

1 SB32
2 171067-1
3 By Senators Orr and Dial (Constitutional Amendment)
4 RFD: Finance and Taxation General Fund
5 First Read: 03-AUG-15

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8 SYNOPSIS: This bill proposes an amendment to the
9 Constitution of Alabama of 1901 to authorize the
10 state to issue up to \$800,000,000 in bonds for the
11 purpose of repaying amounts due to the Alabama
12 Trust Fund and the General Fund Rainy Day Account
13 and for capital improvements. The amendment would
14 also authorize the state to guarantee bonds issued
15 by a state authority created for those purposes.

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17 A BILL
18 TO BE ENTITLED
19 AN ACT

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21 To propose an amendment to the Constitution of
22 Alabama of 1901 to authorize the state to issue bonds for the
23 purpose of repaying amounts due to the Alabama Trust Fund and
24 the General Fund Rainy Day Account and for capital
25 improvements; to authorize the state to guarantee bonds issued
26 by a state authority created for those purposes; and to limit

1 the total amount of bonds issued or guaranteed under this
2 amendment to not more than \$800,000,000.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. The following amendment to the
5 Constitution of Alabama of 1901, as amended, is proposed and
6 shall become valid as a part thereof when approved by a
7 majority of the qualified electors voting thereon and in
8 accordance with Sections 284, 285, and 287 of the Constitution
9 of Alabama of 1901, as amended:

10 PROPOSED AMENDMENT

11 Anything in the Constitution of Alabama of 1901, as
12 amended, including Section 213 thereof, to the contrary
13 notwithstanding, the State of Alabama is hereby authorized to
14 become indebted and to sell and issue its interest-bearing
15 bonds, in addition to all other bonds of the State, in an
16 aggregate principal amount not exceeding \$800,000,000. The
17 State of Alabama is also hereby authorized to issue its bonds
18 for the purpose of refunding any bonds issued under the
19 authority of this amendment. The bonds and refunding bonds
20 issued pursuant to this amendment shall be general obligations
21 of the State, and the full faith and credit of the State are
22 hereby irrevocably pledged for the prompt and faithful payment
23 of the principal, interest and redemption premium (if any) on
24 the bonds and refunding bonds hereby authorized.

25 The Governor, the Director of Finance and the State
26 Treasurer are hereby constituted a Bond Commission with full
27 authority, except as herein specified or limited, to determine

1 the terms and conditions of the general obligation bonds
2 hereby authorized and to provide for the sale and issuance
3 thereof. No member of the Bond Commission shall receive
4 compensation in any form for any services performed by him or
5 her in and about his or her duties as a member or officer of
6 the Bond Commission. The Bond Commission shall meet at the
7 call of the Governor, who is hereby designated its chairman.
8 Two members of the Bond Commission shall constitute a quorum
9 for the transaction of business, and all proceedings of the
10 Bond Commission shall be reduced to writing, recorded in a
11 substantial record book and filed with the Director of
12 Finance, who is hereby designated as the Secretary of the Bond
13 Commission and who shall keep the records of the proceedings
14 of the Bond Commission.

15 The proceeds of the bonds authorized by this
16 amendment shall be paid into the State Treasury, shall be kept
17 continually invested pending the expenditure thereof, and
18 shall, together with the income derived from the investment
19 and reinvestment thereof (including income derived from the
20 investment and reinvestment of previously derived income), be
21 retained in one or more separate accounts of the State
22 Treasury until expended for the purposes authorized in this
23 amendment and in the manner provided by law. The proceeds of
24 such bonds, together with the investment income derived from
25 said proceeds, shall be used solely for the purpose of making
26 deposits to the Alabama Trust Fund and the General Fund Rainy
27 Day Account of the Alabama Trust Fund or for the purpose of

1 paying the costs of capital improvements as that term is used
2 in Amendment 666 to the Constitution of Alabama 1901, as
3 amended.

4 The State of Alabama is also hereby authorized to
5 guarantee the full and prompt payment of the principal of,
6 interest on, and premium (if any) on, bonds to be issued by
7 any public corporation of the State created for the purpose of
8 raising funds for deposit in the Alabama Trust Fund or the
9 General Fund Rainy Day Account of the Alabama Trust Fund;
10 provided however, the principal amount of bonds issued by the
11 State under the provisions of this amendment (excluding
12 refunding bonds) and the principal amount of bonds guaranteed
13 by the State under this amendment shall not exceed
14 \$800,000,000 in the aggregate. Any such guarantee shall be
15 the general obligation of the State of Alabama, and the full
16 faith and credit of the State are hereby irrevocably pledged
17 for the prompt and faithful payment of the amounts to be paid
18 by the State thereunder. The Bond Commission is hereby
19 authorized to determine the terms of any guarantee executed on
20 behalf of the State under the authority of this amendment,
21 subject to the aggregate limitation on the principal amount of
22 bonds set out above.

23 Section 2. An election upon the proposed amendment
24 shall be held in accordance with Sections 284 and 285 of the
25 Constitution of Alabama of 1901, now appearing as Sections 284
26 and 285 of the Official Recompilation of the Constitution of

1 Alabama of 1901, as amended, and the election laws of this
2 state.

3 Section 3. The appropriate election official shall
4 assign a ballot number for the proposed constitutional
5 amendment on the election ballot and shall set forth the
6 following description of the substance or subject matter of
7 the proposed constitutional amendment:

8 "Proposing an amendment to the Constitution of
9 Alabama of 1901, to authorize the state to issue bonds for the
10 purpose of repaying the Alabama Trust Fund and the State
11 General Fund Rainy Day Account and for capital improvements;
12 to authorize the state to guarantee bonds issued by a state
13 authority created for those purposes; and to provide that the
14 total amount of bonds issued by the state under this
15 amendment, plus the total amount of bonds guaranteed by the
16 state under this amendment cannot exceed \$800,000,000."

17 "Proposed by Act _____."

18 This description shall be followed by the following
19 language:

20 "Yes () No ()."