

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

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

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

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

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

18           (e) The authority is strongly encouraged to utilize  
19 businesses and companies in all aspects of the bond and  
20 construction portions of this chapter that reflect the racial  
21 and ethnic diversity of the state.

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,

1 shall be turned over to the State Treasurer, shall be carried  
2 in a special account to the credit of the authority, and shall  
3 be subject to be drawn on by the authority solely for the  
4 purposes of:

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

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

11 "~~(3)~~ (2) Constructing additional improvements on  
12 property currently owned by the Department of Corrections or  
13 the authority in order to provide for additional bedspace.

14 "~~(4)~~ (3) Paying all reasonable and necessary  
15 expenses incidental thereto, including filing, recording,  
16 surveying, legal and engineering fees and expenses;

17 "~~(5)~~ (4) Paying the interest which will accrue on  
18 the said bonds during the period required for the construction  
19 and equipment of the said facilities and for a period not  
20 exceeding six months after the completion thereof; and

21 "~~(6)~~ (5) Paying the principal of and interest on all  
22 then outstanding notes theretofore issued by the authority  
23 pursuant to the provisions of Section 14-2-10.

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

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Speaker of the House of Representatives

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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 07-MAY-15, as amended.

Jeff Woodard  
Clerk

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Senate

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21-MAY-15

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Passed