

1 SB245
2 136177-1
3 By Senators Holtzclaw and Orr
4 RFD: Finance and Taxation Education
5 First Read: 08-FEB-12

2
3
4
5
6
7
8 SYNOPSIS: Under existing law, the Alabama Public
9 School and College Authority is authorized to sell
10 and issue bonds and apply the proceeds for the
11 construction of new school facilities as well as
12 the renovation of existing school facilities in
13 school systems directly impacted by the 2005 Base
14 Realignment and Closure.

15 This bill would change the baseline date to
16 January 1, 2006.

17 This bill would provide that the average
18 salary or equivalent wage can be attributed to 2005
19 BRAC that is equal to or exceeding \$80,000.

20 This bill would remove the provision that a
21 school district may not receive the proceeds of the
22 bonds issued by the Public School and College
23 Authority unless the district or political
24 subdivision has experienced an increase in the
25 sales tax rate.

1 This bill would remove the provision that in
2 order to qualify for bond proceeds, a local school
3 system may redirect an existing tax not currently
4 dedicated to schools to qualify for bonds.

5
6 A BILL
7 TO BE ENTITLED
8 AN ACT
9

10 To amend Sections 16-16A-2, 16-16A-7, and 16-16A-8,
11 Code of Alabama 1975, to change the baseline date to January
12 1, 2006; to provide that the average salary or equivalent wage
13 can be attributed to 2005 BRAC that is equal to or exceeding
14 \$80,000; to remove the provision that a school district may
15 not receive the proceeds of the bonds issued by the Public
16 School and College Authority unless the district or political
17 subdivision has experienced an increase in the sales tax rate;
18 and to remove the provision that in order to qualify for bond
19 proceeds, a local school system may redirect an existing tax
20 not currently dedicated to schools to qualify for bonds.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. Sections 16-16A-2, 16-16A-7, and
23 16-16A-8, Code of Alabama 1975, are amended to read as
24 follows:

25 "§16-16A-2.

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

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

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

6 "(3) 2005 BRAC. a. Closure actions according to the
7 2005 Base Closure and Realignment Commission Report of the
8 U.S. Department of Defense as they relate to Redstone Arsenal.

9 "b. Subsequent BRAC Actions are closure actions
10 according to any Base Closure and Realignment Commission
11 Report of the U.S. Department of Defense subsequent to the
12 2005 Base Closure and Realignment Commission Report of the
13 U.S. Department of Defense or administrative actions by a
14 United States government agency, department, or organization
15 which positively impact the number of Redstone Arsenal jobs.

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

19 "(5) BRAC IMPACTED AREA. The geographic area within
20 Madison County and the City of Huntsville described by a
21 closed perimeter boundary consisting of Cummings Research
22 Park, East and West, Thornton Research Park, Redstone Gateway
23 EUL Area, and Redstone Arsenal.

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

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

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

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

1 Poor's Ratings Group and at least "Aa" by Moody's Investors
2 Service.

3 "§16-16A-7.

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

19 "(b) The Alabama Public School and College Authority
20 is hereby authorized to sell and issue its Bonds in the
21 aggregate principal amount of up to one hundred seventy-five
22 million dollars (\$175,000,000) once proof is provided deemed
23 adequate by the Authority that ~~7,000~~ 4,700 direct full-time
24 jobs can be attributed to 2005 BRAC, Subsequent BRAC Actions,
25 and as a result of administrative actions by a United States
26 government agency, department, or organization placed in

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

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

22 ~~"(2)~~ (1) The bond proceeds of the Authority
23 authorized by this chapter shall be provided as a dollar for
24 dollar match for local support of such capital projects.
25 School systems seeking to participate in the bond issue
26 program authorized by this chapter shall remit to the

1 Authority amounts equal to half of the semi-annual debt
2 service payments required to satisfy all covenants of the debt
3 issuance authorized under this chapter for the satisfaction of
4 such debt obligations attributable to the cost of projects to
5 be placed in service in such school system at such times as
6 the Authority shall require.

7 "~~(3)~~(2) In the event a school district fails to meet
8 the local revenue requirements in this chapter within 12
9 months of the Determination Date, the aggregate amount
10 authorized in this chapter shall be reduced by the amount
11 allocated to that school district. ~~In no event shall, and~~
12 those proceeds shall be reallocated to any remaining approved
13 school system.

14 "~~(4)~~(3) The Bonds herein authorized shall be in
15 addition to all other bonds previously authorized to be issued
16 by the Alabama Public School and College Authority, and the
17 powers conferred herein are in addition to all other powers
18 heretofore conferred on the Alabama Public School and College
19 Authority by acts heretofore enacted by the Legislature.

20 "(c) The Bonds shall be signed by the president or
21 vice-president of the Alabama Public School and College
22 Authority, and the seal of the Alabama Public School and
23 College Authority affixed thereto, or a facsimile thereof
24 imprinted thereon, and attested by its secretary. All
25 signatures of the president, vice-president, and secretary may
26 be facsimile signatures if the Alabama Public School and

1 College Authority, in its proceedings with respect to
2 issuance, provides for manual authentication, which may be in
3 the form of a certificate as to registration, of the Bonds by
4 a trustee, registrar, or paying agent, or by named individuals
5 who are employees of the state and who are assigned to the
6 Finance Department or State Treasurer's Office of the state.
7 All Bonds bearing signatures or facsimiles of the signatures
8 of officers of the Alabama Public School and College Authority
9 in office on the date of signing thereof shall be valid and
10 binding notwithstanding that before the delivery thereof and
11 payment therefor, any officer whose signature appears thereon
12 shall have ceased to be an officer of the Alabama Public
13 School and College Authority. The Bonds and the income
14 therefrom shall be exempt from all taxation in the State of
15 Alabama, may be used as security for deposits, and shall be
16 eligible for investments of fiduciary funds, as provided in
17 the 1965 Act. The Bonds shall be construed to have all the
18 qualities and incidents of negotiable instruments subject to
19 any registration provisions pertaining to transfers. The
20 Alabama Public School and College Authority and the Bonds
21 shall be exempt from all laws of the state governing usury
22 including, without limitation, the provisions of Title 8,
23 Chapter 8, or any subsequent statute of similar import. The
24 Bonds shall be in such form or forms and denomination or
25 denominations and of such tenor and maturities, shall bear
26 such rate or rates of interest payable and evidenced in such

1 manner, may be made subject to redemption prior to their
2 maturities, and may contain provisions not inconsistent with
3 this chapter, all as may be provided by the resolution of the
4 Alabama Public School and College Authority under which the
5 Bonds may be issued; provided, that no Bonds shall have a
6 specified maturity date later than twenty years after their
7 date; and provided further, that those Bonds having maturities
8 more than ten years after their date shall be subject to
9 redemption at the option of the Alabama Public School and
10 College Authority on any date on and after the tenth
11 anniversary after their date at such redemption price or
12 prices and under such conditions as may be prescribed in the
13 proceedings of the Alabama Public School and College Authority
14 under which they are issued. For the purpose of paying the
15 principal of, premium, if any, and interest on the Bonds or
16 any Refunding Bonds, the Alabama Public School and College
17 Authority shall designate the State Treasurer or such bank or
18 banks as the Alabama Public School and College Authority, in
19 its discretion, determines to be appropriate and desirable.
20 Funds for the payment of debt service shall be transferred by
21 the Alabama Public School and College Authority or the State
22 Treasurer on behalf of the Alabama Public School and College
23 Authority to the designated paying agent on the actual due
24 date of such principal, premium, if any, or interest.

25 "(d) The Bonds may be sold by the Alabama Public
26 School and College Authority from time to time in series, and

1 if sold in more than one series, may all be authorized in one
2 initial resolution of the Alabama Public School and College
3 Authority with the pledges therefor made by the Alabama Public
4 School and College Authority in such initial resolution
5 although some of the details applicable to each series may be
6 specified in the respective resolutions under which the
7 different series are issued. The Alabama Public School and
8 College Authority, in the course of establishing, by
9 resolution, a principal amount of Bonds to be authorized for
10 sale at any given time, or to be sold in any series, may take
11 into account the existence of any unexpended proceeds of prior
12 issues of bonds of the Alabama Public School and College
13 Authority, and of any other issuer, if such should be deemed
14 by the Alabama Public School and College Authority to be
15 relevant, and may structure the portions of the allocations
16 provided for in this chapter to be distributed from the
17 proceeds of a particular series, constituting less than all
18 the Bonds authorized by this chapter, as the Alabama Public
19 School and College Authority deems necessary or prudent in
20 order to enable the Alabama Public School and College
21 Authority to comply with any tax covenants that may be
22 required of it, or that may be deemed by it to be prudent to
23 be given by it, in connection with the sale of any series of
24 the Bonds. The Alabama Public School and College Authority may
25 fix the method and the terms and conditions under which the
26 sale of any series of the Bonds may otherwise be held;

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

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

1 "(1) The residue of the receipts from the excise
2 tax, "the utility gross receipts tax," levied by Title 40,
3 Chapter 21, Article 3, as amended, "Article 3," remaining
4 after payment of the expenses of administration and
5 enforcement of Article 3, being that portion of the tax that
6 is required by Article 3 to be deposited in the State Treasury
7 to the credit of the Trust Fund, after there shall have been
8 taken from the residue the amount necessary to pay at their
9 respective maturities the principal of and interest on those
10 bonds issued by the Authority under this chapter or any prior
11 act that may be outstanding at the time of the delivery of the
12 respective series of the Bonds authorized herein.

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

25 "(3) To the extent and to the extent only that the
26 revenues appropriated in the foregoing subdivisions (1) and

1 (2) of this subsection may not be sufficient to pay at their
2 respective maturities the principal of, premium, if any, and
3 interest on the Bonds, the residue of the receipts from the
4 excise tax, "the sales tax," levied by Title 40, Chapter 23,
5 Article 1, Division 1, as amended, "Article 1," after there
6 shall have been taken from the residue the amounts
7 appropriated for other educational purposes in Section
8 40-23-35, which residue constitutes that portion of the
9 receipts from the sales tax that is now required by law to be
10 paid into the Trust Fund, and after there shall have been
11 taken from the residue amounts sufficient to meet all prior
12 charges on the residue including such amounts as may be
13 necessary to pay at their respective maturities the principal
14 of and interest on those bonds issued by the Authority under
15 this chapter or any prior act that may be outstanding at the
16 time of the delivery of the respective series of the Bonds
17 authorized herein.

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

1 collecting the use tax, which residue constitutes that portion
2 of the receipts from the use tax that is now required by law
3 to be paid into the Trust Fund, and after there shall have
4 been taken from the residue such amounts as may be necessary
5 to meet all prior charges on the use tax including the amounts
6 sufficient to pay at their respective maturities the principal
7 of and interest on those outstanding bonds referred to in
8 subdivision (3) of this subsection.

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

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

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

11 "(g) For the purpose of refunding any Bonds or
12 Refunding Bonds of the Alabama Public School and College
13 Authority issued under the provisions of this chapter, or any
14 other act previously enacted, or any combination thereof,
15 whether such refunding shall occur before, at, or after the
16 maturity of the Bonds refunded and for the purpose of paying
17 all premiums and expenses of such refunding, including, but
18 not limited to, attorneys' fees, costs of printing the
19 Refunding Bonds, fiscal agents' fees, and accountants' fees,
20 the Alabama Public School and College Authority is hereby
21 authorized to sell and issue its Refunding Bonds. Such
22 Refunding Bonds may be sold and issued from time to time, by
23 negotiated or public sale, and on such other terms and
24 conditions as the Alabama Public School and College Authority
25 shall determine to be advantageous and shall adopt and provide
26 for in its proceedings for the sale and issuance of such

1 Refunding Bonds. Provided, however, no Refunding Bonds shall
2 be issued unless the present value of all debt service on the
3 Refunding Bonds, computed with a discount rate equal to the
4 true interest rate of the Refunding Bonds and taking into
5 account all underwriting discount and other issuance expenses,
6 shall not be greater than 97 percent of the present value of
7 all debt service on the Bonds to be refunded, computed using
8 the same discount rate and taking into account the
9 underwriting discount and other issuance expenses originally
10 applicable to such Bonds, determined as if such Bonds to be
11 refunded were paid and retired in accordance with the schedule
12 of maturities, considering mandatory redemption as scheduled
13 maturity, provided at the time of their issuance. Provided
14 further that the average maturity of the Refunding Bonds, as
15 measured from the date of issuance of such Refunding Bonds,
16 shall not exceed by more than three years the average maturity
17 of the Bonds to be refunded, as also measured from such date
18 of issuance, with the average maturity of any principal amount
19 of Bonds to be determined by multiplying the principal of each
20 maturity by the number of years, including any fractional part
21 of a year, intervening between such date of issuance and each
22 such maturity, taking the sum of all such products, and then
23 dividing such sum by the aggregate principal amount of Bonds
24 for which the average maturity is to be determined. For the
25 purpose of providing funds to enable the Alabama Public School
26 and College Authority to pay at their respective maturities

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

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

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

23 "(h) The Alabama Public School and College Authority
24 is authorized to pay out of proceeds of any series of Bonds
25 the costs and expenses incurred in connection with the
26 issuance of such Bonds, including, without limitation, legal

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

1 payments to the United States of America as the board of
2 directors of the Alabama Public School and College Authority
3 deems necessary to cause the interest on any bonds of the
4 Alabama Public School and College Authority, including the
5 Bonds, to be and remain exempt from, or excludible from gross
6 income for purposes of, federal income taxation. The Alabama
7 Public School and College Authority shall have the power to
8 make such agreements respecting the investment of funds of the
9 Alabama Public School and College Authority as the Alabama
10 Public School and College Authority shall deem necessary in
11 order that the interest income on bonds of the Alabama Public
12 School and College Authority be and remain exempt from, or
13 excludible from gross income for purposes of, federal income
14 taxation.

15 "§16-16A-8.

16 "In addition to the counties participating under
17 Section 16-16A-7, Jackson County and Marshall County may also
18 participate in the funding benefits of this chapter. ~~In~~
19 ~~addition, in order to qualify for bond proceeds, a local~~
20 ~~school system may redirect an existing tax not currently~~
21 ~~dedicated to schools to qualify for bonds in lieu of the~~
22 ~~requirements otherwise provided for in Section 16-16A-7."~~

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