and acting as an instrumentality of the United States of
27 America, the payment of the principal of, premium, if any, and

1 interest on which is fully and unconditionally guaranteed as a
2 full faith and credit obligation by the United States of
3 America.

4 "(11)(13) FISCAL YEAR. A fiscal year of an
5 authorizing subdivision.

6 "(12)(14) GOVERNING BODY. With respect to a county,
7 its county commission or other like governing body, and with
8 respect to a municipality, its city or town council, board of
9 commissioners, or other like governing body.

10 "(13)(15) INCORPORATORS. The persons forming a
11 public corporation organized pursuant to this chapter.

12 "(14)(16) INDENTURE. A mortgage, mortgage indenture,
13 mortgage and trust indenture, or trust indenture executed by
14 an authority as security for any of its securities.

15 "(15)(17) LEGISLATURE. The Legislature of the state.

16 "(16)(18) MUNICIPALITY. An incorporated city or town
17 of the state.

18 "(17)(19) PRINCIPAL OFFICE. The place at which the
19 certificate of incorporation and amendments thereto, the
20 bylaws, and the minutes of the proceedings of the board of an
21 authority are kept.

22 "(20) PRISON FACILITY. The term includes any one or
23 more of the following:

24 "a. A prison.

25 "b. A building and enclosure for housing,
26 containing, or supervising prisoners.

1 "c. A facility necessary or useful in connection
2 with a prison, building, or enclosure, including, but not
3 limited to, a hospital, office, correctional officers'
4 quarters and residence, warehouse, garage, storage facility,
5 abattoir, cold storage plant, canning plant, laundry, and
6 manufacturing plant for the employment of prison labor.

7 "~~(18)~~(21) PROJECT. Any land and any buildings or
8 other improvements thereon and all real and personal
9 properties deemed necessary in connection therewith, whether
10 or not now in existence, which shall be suitable for use by
11 the United States or use as a prison facility by the state,
12 acting through the department.

13 "(22) PROJECT MANAGEMENT TEAM. Includes, but is not
14 limited to, in-house staff, design professionals, consulting
15 firms, and other experts to develop and manage prison facility
16 construction projects.

17 "~~(19)~~(23) SECURITIES. Bonds, notes, warrants,
18 certificates of indebtedness, or other evidences of
19 indebtedness, including, without limiting the generality of
20 the foregoing, notes issued in anticipation of the sale of any
21 of the foregoing.

22 "~~(20)~~(24) STATE. The State of Alabama.

23 "~~(21)~~(25) UNITED STATES. The United States of
24 America or any of its departments, agencies, or
25 instrumentalities.

26 "§11-101A-4.

"(a) Within 60 days following the adoption of the authorizing resolution, or, if there is more than one, the last adopted thereof, the applicants shall proceed to incorporate an authority by filing for record, in the office of the judge of probate of the county in which the principal office of the authority is to be located, a certificate of incorporation complying in form and substance with this action, being in the form and executed in the manner herein provided and being in the form approved by the governing body of each authorizing subdivision.

"(b) In addition to any other provisions required by this chapter to be included therein, the certificate of incorporation of an authority shall state:

"(1) The names of the incorporators, together with the address of the residence of each thereof, and that each of them is a duly qualified elector of the authorizing subdivision, or, if there is more than one, at least one thereof.

"(2) The name of the authority, which shall be "The _____ Federal Building Authority," or "The Prison Building Authority of _____," as appropriate, with the insertion of the name of one or more of the authorizing subdivisions, unless the Secretary of State determines that the name is identical to the name of any other corporation organized under the laws of the state or so nearly similar thereto as to lead to confusion and uncertainty, in which case the incorporators may insert additional identifying words to eliminate the

1 duplication or similarity or adopt some other similar name
2 that is available.

3 "(3) The period for the duration of the authority.
4 If the duration is to be perpetual, subject to Section
5 11-101A-24, that fact shall be stated.

6 "(4) The name of each authorizing subdivision
7 together with the date on which the governing body thereof
8 adopted an authorizing resolution.

9 "(5) The location of the principal office of the
10 authority, which shall be within the boundaries of the
11 authorizing subdivision, or, if there is more than one, at
12 least one thereon.

13 "(6) That the authority is organized pursuant to
14 this chapter.

15 "(7) If the exercise by the authority of its powers
16 is to be in any way prohibited, limited, or conditioned, a
17 statement of that prohibition, limitation, or condition.

18 "(8) The number of directors, which shall be an odd
19 number not less than three, the duration of their respective
20 terms of office, which shall not be in excess of six years,
21 and, subject to Section 11-101A-6, the manner of their
22 election or appointment.

23 "(9) Any provisions, not inconsistent with Section
24 11-101A-24, relating to the vesting of title to its assets and
25 properties upon its dissolution.

"(10) Any other matters relating to the authority that the incorporators may choose to insert and that are not inconsistent with this chapter or with the laws of the state.

"(c) The certificate of incorporation shall be signed and acknowledged by each of the incorporators before an officer authorized by the laws of the state to take acknowledgments to deeds. When the certificate of incorporation is filed for record, there shall be attached to it a certified copy of each authorizing resolution and a certificate by the Secretary of State that the name proposed for the authority is not identical to that of any other corporation organized under the laws of the state or so nearly similar thereto as to lead to confusion and uncertainty. Upon the filing for record of the certificate of incorporation and the documents required by the preceding sentence to be attached thereto, the authority shall come into existence and shall constitute a public corporation under the name set forth in its certificate of incorporation. The judge of probate shall record the certificate of incorporation in an appropriate book in his or her office and send a notice to the Secretary of State that the certificate of incorporation of the authority has been filed for record.

"§11-101A-8.

"(a) In addition to all other powers granted elsewhere in this chapter, and subject to the express provisions of its certificate of incorporation, an authority shall have the following powers, together with all powers

1 incidental thereto or necessary to the discharge thereof in
2 corporate form:

3 "(1) To have succession by its corporate name for
4 the duration of time, which may be in perpetuity, specified in
5 its certificate of incorporation, or until dissolved as
6 provided in Section 11-101A-24.

7 "(2) To sue and be sued in its own name in civil
8 suits and actions, and to defend suits and actions against it,
9 subject, however, to Chapter 93 of this title, which chapter
10 is hereby made applicable to the authority.

11 "(3) To adopt, alter, amend, and repeal bylaws,
12 regulations, and rules for the regulation and conduct of its
13 affairs and business.

14 "(4) To adopt and make use of a corporate seal and
15 to alter the same at pleasure.

16 "(5) To acquire, whether by purchase, construction,
17 exchange, gift, lease, or otherwise and to improve, maintain,
18 equip, and furnish one or more projects, including all real
19 and personal properties which the board deems necessary in
20 connection therewith, regardless of whether any projects are
21 then in existence, at such place or places, within and without
22 the boundaries of its authorizing subdivisions, as it
23 considers necessary or advisable.

24 "(6) To lease or otherwise make available its
25 projects or other of its properties or assets, with or without
26 charge, to the United States or to one or more of its
27 authorizing subdivisions, for sublease to the United States,

1 or to the state, acting through the department, as a prison
2 facility, on such terms as the board deems appropriate, to
3 charge and collect rent or other fees or charges therefor, if
4 any, and to terminate any lease or other agreement upon the
5 failure of the lessee or other party to comply with any of its
6 obligations thereunder.

7 "(7) To receive, acquire, take, and hold, whether by
8 purchase, gift, transfer, foreclosure, lease, devise, option,
9 or otherwise, real and personal property of every description,
10 or any interest therein, and to manage, improve, and dispose
11 of the same by any form of legal conveyance or transfer.

12 Notwithstanding the foregoing, the authority shall not,
13 without the prior approval of the governing body of each
14 authorizing subdivision, dispose of all or substantially all
15 its assets. The foregoing provision shall not be construed to
16 require the prior approval of any governing body for the
17 mortgage or pledge of all or substantially all its assets or
18 for the foreclosure of any mortgage or sale or for any sale or
19 other disposition thereunder.

20 "(8) To mortgage, pledge, or otherwise convey its
21 property and its revenues from any source, including, without
22 limitation, any amounts payable to the authority by the state
23 pursuant to a year-to-year lease of a prison facility or by an
24 authorizing subdivision in accordance with an agreement
25 entered into pursuant to Section 11-101A-10.

26 "(9) To borrow money in order to provide funds for
27 any lawful corporate function, use, or purpose and, in

1 evidence of such borrowing, to sell and issue interest-bearing
2 securities in the manner provided and subject to the
3 limitations set forth in this chapter.

4 "(10) To pledge for payment of any of its securities
5 its revenues from any source, including, without limitation,
6 any amounts payable to the authority by the state pursuant to
7 a year-to-year lease of a prison facility or by an authorizing
8 subdivision in accordance with an agreement entered into
9 pursuant to Section 11-101A-10, and to mortgage or pledge any
10 or all of its projects or other assets or properties or any
11 part or parts thereof, whether then owned or thereafter
12 acquired, as security for the payment of the principal of and
13 the interest and premium, if any, on any securities so issued
14 and any agreements made in connection therewith.

15 "(11) To enter into agreements with any person,
16 firm, or corporation for the management by the person, firm,
17 or corporation on behalf of the authority of any of its
18 projects or other properties or for the more efficient or
19 economical performance of clerical, accounting,
20 administrative, and other functions relating to its projects
21 or other properties.

22 "(12) To make all needful or appropriate rules and
23 regulations for the conduct of any properties owned or
24 operated by it and to alter those rules and regulations.

25 "(13) To provide for any insurance the business of
26 the authority requires.

1 "(14) To receive and accept from any source aid or
2 contributions in the form of money, property, labor, or other
3 things of value, to be held, used, and applied to carry out
4 the purposes of this chapter, subject to any lawful condition
5 upon which any aid or contributions may be given or made.

6 "(15) To enter into contracts with, to accept aid,
7 loans, and grants from, to cooperate with, and to do any and
8 all things not specifically prohibited by this chapter or the
9 Constitution of Alabama of 1901, that may be necessary to
10 avail itself of the aid and cooperation of the United States
11 of America, the state, any county or municipality, or any
12 agency, instrumentality, or political subdivision of any of
13 the foregoing in furtherance of the purposes of this chapter;
14 to give such assurances, contractual or otherwise, to or for
15 the benefit of any of the foregoing as may be required in
16 connection with, or as conditions precedent to the receipt of,
17 any such aid, loan, or grant; and to take other action not in
18 violation of law necessary to qualify the authority to receive
19 funds appropriated by any of the foregoing.

20 "(16) To give assurances, contractual or otherwise,
21 and to make commitments and agreements necessary or desirable
22 to preclude the exercise of any rights of recovery with
23 respect to, or the forfeiture of title to, any of its projects
24 or other property or any project or other property proposed to
25 be acquired by it.

26 "(17) To assume any obligations of any entity that
27 conveys and transfers to the authority any project or other

1 property, or interest therein, provided that those obligations
2 appertain to the project, property, or interest so conveyed
3 and transferred to the authority.

4 "(18) To appoint, employ, contract with, and provide
5 for the compensation of, such employees and agents, including,
6 but not limited to, architects, attorneys, consultants,
7 engineers, accountants, financial experts, fiscal agents, and
8 other advisers, consultants, and agents as the business of the
9 authority may require.

10 "(19) To invest, in any trust fund established under
11 and subject to the general laws of the state for investment or
12 self-insurance purposes with investment authority as may be
13 authorized by law for such trusts, any funds of the authority
14 available therefor.

15 "(20) To the extent permitted by its contracts with
16 the holders of its securities, to purchase securities out of
17 any of its funds or moneys available therefor and to hold,
18 cancel, or resell those securities.

19 "(21) To make any expenditure of any moneys under
20 its control that would, if the authority were generally
21 subject to state corporate income taxation, be considered an
22 ordinary and necessary expense of the authority within the
23 meaning of Section 40-18-35, and applicable regulations
24 promulgated thereunder.

25 "(22) To enter into such contracts, agreements,
26 leases, and other instruments, and to take such other actions,
27 as may be necessary or convenient to accomplish any purpose

1 for which the authority was organized or to exercise any power
2 expressly granted hereunder.

3 "(23) To expend funds in support of federal
4 facilities located in Alabama including support for the
5 promotion of such facilities and support for the growth of
6 such facilities and the activities performed at those
7 facilities.

8 "(b) The Legislature declares that no expenditure
9 permitted by subdivision (21) of subsection (a) to be made by
10 or on behalf of an authority shall be considered to be a
11 lending of credit or a granting of public money or thing of
12 value to or in aid of any individual, association, or
13 corporation within the meaning of any constitutional or
14 statutory provision. Nothing herein contained shall be
15 construed as prohibiting or rendering unlawful any otherwise
16 lawful expenditure made by or on behalf of an authority,
17 solely because that expenditure is not expressly permitted by
18 the terms of subdivision (21) of subsection (a)."

19 Section 4. Section 11-101A-8.1 is added to the Code
20 of Alabama 1975, to read as follows:

21 **§11-101A-8.1.**

22 (a) Any prison facility constructed by an authority
23 shall be constructed on land leased from the state or donated
24 by the county or municipality creating the authority. The
25 Governor may enter into a lease of state property with an
26 authority. Upon the final payment of any indebtedness incurred
27 by the authority for the construction of the prison facility,

1 the lease shall terminate and title to the prison facility
2 shall be vested in the state. To enter a lease under this
3 section, an authority, or county or municipality contemplating
4 the creation of an authority must send a letter of intent to
5 enter a lease to the department within 90 days of the
6 effective date of the act adding this section. If a letter of
7 intent is from a county or municipality that has not created
8 an authority for purposes of constructing a prison facility
9 under this section, the county or municipality shall adopt an
10 authorizing resolution within 60 days of sending the letter of
11 intent. An authority may not enter into the lease later than
12 the date established by rule of the department after the plans
13 and specifications for the prison facility are approved by the
14 department and the division.

15 (b) The construction shall be done according to
16 plans and specifications of architects or engineers, or both,
17 selected by the department. Such plans and specifications
18 shall be developed in cooperation with any authority or
19 authorities that have filed a letter of intent and shall be
20 approved by the department and by the division. The department
21 shall adopt rules under the Administrative Procedure Act
22 providing for the selection of a project management team and
23 site selection for any prison facility constructed under this
24 chapter. All work in the construction of any prison facility,
25 or any part thereof, which is determined by the division to be
26 suitable and proper for construction by prison labor under
27 force account shall be performed by prison labor under the

1 supervision and directions as shall be ordered by the
2 department. All construction of any prison facility or any
3 part thereof which the division shall determine not to be
4 suitable and proper for construction by prison labor shall be
5 done under the supervision and direction of the division
6 following award for each part of the work to the lowest
7 responsible bidder after advertising for, receipt, and public
8 opening of sealed bids. Deductive alternate bids may be used
9 in order to reduce the base bid to an amount within the funds
10 available for the project. Additive alternate bids may be used
11 in order to obtain prices for the addition of items not
12 included in the base bid. The alternate bids shall be listed
13 in the bid documents in the order of priority in which they
14 shall cumulatively deduct from or add to the base bid for
15 determining the lowest responsible and responsive bidder.

16 After the lowest responsible and responsive bidder has been
17 determined, any alternates may be accepted or rejected
18 provided that the combination of accepted alternates results
19 in the same lowest bidder. If no bid is deemed acceptable by
20 the division and the authority, all bids may be rejected, in
21 which event bids may again from time to time be invited and
22 acted on as provided in this section. All contracts shall be
23 lump sum contracts. The entire work on a prison facility may
24 be divided into one or more contracts. All contracts for the
25 entire work on a prison facility shall be awarded at the same
26 time, but notice to proceed may be withheld until prior work
27 under another contract has progressed to a point where the

1 joint or following work can best be coordinated for the
2 earliest completion of the entire project in a sound and
3 workmanlike manner. Each contract shall be executed by an
4 authority upon the determination of the division as to the
5 lowest bidder. Payments made by an authority under the
6 construction contracts shall be upon the contractor's written
7 sworn request only if endorsed as approved by the division or
8 in any lesser amount the division shall endorse as having been
9 then earned on the contract. After the contracts for a prison
10 facility have been awarded, the construction cost estimate
11 shall be revised and all extras on the contracts shall be
12 awarded within the funds available. An authority shall pay to
13 the division as a part of the cost of constructing the prison
14 facility the sums for the services of its employees as may be
15 mutually agreed between the department and the division.

16 (c) (1) Each authority is hereby authorized to enter
17 into a lease or leases of any prison facility constructed by
18 the authority under this chapter with the department.

19 (2) The department may enter into a lease of a
20 prison facility with up to three separate authorities.

21 (3) A lease shall be on the following terms:
22 a. no lease shall be for a term longer than the then
23 current fiscal year of the state;

24 b. any lease may contain a grant to the department
25 of successive options of renewing the lease on the terms
26 specified therein for any subsequent fiscal year or years of
27 the state; and

c. liability for the payment of the rent under the lease shall never be for a term longer than the then current fiscal year of the state.

(4) Payment of rent by the department for any fiscal year shall be due in accordance with the provisions of any lease by an authority of any prison facility and upon being so paid, shall entitle the department to quick possession of the prison facility leased for the remainder of the fiscal year. The rent for each fiscal year during the lease agreement is in effect shall be due in accordance with the provisions of the lease and the rent for the fiscal year shall be payable, and any such covenant on the part of the department shall be performed, solely out of the current revenues of the state for the fiscal year. Rent may not exceed thirteen million five hundred thousand dollars (\$13,500,000) per year per prison facility, or the cost of the principal and interest on the bonds for the construction of each prison facility, whichever is less. The rent payable and the covenants to be performed by the department under the provisions of the lease shall never create a debt of the state within the meaning of the Constitution of Alabama of 1901, as amended.

(5) In the event that there shall be any default in the payment of any rent required to be paid or in the performance of any covenant required to be performed by the department under the provisions of the lease while the lease is in effect, an authority and any pledgee of the lease, by any appropriate proceedings instituted within the time

permitted by law, may enforce and compel the payment of the rent and the performance of the covenants in accordance with the terms of the lease. No free use shall be made of any prison facility of an authority so long as the principal of or interest on any bonds, including refunding bonds, issued by the authority remains unpaid.

(6) If a prison facility of an authority becomes vacant or is not used by the department, the department may not rent, purchase, acquire, construct, or lease any facility for penal or correctional use or renew any lease of a facility for penal or correctional use which may be used for any purpose for which any prison facility of the authority may be used, so long as the prison facility of the authority remains vacant or unused.

(d) If at any time a prison facility constructed by an authority is or about to be vacant or unused as a result of there being no lease for the prison facility in effect for the current fiscal year, the authority may lease the prison facility to any other agency, board, or department of the state, any municipal corporation, public corporation, county, or other public body in the state, or any agency of the federal government other than the original lessee of the prison facility. Any such lease shall not be for the purpose of lending public credit but shall be solely to avoid default on the authority's bonds and to insure the prompt payment of the principal thereof and interest thereon when due.

Section 5. The Alabama Corrections Institution Finance Authority shall report to the Joint Legislative Prison Committee on any plans for the demolition or disposal of any existing prison facilities pursuant to this act. In addition, the Department of Corrections shall report to the Joint Legislative Prison Committee and the Chairmen of the House Ways and Means General Fund Committee and the Senate Finance and Taxation General Fund Committee on the operational savings directly realized as a result of the consolidation of prisons pursuant to this act. This operational savings report shall be made annually beginning on the date on which the first bond or lease payment is due, and continuing until all bonds authorized by this act have matured, been redeemed, or are otherwise no longer outstanding.

Section 6. Sections 14-2-1, 14-2-6, 14-2-12, 14-2-13.1, 14-2-14, 14-2-16, 14-12-19, 14-2-21, 14-2-28, and 14-2-34, Code of Alabama 1975, are amended to read as follows:

"§14-2-1.

"For the purposes of this chapter, the following terms shall have the meanings respectively ascribed to them by this section:

"(1) AUTHORITY. The public corporation organized pursuant to the provisions of this chapter.

"(2) COMMISSION. The Building Commission created by Section 41-9-140 and its successors as the state agency for awarding construction contracts and supervising construction.

1 "(3) DEPARTMENT. The Alabama Department of
2 Corrections created by Section 14-1-1.1 and its successors as
3 the state agency responsible for supervising and controlling
4 the operation of the correctional institutions of the state.

5 "(4) STATE. The State of Alabama.

6 "(5) BONDS. The bonds issued under the provisions of
7 this chapter.

8 "(6) FACILITIES. Such term includes any one or more
9 of the following:

10 "a. Prisons;

11 "b. Buildings and enclosures for housing, containing
12 or supervising prisoners; and

13 "c. Any facilities necessary or useful in connection
14 with prisons, buildings or enclosures, including, without
15 limiting the generality of the foregoing, hospitals, offices,
16 correctional officers' quarters and residences, warehouses,
17 garages, storage facilities, abattoirs, cold storage plants,
18 canning plants, laundries and manufacturing plants for the
19 employment of prison labor.

20 "(7) KILBY PROPERTY. Such term includes all of the
21 real property commonly referred to as Kilby prison property,
22 embracing not only the real property owned by the state on
23 which Kilby prison is located, but also all real property
24 owned by the state used in connection with Kilby prison and
25 adjacent thereto, all located in sections 2, 3, 10, 11, 21,
26 22, 26, 27, 28, 29, 30, 33, 34, and 35 in township 17, range
27 18 in Montgomery County, Alabama, together with all personal

1 property owned by the state and used in connection with Kilby
2 prison and the real property adjacent thereto.

3 ~~"(8) PERRY COUNTY FACILITY. The Perry County~~
4 ~~Correctional Center, including all real property, buildings~~
5 ~~and improvements located at the facility in Perry County.~~

6 ~~"(8) NET PROCEEDS OF THE ONE MILL TAX. The portion~~
7 ~~of the proceeds of the tax levied under Section 40-8-3 at the~~
8 ~~rate of \$.10 on each \$100 of the assessed value of taxable~~
9 ~~property, remaining after payment of one percent of the~~
10 ~~proceeds thereof to the Alabama Historical Commission for the~~
11 ~~purposes set forth therein.~~

12 ~~"(9) REGIONAL PRISON FACILITY. A prison facility~~
13 ~~designed to house at least 3,500 inmates with a construction~~
14 ~~project cost of at least \$100 million procured by the bond~~
15 ~~issue or a prison facility meeting those requirements~~
16 ~~constructed by an authority under Chapter 101A of Title 11.~~

17 "§14-2-6.

18 ~~"The applicants named in the application and their~~
19 ~~respective successors in office shall constitute the members~~
20 ~~of the authority. The Governor shall be the president of the~~
21 ~~authority, the Commissioner of Corrections shall be the~~
22 ~~vice-president of the authority and the Director of Finance~~
23 ~~shall be the secretary of the authority. In addition, one~~
24 ~~member of the House of Representatives appointed by the~~
25 ~~Speaker of the House and one member of the Senate appointed by~~
26 ~~the President Pro Tempore of the Senate shall be members of~~
27 ~~the authority. The State Treasurer shall be the treasurer and~~

1 custodian of the funds of the authority, but shall not be a
2 member of the authority. The members of the authority shall
3 constitute all the members of the board of directors of the
4 authority, which shall be the governing body of the authority.
5 A majority of the members of the ~~said~~ board of directors shall
6 constitute a quorum for the transaction of business. Should
7 any person holding any state office named in this section
8 cease to hold such office by reason of death, resignation,
9 expiration of his or her term of office or for any other
10 reason, then his successor in office shall take his place as a
11 member, officer or director, as the case may be, of the
12 authority. No member, officer or director of the authority
13 shall draw any salary in addition to that now authorized by
14 law for any service he may render or for any duty he may
15 perform in connection with the authority. No member, officer,
16 director or employee of the authority shall be personally
17 liable for any debt, obligation or liability of the authority.
18

 "§14-2-12.

19 "(a) For the purpose of providing funds for the
20 acquisition of sites, for the construction, reconstruction,
21 alteration and improvement of facilities, for the procurement
22 and installation of equipment therefor and for payment of
23 obligations incurred and the principal of and interest on any
24 temporary loans made for any of the ~~said~~ purposes, the
25 authority is hereby authorized, from time to time, to sell and
26 issue, in addition to all bonds heretofore authorized to be
27 issued by the authority, its bonds in such aggregate principal

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

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

16 "(c) (1) In addition to any other authorization
17 provided in this chapter, the authority is hereby authorized,
18 from time to time, to sell and issue bonds in amounts
19 determined by the authority to be necessary for the
20 alteration, demolition, and improvement of facilities owned
21 and operated by the Department of Corrections or the Alabama
22 Corrections Institution Finance Authority, and for the
23 procurement and installation of equipment therefor. The total
24 additional bonds authorized by this subsection shall not
25 exceed three hundred twenty-five million dollars
26 (\$325,000,000) and shall be reduced to one hundred million
27 dollars (\$100,000,000) if the department leases three

1 facilities under Chapter 101A of Title 11. The authority may
2 not issue the bonds authorized by this subsection until the
3 department has an agreement in place to lease at least two
4 facilities under Chapter 101A of Title 11. Bonds authorized by
5 this subsection shall be sold as provided in Section 14-2-16.

6 "(2) The bonding authority provided herein must file
7 a report, in concise, simple language to each legislator
8 between the first and the twelfth legislative day of each
9 legislative session which shall reflect the date of the
10 issuance of the bonds, total amount of the bonds, maturity
11 date, schedule of payments, including interest and principal,
12 amount of attorney fees, architect fees and bond attorney
13 fees, discount points and all other costs incurred in the
14 issuance of and sale of the bonds herein authorized, and to
15 what person, firm, corporation, company, or other entity to
16 which any such fees or money is to be or has been paid.

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

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

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

26 "§14-2-13.1.

"It is hereby further provided that no refunding bonds as provided for by Section 14-2-13 shall be issued unless the present value of all debt service on the refunding bonds (computed with a discount rate equal to the true interest rate of the refunding bonds and taking into account all underwriting discount and other issuance expenses) shall not be greater than ~~95%~~ 98 percent of the present value of all debt service on the bonds to be refunded (computed using the same discount rate and taking into account the underwriting discount and other issuance expenses originally applicable to such bonds) determined as if such bonds to be refunded were paid and retired in accordance with the schedule of maturities (considering mandatory redemption as a scheduled maturity) provided at the time of their issuance. Provided further that the average maturity of the refunding bonds, as measured from the date of issuance of such refunding bonds, shall not exceed by more than three years the average maturity of the bonds to be refunded, as also measured from such date of issuance, with the average maturity of any principal amount of bonds to be determined by multiplying the principal of each maturity by the number of years (including any fractional part of a year) intervening between such date of issuance and each such maturity, taking the sum of all such products, and then dividing such sum by the aggregate principal amount of bonds for which the average maturity is to be determined.

"§14-2-14.

"Any bonds of the authority may be executed and delivered by it at any time and from time to time, shall be in such form and denominations and of such tenor and maturities, shall bear such rate or rates of interest payable and evidenced in such manner, may contain provisions for redemption prior to maturity and may contain other provisions not inconsistent with this section, all as may be provided by the resolution of the board of directors whereunder such bonds are authorized to be issued; provided, that no bond of the authority shall have a specified maturity date later than 20 30 years after its date. In the event that the authority shall make more than one pledge of the same revenues, such pledges shall, unless otherwise provided in the resolution or resolutions authorizing the earlier issued bonds, take precedence in the order of the adoption of the resolutions in which the pledges are made; provided, that each pledge for the benefit of refunding bonds shall have the same priority as the pledge for the benefit of the bonds refunded thereby.

"§14-2-16.

"Bonds of the authority may be sold at such price or prices and at such time or times as the board of directors of the authority may consider advantageous, either at public sale or private sale. Bonds of the authority sold by competitive bid must be sold, whether on sealed bids or at public auction, to the bidder whose bid reflects the lowest effective borrowing cost to the authority for the bonds being sold; provided, that if no bid acceptable to the authority is

1 received, it may reject all bids. Notice of each such sale by
2 competitive bids shall be given by publication in either a
3 financial journal or a financial newspaper published in the
4 City of New York, New York, and also by publication in a
5 newspaper published in the State of Alabama, each of which
6 notices must be published at least one time not less than 10
7 days before the date for the sale. The board of directors may
8 fix the terms and conditions under which such sale may be
9 held; provided, that such terms and conditions shall not
10 conflict with any of the requirements of this chapter. The
11 authority may pay out of the proceeds of the sale of its bonds
12 all expenses, including capitalized interest during a period
13 not to exceed ~~one year~~ three years from the date of issuance
14 of such bonds, publication and printing charges, attorneys'
15 fees and other expenses which said board of directors may deem
16 necessary and advantageous in connection with the
17 authorization, advertisement, sale, execution and issuance of
18 such bonds. Neither a public hearing nor consent of the State
19 Department of Finance or any other department or agency of the
20 state shall be a prerequisite to the issuance or sale of bonds
21 by the authority.

22 "§14-2-19.

23 "(a) All proceeds derived from the sale of any
24 bonds, except refunding bonds, sold by the authority,
25 remaining after payment of the expenses of issuance thereof,
26 shall be turned over to the State Treasurer, shall be carried
27 in a special account to the credit of the authority, and shall

1 be subject to be drawn on by the authority solely for the
2 purposes of:

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

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

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

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

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

18 "(6) Paying for costs of alteration, remodeling, and
19 renovation of facilities of the department, as determined by
20 the department; and

21 "(7) Paying for the cost of constructing a regional
22 prison facility if two, and only two, prison facilities are
23 leased pursuant to Chapter 101A of Title 11.

24 "The balance of the ~~said~~ proceeds thereafter
25 remaining, unless required for the construction of other
26 facilities by the authority as shall be determined by
27 resolution of its board of directors within six months after

1 completion of the facilities for which the bonds were issued,
2 shall be set aside as additional security for the bonds or
3 shall be used to pay, purchase or redeem bonds as may be
4 provided in the proceedings authorizing their issuance. The
5 reasonable and necessary expenses incident to the construction
6 of any facility shall, if deemed advisable by the authority,
7 include all or any part of the expense of providing temporary
8 facilities, during the construction of a new facility, for any
9 penal or correctional institution facility which is demolished
10 or ~~rendered~~ unserviceable as such.

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

19 "§14-2-21.

20 "(a) The principal of, premium, if any, and interest
21 on the bonds of the authority shall be secured, first, by any
22 or all of the following, as the authority may determine:

23 "(1) The rent and revenue for the use of one or more
24 facilities of the authority;

25 "(2) The net rent or sale proceeds from the Kilby
26 property;

1 "(3) Any bond proceeds remaining unexpended upon
2 completion of all facilities to be constructed with such bond
3 proceeds and the payment of the cost thereof;

4 "(4) Any insurance proceeds which the authority may
5 receive by reason of its ownership of any of the facilities;
6 and

7 "(5) Any mortgage upon or security interest in one
8 or more facilities of the authority, granted in connection
9 with the issuance of such bonds.; and

10 "(6) Operational savings realized from the
11 consolidation of prison facilities as a result of this
12 amendatory act.

13 "(b) To such extent and to such extent only as the
14 revenues described in subsection (a) may not be sufficient to
15 pay at their respective maturities the principal of and
16 interest on the bonds of the authority, there is irrevocably
17 pledged and appropriated, as a second priority security, so
18 much of the portion of the net proceeds of the one mill tax
19 allocated to the Department of Human Resources under Section
20 38-4-12 as may be necessary, when added to the amounts
21 described in subsection (a), for the purpose of providing
22 funds to enable the authority to pay at their respective
23 maturities and due dates the principal of and interest on the
24 bonds that may be issued by it under this article at any time.
25 The revenues pledged by this subsection shall be limited to
26 the payment of debt service on the bonds authorized by this

1 amendatory act, including debt service on any refunding bonds
2 issued to refund the bonds authorized by this amendatory act.

3 "(c) To such extent and to such extent only as the
4 revenues described in subsections (a) and (b) may not be
5 sufficient to pay at their respective maturities the principal
6 of and interest on the bonds of the authority, there is
7 irrevocably pledged and appropriated, as a third priority
8 security, so much of the net proceeds of the net proceeds of
9 the tax levied on spirituous or vinous liquors allocated to
10 the Public Welfare Trust Fund under Sections 28-3-201,
11 28-3-202, and 28-3-204, as may be necessary, when added to the
12 amounts described in subsections (a) and (b), for the purpose
13 of providing funds to enable the authority to pay at their
14 respective maturities and due dates the principal of and
15 interest on the bonds that may be issued by it under this
16 article at any time. The revenues pledged by this subsection
17 shall be limited to the payment of debt service on the bonds
18 authorized by this amendatory act, including debt service on
19 any refunding bonds issued to refund the bonds authorized by
20 this amendatory act.

21 "(d) In the event that revenues pledged by
22 subsection (b) or (c) are used to pay debt service on bonds
23 authorized by this amendatory act, including debt service on
24 refunding bonds issued to refund the bonds authorized by this
25 amendatory act, the Legislature shall provide for the
26 reimbursement of the amount used for those debt service
27 payments to the Department of Human Resources.

1 "(e) The authority shall have authority to transfer
2 and assign any lease of any of the facilities and any lease or
3 mortgage of the Kilby property as security for the payment of
4 such principal, premium, if any, and interest. The bonds may
5 be issued under, and secured by, a resolution which may, but
6 need not, provide for an indenture of trust covering one or
7 more facilities of the authority. Such resolution or such
8 indenture of trust may contain any provision or agreement
9 customarily contained in instruments securing evidences of
10 indebtedness, including, without limiting the generality of
11 the foregoing, provisions respecting the collection and
12 application of any receipts pledged to the payment of bonds,
13 the terms to be incorporated in lease agreements respecting
14 the facilities, the maintenance and insurance thereof, the
15 creation and maintenance of reserve and other special funds
16 from such receipts and the rights and remedies available in
17 the event of default to the holders of the bonds or to the
18 trustee for the holders of the bonds or under any indenture of
19 trust, all as the authority may deem advisable and as shall
20 not be in conflict with the provisions of this chapter;
21 provided, however, that in making such agreements or
22 provisions the authority shall not have the power to obligate
23 itself except with respect to its facilities, the Kilby
24 property and the application of the receipts which it is
25 authorized in this chapter to pledge.

26 "(f) For each fiscal year in which the department,
27 under a lease agreement with the authority, is required to pay

1 rent to the authority in an amount at least equal to the
2 annual debt service on bonds issued pursuant to the act adding
3 this amendatory language, the department, from the amount
4 appropriated to it in each annual general fund appropriations
5 act, shall pay the rent payments as a first priority
6 expenditure, and all other expenditures of the department for
7 each fiscal year shall be adjusted accordingly.

8 "§14-2-28.

9 "All facilities constructed by the authority shall
10 be constructed according to plans and specifications of
11 architects or engineers, or both, selected by the department.
12 Such plans and specifications shall be approved by the
13 department and by the commission. All work in the construction
14 of facilities, or any part thereof, which is determined by the
15 commission to be suitable and proper for construction by
16 prison labor under force account shall be performed by such
17 prison labor under such supervision and directions as shall be
18 ordered by the department. All construction of facilities or
19 any part thereof which the commission shall determine not to
20 be suitable and proper for construction by prison labor shall
21 be done under the supervision and direction of the commission
22 following award for each part of the work to the lowest
23 responsible bidder after advertising for, receipt and public
24 opening of sealed bids. ~~Each such invitation for bids and the~~
25 ~~bidding documents applicable thereto shall be so arranged that~~
26 ~~any alternates shall constitute cumulative deductions from the~~
27 ~~base bid rather than additions thereto. In determining the~~

lowest bidder if funds are insufficient to construct the facility on the lowest base bid, then the commission may proceed to consider the bids upon the basis of the base bids of all bidders minus the respective reductions stated for the first alternate. If the lowest bid so determined is not then within the funds available, the commission shall proceed to consider the base bid minus the first and second alternates together to determine the lowest bid and in like manner throughout all alternates, if need be, so that in no event shall there be any discretion as to which alternate or alternates will be used in determining the lowest responsible bidder. Deductive alternate bids may be used in order to reduce the base bid to an amount within the funds available for the project. Additive alternate bids may be used in order to obtain prices for the addition of items not included in the base bid. The alternate bids shall be listed in the bid documents in the order of priority in which they shall cumulatively deduct from or add to the base bid for determining the lowest responsible and responsive bidder. After the lowest responsible and responsive bidder has been determined, any alternates may be accepted or rejected provided that the combination of accepted alternates results in the same lowest bidder. If no bid deemed acceptable by the commission and the authority is received, all bids may be rejected, in which event bids may again from time to time be invited and acted on as provided in this section. All such contracts shall be lump sum contracts. The entire work on a

prison facility may be divided into one or more contracts. All contracts for the entire work on a facility shall be awarded at the same time, but notice to proceed may be withheld until prior work under another contract has progressed to a point where the joint or following work can best be coordinated for the earliest completion of the entire project in a sound and workmanlike manner. Each contract shall be executed by the authority upon the determination of the commission as to the lowest bidder. Payments made by the authority under the construction contracts shall be upon the contractor's written sworn request only if endorsed as approved by the commission or in any lesser amount the commission shall endorse as having been then earned on said contract. After the contracts for a facility have been awarded, such construction cost estimate shall be revised and all extras on the contracts shall be awarded within the funds available. The authority shall pay to the commission as a part of the cost of constructing the facility such sums for the services of its employees as may be mutually agreed between the department and the commission.

"§14-2-34.

"When all bonds and securities issued by the authority and all obligations assumed by it under the provisions of this chapter shall have been paid in full, the then president of the authority shall thereupon execute and deliver in the name of, and in behalf of, the authority an appropriate deed or deeds, to which the seal of the authority shall be affixed and attested by the secretary of the

1 authority, conveying all facilities and other assets then
2 owned by the authority to the state, except that no such
3 conveyance shall be required if the president of the authority
4 determines that the issuance of additional bonds to finance
5 improvements to existing facilities is contemplated. The then
6 officers and directors of the authority may, in their
7 discretion, at such time file with the Secretary of State a
8 written statement, subscribed and sworn to by each of them,
9 reciting the payment in full of all bonds theretofore issued
10 by the authority and the execution and delivery of such deed
11 or deeds, which statement shall be filed by the Secretary of
12 State and recorded with the certificate of incorporation of
13 the authority, and thereupon the authority shall stand
14 dissolved."

15 Section 7. (a) Separate and apart from the power
16 granted to the authority in regard to the Kilby property in
17 Section 14-2-26 and 14-2-27, and in addition to those powers,
18 the authority shall have the power to sell, convey and lease
19 all or any part of any real and personal property now or
20 hereafter owned by it, together with the improvements thereon
21 and ancillary thereto, that is not being used by the
22 department as a facility, and the sale of which will not
23 impair the outstanding obligations of the authority, and as an
24 aid to the sale or lease, to cause to be prepared by competent
25 real estate experts a land use map and plan. The authority may
26 lease or sell lands and property owned by it without going
27 through the Lands Division or in any other way complying with

1 the provisions of Title 9, Chapter 15, Article 3, Code of
2 Alabama, 1975. The authority must have duly adopted written
3 policies and procedures governing the sale or lease of the
4 property which invoke open competition and produce the best
5 price, to include obtaining an appraisal, advertising the sale
6 or lease and conducting the sale by public auction or publicly
7 sought sealed bid. No such sale or lease shall be made except
8 at public offering, on sealed bids or at auction, and upon
9 such published notice as the authority shall determine to be
10 necessary or desirable in order to attract the greatest
11 interest from prospective bidders.

12 (b) The award of any property offered for sale or
13 lease shall be made to the highest responsible bidder unless
14 all bids shall be rejected as inadequate and other public
15 offering shall be made upon notice republished as prescribed
16 above. Any sale shall be for all cash. Each deed or lease to
17 effectuate any sale or lease shall be signed in the name of
18 the authority by its president, to which the seal of the
19 authority shall be affixed and attested by its secretary.

20 (c) The proceeds of each sale or lease of any such
21 property shall be used first to pay the reasonable and
22 necessary expenses of the sale or lease, and the balance
23 remaining shall be paid to the State Treasurer and held by him
24 in a special account and disbursed on order of the authority
25 for any one or more of the following purposes:

(1) To acquire land for, and to construct, reconstruct, renovate, repair, maintain and equip one or more facilities; or

(2) To pay for such services, goods, repairs, renovations, construction, demolition, or other activities in or about facilities as may be deemed necessary by the board of the authority in the exercise of its sole discretion, to further the purposes of the authority or the department, including developing of a master plan for the use of the real or personal property that is owned by or which may be acquired by the authority for its statutory purposes, the preparation for sale or lease, or the preservation of, facilities or excess unimproved property owned for the authority; or

(3) To pay the principal of, and interest on, its bonds at maturity or upon refunding or redemption.

(d) The department will maintain all facilities not being used for the purposes designated in Section 14-2-1(6), and designated for sale, lease, demolition or other disposition, so long as title thereto is held by the authority, to enable the authority to achieve the best possible price or other result upon the sale, lease or other disposition thereof.

(e) Upon request of the authority the department shall convey to the authority any real and personal property to which the department holds title and acquired with proceeds of the authority's bonds or income thereon.

Section 8. Upon the regional prison facilities built by local prison authorities becoming operational, the department shall consolidate all operations housing medium or higher custody level male inmates into not more than six independent facilities. This limitation shall not apply if the future male inmate population increases above one hundred twenty-five percent of design capacity.

Section 9. Prior to the closing of a prison or correctional facility, the Department of Corrections shall determine whether a governmental entity has undertaken or incurred any debt to serve the existing facility. Any existing obligation of the Department of Corrections to the governmental entity shall continue unless negotiated otherwise.

Section 10. A person or entity submitting a proposal for a project under this act shall disclose both of the following:

(1) The names of all lobbyists, attorneys, or other professionals or professional firms hired or retained by the person or entity on or after January 1, 2014.

(2) The names of all current or past elected officials or family members as defined in Section 36-25-1(15), Code of Alabama 1975, associated in any manner with the person or entity submitting the proposal or associated in any manner with a subcontractor of the person or entity on or after January 1, 2014.

Section 11. Sections 28-3-201, 28-3-202, 28-3-204, 29-2-20, 38-4-12, and 40-8-3, Code of Alabama 1975, are amended to read as follows:

"§28-3-201.

"In addition to all other taxes of every kind now imposed by law and in addition to any marked-up price authorized or required by law, there is hereby levied and shall be collected a tax at the rate of 10 percent upon the selling price of all spirituous or vinous liquors sold by the Alabama Alcoholic Beverage Control Board. The tax hereby imposed shall be collected by the board from the purchaser at the time the purchase price is paid. In computing the proceeds of this tax, the board shall divide the total sales of spirituous and vinous liquors made by it by a factor of 110 and multiply the quotient by 100 and by 10. An amount equal to the quotient multiplied by 100 shall be deposited in the State Treasury to the credit of the Alcoholic Beverage Control Board Store Fund and an amount equal to the quotient multiplied by 10 shall be deposited in the State Treasury to ~~the credit of~~ the Public Welfare Trust Fund and shall be used for general welfare purposes and is hereby appropriated therefor. be distributed as follows:

"(1) A sum equal to the amount necessary to pay the principal of and interest on bonds issued by the Alabama Corrections Institution Finance Authority as and to the extent provided in Section 14-2-21 shall be distributed to the authority.

1 "(2) The remainder shall be distributed to the
2 Public Welfare Trust Fund.

3 "§28-3-202.

4 "(a) Repealed by Acts 1986, No. 86-212, p. 264, §3.

5 "(b) Levy; collection; disposition of proceeds. In
6 addition to all other taxes of every kind now imposed by law
7 and in addition to any marked-up price authorized or required
8 by law, there is hereby levied and shall be collected a tax at
9 the rate of 10 percent upon the selling price of all
10 spirituous or vinous liquors sold by the board. The tax
11 imposed by this subsection shall be collected by the board
12 from the purchaser at the time the purchase price is paid. One
13 half of the proceeds derived from the tax shall be deposited
14 in the State Treasury to the credit of the Public Welfare
15 Trust Fund and shall be used for general welfare purposes and
16 is hereby appropriated therefor. The remainder of such
17 proceeds from the tax levied by this subsection shall be
18 deposited in the State Treasury to be distributed as follows:

19 (1) A sum equal to the amount necessary to pay the principal
20 of and interest on bonds issued by the Alabama Corrections
21 Institution Finance Authority as and to the extent provided in
22 Section 14-2-21, shall be distributed to the authority; and

23 (2) the remainder shall be distributed to the credit of a
24 special fund which shall be designated the Alabama Special
25 Mental Health Fund and shall be used only for mental health
26 purposes, including the prevention of mental illness, the care
27 and treatment of the mentally ill and the mentally deficient

1 and the acquisition, equipment, operation and maintenance of
2 facilities for mental health purposes.

3 "The markup as currently established by the board on
4 spirituous or vinous liquors shall not be reduced by the board
5 for the purpose of absorbing the tax levied by this
6 subsection, it being the intention of this provision that the
7 said tax shall be passed on to the purchaser.

8 "§28-3-204.

9 " (a) Repealed by Acts 1986, No. 86-212, p. 264, §3.

10 " (b) Levy and collection. In addition to all other
11 taxes of every kind now imposed by law and in addition to any
12 marked-up price authorized or required by law, there is hereby
13 levied and shall be collected a tax at the rate of three
14 percent upon the selling price of all spirituous or vinous
15 liquors sold by the board.

16 "The board shall have the authority to examine the
17 books and records of any wine wholesaler to determine the
18 accuracy of any return required to be filed with the board.

19 "The markup as currently established by the board on
20 spirituous or vinous liquors shall not be reduced by the board
21 for the purpose of absorbing the tax levied in this
22 subsection, it being the intention of this provision that the
23 said tax shall be passed on to the purchaser.

24 " (c) Distribution of proceeds. One half of the
25 proceeds derived from the tax shall be deposited in the State
26 Treasury to be distributed as follows: (1) a sum equal to the
27 amount necessary to pay the principal of and interest on bonds

issued by the Alabama Corrections Institution Finance Authority as and to the extent provided in Section 14-2-21, shall be distributed to the authority; and (2) the remainder shall be distributed to the credit of the Public Welfare Trust Fund and shall be used for general welfare purposes and is hereby appropriated therefor. The remainder of such proceeds from the tax levied by this section shall be deposited in the State Treasury to the credit of a special fund which shall be designated the Special Mental Health Fund and shall be used only for mental health purposes, including the prevention of mental illness, the care and treatment of the mentally ill and the mentally deficient and the acquisition, equipment, operation and maintenance of facilities for mental health purposes.

"§29-2-20.

"(a) A permanent legislative committee which shall be composed of ~~eight~~ 12 members, two of whom shall be ex officio members and ~~six~~ 10 of whom shall be appointed members, ~~three~~ five each to be appointed by the President of the Senate and Speaker of the House, who shall both serve as the ex officio members, shall be formed to assist in realizing the recommendations of the Legislative Prison Task Force and examine all aspects of the operations of the Department of Corrections. The four additional members appointed on or after the effective date of the act adding this amendatory language shall include two members from the majority party and two members from the minority party. The chairman chair of the

1 committee shall be selected by and from among the membership.

2 The committee shall make diligent inquiry and a full
3 examination of Alabama's present and long term prison needs
4 and they shall file reports of their findings and
5 recommendations to the ~~Alabama~~ Legislature not later than the
6 fifteenth legislative day of each regular session that the
7 committee continues to exist.

8 "(b) The committee shall study and address mental
9 health issues for prisoners reentering the community after a
10 term of imprisonment in order to streamline the sharing of
11 critical mental health information and in order to address
12 barriers to accessing mental health treatment for such
13 prisoners. The committee shall report such findings to the
14 Legislature no later than April 20, 2016, and shall work in
15 conjunction with the following in studying and addressing such
16 issues:

17 " "(1) Department of Corrections;

18 " "(2) Board of Pardons and Paroles;

19 " "(3) Department of Mental Health;

20 " "(4) Administrative Office of Courts;

21 " "(5) Office of Prosecution Services;

22 " "(6) Office of the Attorney General;

23 " "(7) Alabama State Law Enforcement Agency;

24 " "(8) Association of County Commissions of Alabama;

25 " "(9) Alabama Probate Judges Association;

26 " "(10) Alabama Sheriffs' Association;

27 " "(11) Alabama Criminal Defense Lawyers Association;

1 "(12) Alabama Circuit Judges' Association;
2 "(13) Department of Public Health;
3 "(14) Office of the Governor;
4 "(15) Alabama District Attorneys Association;
5 "(16) Alabama Drug Abuse Task Force; and
6 "(17) Any other advocacy groups as determined by the
7 committee.

8 "(c) The committee shall study and address issues
9 related to felony restitution collection in order to improve
10 rates of collection for restitution obligations in felony
11 cases and establish best practices relating to a defendant's
12 ability to pay obligations owed. The committee shall report
13 such findings to the Legislature no later than April 20, 2016,
14 and shall work in conjunction with the following in studying
15 and addressing such issues:

16 "(1) Department of Corrections;
17 "(2) Board of Pardons and Paroles;
18 "(3) Administrative Office of Courts;
19 "(4) Office of Prosecution Services;
20 "(5) Office of the Attorney General;
21 "(6) Alabama State Law Enforcement Agency;
22 "(7) Alabama Criminal Defense Lawyers Association;
23 "(8) Alabama Circuit Judges' Association;
24 "(9) Association of County Commissions of Alabama;
25 "(10) Alabama Sheriffs' Association;
26 "(11) Alabama Crime Victims Compensation Commission;
27 "(12) The Alabama Circuit Clerk's Association;

1 "(13) Two crime victims' rights advocates designated
2 by the Attorney General;

3 "(14) Two members from the Alabama District
4 Attorneys Association, of which whom one shall be from a
5 largely populated metropolitan judicial circuit and the other
6 shall be from a small, rurally populated judicial circuit; and

7 "(15) Any other advocacy groups as determined by the
8 committee.

9 "(d) The committee shall study and address capacity
10 issues within the Department of Corrections to include, but
11 not limited to, the issue of design capacity and operational
12 or functional capacity, as well as the construction of new
13 prison facilities and the renovation of current correctional
14 facilities as they relate to prison overcrowding and public
15 safety. The committee shall report such findings to the
16 Legislature no later than April 20, 2016, and shall work in
17 conjunction with the following in studying and addressing such
18 issues:

19 "(1) Department of Corrections;

20 "(2) Board of Pardons and Paroles;

21 "(3) Department of Mental Health;

22 "(4) Department of Public Health;

23 "(5) Administrative Office of Courts;

24 "(6) Office of Prosecution Services;

25 "(7) Office of the Attorney General;

26 "(8) Alabama State Law Enforcement Agency;

27 "(9) Alabama Drug Abuse Task Force;

1 "(10) Alabama Criminal Defense Lawyers Association;
2 "(11) Alabama Circuit Judges' Association;
3 "(12) Association of County Commissions of Alabama;
4 "(13) Two members from the Alabama Sheriffs'
5 Association, of ~~which~~ whom one shall be from a largely
6 populated metropolitan judicial circuit and the other shall be
7 from a small, rurally populated judicial circuit; and

8 "(14) Two members from the Alabama District
9 Attorneys Association, of ~~which~~ whom one shall be from a
10 largely populated metropolitan judicial circuit and the other
11 shall be from a small, rurally populated judicial circuit.

12 "(e) The studies and collaborating partners provided
13 for in this section shall reflect the racial, gender,
14 geographic, urban/rural, and economic diversity of the state.

15 "§38-4-12.

16 "(a) Except as provided in subsection (b), there is
17 appropriated, beginning with the fiscal year ending September
18 30, 1998, ~~to the state department, for old age pension~~
19 ~~purposes,~~ out of the proceeds from the levy of the one mill
20 tax ~~for the relief of needy Confederate soldiers and sailors~~
21 ~~and their widows,~~ a sum not to exceed \$20,773,500 annually of
22 the surplus or residue from the tax after the payment in full
23 of the pensions to the widows of Confederate soldiers and
24 sailors, to pay the principal of and interest on bonds issued
25 by the Alabama Corrections Institution Finance Authority as
26 and to the extent provided in Section 14-2-21, and then to the
27 state department, for old-age pension purposes other charges

1 against the fund set out in the laws authorizing the payment
2 of the pensions to the widows, and annually to the Department
3 of Revenue, as a first charge against the proceeds of the one
4 mill tax, funds for the annual costs of the Department of
5 Revenue for administering the tax. In making this
6 appropriation, it is declared to be the legislative policy
7 that the Department of Human Resources shall expend its
8 portion of the surplus or residue hereby appropriated and all
9 moneys received by it from the federal government as matching
10 funds for all funds expended for Confederate pensions or as
11 matching funds for the surplus or residue hereby appropriated
12 under this section, for old age pension purposes exclusively
13 insofar as is possible under existing laws and the rules and
14 regulations of the federal government and of the Department of
15 Human Resources in regard thereto, before any part thereof may
16 be expended for any other purposes of the Department of Human
17 Resources.

18 "(b) Beginning with the fiscal year ending September
19 30, 1997, all of the remaining surplus or residue from the tax
20 provided in (a) ~~above~~, after deducting the amounts
21 appropriated to the Department of Human Resources and the
22 Department of Revenue under the annual appropriations act for
23 the fiscal year ending September 30, 1997, and under
24 subsection (a) ~~of this section~~ for each year thereafter, is
25 hereby appropriated to the State Veterans' Assistance Fund to
26 be expended for veterans' programs approved by the State Board

1 of Veterans' Affairs, including expenditures for emergencies
2 and needs in the state's veterans' nursing homes.

3 "§40-8-3.

4 "There is hereby levied for the purpose and upon the
5 property hereinafter named and not specifically exempted from
6 taxation annual taxes, as follows:

7 "(1) For the maintenance of the public schools of
8 this state, \$.30 on each \$100 of the assessed value of taxable
9 property.

10 "(2) For the relief of needy Confederate soldiers
11 and sailors, resident citizens of Alabama and their widows,
12 and to secure the obligations of the Alabama Corrections
13 Institution Finance Authority as provided in Title 14, Chapter
14 2, \$.10 on each \$100 of the assessed value of taxable property
15 of which one percent of the gross amount collected will be
16 expended by the Alabama Historical Commission to provide for
17 capital improvements and maintenance at the Confederate
18 Memorial Park at Mountain Creek, Chilton County, Alabama.

19 "(3) For the use of the state and to raise revenue
20 therefor, \$.25 on each \$100 of the assessed value of taxable
21 property."

22 Section 12. (a) Beginning January 2, 2018, and every
23 six months thereafter until the annual reports begin on the
24 date on which the first bond issue payment is due, the
25 Commissioner of the Department of Corrections shall prepare a
26 report on the progress of prison construction activities in
27 the state during the previous six-month period. The report

1 shall include, but not be limited to, expenditures, savings,
2 cost-analyses, and the number of agreements entered into,
3 including construction, architectural, and legal agreements.
4 The report shall also contain the overtime costs of the
5 department for the preceding six months.

6 (b) The Commissioner of the Department of
7 Corrections shall report his or her findings to the Joint
8 Legislative Prison Committee, the House Ways and Means General
9 Fund Committee, the Senate Committee on Finance and Taxation
10 General Fund, and any other appropriate House and Senate
11 Standing Committee.

12 Section 13. The provisions of this act are
13 severable. If any part of this act is declared invalid or
14 unconstitutional, that declaration shall not affect the part
15 which remains.

16 Section 14. This act shall become effective
17 immediately following its passage and approval by the
18 Governor, or its otherwise becoming law.