

1 HB671  
2 120063-2  
3 By Representative Knight  
4 RFD: Government Appropriations  
5 First Read: 03-MAR-10



1 maintaining projects owned or operated by the Authority upon  
2 certain conditions, and to increase the aggregate principal  
3 amount of bonds that may be issued by the Authority.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. Section 41-10-541, Code of Alabama 1975,  
6 is hereby amended to read as follows:

7 "§41-10-541.

8 "(a) The following words and phrases used in this  
9 division, and others evidently intended as the equivalent  
10 thereof, shall, in the absence of clear implication herein  
11 otherwise, be given the following respective interpretations  
12 herein:

13 (1) APPROPRIATED FUNDS. Net TVA payments to the  
14 extent such payments are pledged and appropriated to the  
15 authority pursuant to Section 41-10-550.

16 (2) AUTHORITY. The public corporation organized  
17 pursuant to this division.

18 (3) AUTHORITY GUARANTY. An agreement of the  
19 authority pursuant to which the payment of debt service  
20 referable to bonds, notes, or other evidences of indebtedness  
21 of a development agency is guaranteed by the authority.

22 (4) AUTHORITY OBLIGATIONS. Bonds of the authority  
23 and authority guaranties.

24 (5) AUTHORITY-GUARANTEED OBLIGATIONS. Bonds, notes,  
25 or other evidences of indebtedness of a development agency  
26 that are issued solely for the purpose in financing a project

1 and that are guaranteed, in whole or in part, by an authority  
2 guaranty.

3 (6) BONDS. Bonds of the authority issued for any  
4 authorized purpose.

5 (7) DEBT SERVICE. The principal of and interest (and  
6 premium, if any) on an obligation (including, without  
7 limitation, any principal required to be paid prior to its  
8 stated maturity) and any ongoing trustee or paying agent fees  
9 or fees of providers of credit enhancement or liquidity  
10 facilities.

11 (8) DEVELOPMENT AGENCY. A county, municipality, or  
12 industrial development authority organized under Chapter 92A  
13 of Title 11; an industrial development board organized under  
14 Article 4, Chapter 54 of Title 11, or the State Industrial  
15 Development Authority.

16 (9) DIRECTORS. The Board of Directors of the Alabama  
17 Incentives Financing Authority.

18 (10) ELIGIBLE INVESTMENTS. a. Bonds or other  
19 obligations which as to principal and interest constitute  
20 direct obligations of, or are unconditionally guaranteed by,  
21 the United States of America, including obligations of any  
22 federal agency to the extent such obligations are  
23 unconditionally guaranteed by the United States of America and  
24 any certificates or any other evidences of an ownership  
25 interest in such obligations of, or unconditionally guaranteed  
26 by, the United States of America or in specified portions

1       thereof (which may consist of the principal thereof or the  
2       interest thereon); b. Bonds, debentures, notes, or other  
3       evidences of indebtedness issued by any of the following  
4       agencies: Bank of Cooperatives; federal intermediate credit  
5       banks; Federal Financing Bank; federal home loan banks;  
6       Federal Farm Credit Bank; Export-Import Bank of the United  
7       States; federal land banks; Farmers Home Administration or any  
8       other agency or corporation which has been or may hereafter be  
9       created by or pursuant to an act of the Congress of the United  
10      States as an agency or instrumentality thereof; c. Bonds,  
11      notes, pass through securities, or other evidences of  
12      indebtedness of Government National Mortgage Association and  
13      participation certificates of Federal Home Loan Mortgage  
14      Corporation; d. Full faith and credit obligations of any  
15      state, provided that at the time of purchase such obligations  
16      are rated as least "AA" by Standard & Poor's Ratings Group and  
17      at least "Aa" by Moody's Investor Service; e. Public housing  
18      bonds issued by public agencies or municipalities and fully  
19      secured as to the payment of both principal and interest by  
20      contracts with the United States of America, or temporary  
21      notes, preliminary notes or project notes issued by public  
22      agencies or municipalities, in each case fully secured as to  
23      the payment of both principal and interest by a requisition or  
24      payment agreement with the United States of America; f. Time  
25      deposits evidenced by certificates of deposit issued by banks  
26      or savings and loan associations which are members of the

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

1           (11) FINANCED PROPERTY. All property whether real,  
2 personal, or mixed, the costs of which were or are to be paid  
3 or reimbursed in whole or in part with the proceeds of bonds  
4 of the authority or the proceeds of authority-guaranteed  
5 obligations.

6           (12) FINANCING AGREEMENT. Any loan, lease,  
7 agreement, grant agreement, financing agreement, credit  
8 agreement, security agreement, mortgage, indenture, guaranty  
9 agreement, or other type of agreement entered into by the  
10 authority in connection with the incurring of authority  
11 obligations.

12           (13) FUNDING AGREEMENT. An agreement between the  
13 state and the authority under which the state shall agree to  
14 make funds available to the authority to be used for the  
15 payment, or to enhance the payment, of debt service on bonds  
16 issued by the authority; provided (i) such agreement shall  
17 have an initial term from the date of execution thereof  
18 through the September 30 immediately succeeding said date of  
19 execution, and shall be subject to renewal, at the sole option  
20 of the state, for successive terms of twelve (12) months each,  
21 each such term to coincide with the fiscal year of the state  
22 beginning on October 1 and continuing until and including the  
23 next succeeding September 30, and (ii) any obligation on the  
24 part of the state to pay amounts required to be paid during  
25 any fiscal year of the state under such agreement shall  
26 constitute a limited obligation of the state payable solely

1 out of the revenues and receipts appropriated to and received  
2 by the state during the fiscal year of the state during which  
3 any such amount is to be payable.

4 (13~~14~~) HEREIN, HEREBY, HEREUNDER, HEREOF, and OTHER  
5 EQUIVALENT WORDS. Refer to this division as an entirety and  
6 not solely to the particular section or portion thereof in  
7 which any such word is used.

8 (~~14~~15) INDUSTRIAL OR RESEARCH ENTERPRISE. Any trade  
9 or business described in 1987 Standard Industrial  
10 Classification Major Groups 20 to 39, inclusive, 50 and 51,  
11 Industrial Group Number 737, and Industry Numbers 8731, 8733,  
12 and 8734, as set forth in the Standard Industrial  
13 Classification Manual published by the United States  
14 Government Office of Management and Budget, and includes such  
15 trades and businesses as may be hereafter reclassified in any  
16 subsequent publication of the Standard Industrial  
17 Classification Manual.

18 (16) MAINTENANCE FUND. A fund established by  
19 resolution of the directors for the purpose of holding amounts  
20 directed by resolution of the authority to be maintained and  
21 used to pay the costs and expenses of acquiring, operating,  
22 and maintaining any project or other property owned, acquired  
23 or operated by the authority and to pay any other costs,  
24 expenses or obligations of the authority.

25 (~~15~~17) NET TVA PAYMENTS. With respect to any fiscal  
26 year of the state, the in-lieu-of-taxes payments made by the



1 Tennessee Valley Authority to and retained by the state during  
2 such fiscal year after distributions made pursuant to Section  
3 40-28-2 and after compliance with Section 41-9-783.

4 (~~16~~18) PERSON. Unless limited to a natural person by  
5 the context in which it is used, includes a private firm, a  
6 private association, a public or private corporation, a  
7 municipality, a county, or an agency, department, or  
8 instrumentality of the state or of a county or municipality.

9 (~~17~~19) PROJECT. Any land, building, or other  
10 improvement, and all real and personal properties deemed  
11 necessary or useful in connection therewith, whether or not  
12 now in existence, that are or are to be located in the state  
13 and that have been or are to be acquired, constructed,  
14 ~~expanded, or installed for use (i) by an industrial, or~~  
15 ~~research, manufacturing, aviation or transportation~~  
16 ~~enterprise, (ii) by any enterprise engaged in manufacturing,~~  
17 ~~processing, cultivating or assembling any agricultural or~~  
18 ~~manufactured product, (iii) or as a training facility, or (iv)~~  
19 ~~by any entity in promoting economic development or the~~  
20 ~~recruitment of industrial, research, manufacturing, aviation~~  
21 ~~or transportation prospects to the state. expanded, or~~  
22 installed for use (i) by an industrial or research enterprise,  
23 (ii) by a manufacturing, aviation or transportation  
24 enterprise, (iii) by any enterprise engaged in manufacturing,  
25 processing, cultivating or assembling any agricultural or  
26 manufactured product, (iv) as a training facility, or (v) by

1 any entity in promoting economic development or the  
2 recruitment of industrial, research, manufacturing, aviation  
3 or transportation prospects to the state.

4 (~~18~~20) PROJECT COSTS. All costs and expenses  
5 incurred by the authority or any person in connection with the  
6 acquisition, construction, installation, and equipping of a  
7 project, including, without limitation, any of the following:

8 a. The costs of acquiring, constructing, installing,  
9 and equipping a project, including all obligations incurred  
10 for labor and to contractors, subcontractors, builders, and  
11 materialmen.

12 b. The costs of acquiring land or rights in land and  
13 any cost incidental thereto, including recording fees.

14 c. The costs of contract bonds and of insurance of  
15 all kinds that may be required or necessary during the  
16 acquisition, construction, or installation of a project.

17 d. The costs of architectural and engineering  
18 services, including test borings, surveys, estimates, plans  
19 and specifications, preliminary investigations, environmental  
20 mitigation, and supervision of construction, as well as for  
21 the performance of all the duties required by or consequent  
22 upon the acquisition, construction, and installation of a  
23 project.

24 e. The costs associated with installation of  
25 fixtures and equipment, surveys, including archeological and  
26 environmental surveys, site tests and inspections, subsurface

1 site work, excavation, removal of structures, roadways,  
2 cemeteries, and other surface obstructions, filling, grading,  
3 and provisions for drainage, storm water retention,  
4 installation of utilities, including water, sewer, sewage  
5 treatment, gas, electricity, communications, and similar  
6 facilities, off-site construction of utility extensions to the  
7 boundaries of the property, and paving.

8 f. Interest accruing with respect to bonds of the  
9 authority or authority-guaranteed obligations for a period of  
10 up to two years after the issuance of such bonds.

11 g. All costs, expenses, and fees incurred in  
12 connection with the issuance of authority obligations and  
13 authority-guaranteed obligations, including, without  
14 limitation, all legal, accounting, financial, printing,  
15 recording, filing, and other fees and expenses.

16 h. The costs for obtaining bond insurance, letters  
17 of credit, or other forms of credit enhancement or liquidity  
18 facilities.

19 i. Amounts to be deposited in any reserve fund  
20 established with respect to such authority obligations or  
21 authority-guaranteed obligations.

22 j. All other costs of a nature comparable to or  
23 required in connection with those described.

24 k. Reimbursement to any person of any of the  
25 foregoing costs incurred by the person either for its own

1 account, or for the account of the authority and without  
2 regard to when incurred.

3 (21) RESERVE FUND. Any fund or account established  
4 by the authority in which moneys are placed in reserve to be  
5 used to pay the principal of or interest on bonds issued by  
6 the authority in the event funds pledged for the payment of  
7 debt service on such bonds are insufficient to timely satisfy  
8 said payment requirements.

9 ~~(1922)~~ STATE INDUSTRIAL DEVELOPMENT AUTHORITY. The  
10 public corporation created pursuant to Article 2, Chapter 10  
11 of this title, as amended.

12 ~~(2023)~~ TRAINING FACILITY. Any facility to be used  
13 for the purpose of providing vocational, technical, or other  
14 training for employees or prospective employees of any  
15 industry for the manufacturing, processing, cultivating, or  
16 assembling of any agricultural or manufactured product.

17 ~~(2124)~~ TRAINING FACILITY MANAGEMENT FEES. Fees  
18 payable to any person as compensation for managing a training  
19 facility under a management agreement entered into pursuant to  
20 Section 41-10-551, including payments to be made to reimburse  
21 such person for the costs of operating and maintaining a  
22 training facility.

23 (b) The definitions set forth in this section shall  
24 be deemed applicable whether the words defined are used in the  
25 singular or plural. Whenever used herein any pronoun or

1 pronouns shall be deemed to include both singular and plural  
2 and to cover all genders."

3 Section 2. Section 41-10-547, Code of Alabama 1975,  
4 is hereby amended to read as follows:

5 "§41-10-547.

6 "(a) The authority is authorized from time to time  
7 to sell and issue its bonds for the purpose of financing  
8 project costs pertaining to one or more projects or for the  
9 purpose of providing funds to pay training facility management  
10 fees, or any combination of the foregoing including, without  
11 limitation, in the case of authority obligations issued for  
12 the purpose of providing funds to pay training facility  
13 management fees, costs, expenses, and other items of the type  
14 described in paragraphs g., h., i., and j. of the definition  
15 of project costs in Section 41-10-541 or to enter into  
16 guaranty agreements wherein the authority guarantees payment,  
17 in whole or in part, of debt service referable to obligations  
18 issued by development agencies for the purpose of financing  
19 project costs pertaining to one or more projects; provided,  
20 however, that the principal amount of authority obligations  
21 shall not exceed ~~one hundred seventy-five million dollars~~  
22 ~~(\$175,000,000)~~ three hundred million dollars (\$300,000,000).

23 For purposes of determining compliance with this section and  
24 Section 41-10-550, (i) the principal amount of authority  
25 guaranties outstanding shall be determined on the basis of the  
26 outstanding principal of the authority-guaranteed obligations

1 to which such authority guaranties relate, (ii) bonds of the  
2 authority (or, in the case of authority guaranties, the  
3 authority-guaranteed obligations to which such authority  
4 guaranties relate), the payment of debt service referable to  
5 which at and prior to their respective stated maturities is  
6 fully provided for by an irrevocable escrow consisting solely  
7 of cash and direct obligations of the United States, shall not  
8 be deemed to be outstanding, and (iii) in the case of bonds of  
9 the authority or authority-guaranteed obligations with respect  
10 to which interest is not payable on a current basis (generally  
11 referred to as "capital appreciation bonds"), the principal  
12 amount outstanding shall be computed on the basis of their  
13 original principal amount and not on the basis of their  
14 accreted value. The authorization granted in the first  
15 sentence of this section shall include, but shall not be  
16 limited to, (1) the power to issue authority obligations  
17 related to financing project costs with respect to projects  
18 that are under construction on the date of issuance of such  
19 obligations and (2) the power to fund training facility  
20 management fees in advance of their incurrence and for such  
21 period as the directors deem appropriate based upon estimates  
22 furnished to the authority.

23 (b) The bonds of the authority shall be signed by  
24 its president and attested by its secretary and the seal of  
25 the authority shall be affixed. A facsimile of the signature  
26 of one or both of the officers may be printed or otherwise

1 reproduced on any such bonds in lieu of being manually  
2 subscribed thereon and a facsimile of the seal of the  
3 authority may be printed or otherwise reproduced on any of the  
4 bonds in lieu of being manually affixed thereto. Any bonds of  
5 the authority may be executed and delivered by it at any time  
6 and from time to time, and shall be in the form and  
7 denominations and of such tenor and maturities, shall bear  
8 such rate or rates of interest, shall be payable at such times  
9 and evidenced in such manner, may be made subject to  
10 redemption at the option of the authority at such times and  
11 after such notice and on such conditions and at such  
12 redemption price or prices, and may contain such other  
13 provisions not inconsistent herewith, all as may be provided  
14 by the resolution of the directors of the authority under  
15 which the bonds are authorized to be issued. Bonds of the  
16 authority may be sold at public or private sale from time to  
17 time as the directors may consider advantageous.

18 (c) Subject to the provisions and limitations  
19 contained in this division, the authority may from time to  
20 time sell and issue refunding bonds for the purpose of  
21 refunding any matured or unmatured bonds of the authority or  
22 authority-guaranteed obligations then outstanding. The  
23 authority may pay out of the proceeds of the sale of refunding  
24 bonds such fees and the expenses of issuance which the said  
25 directors may deem necessary and advantageous in connection  
26 with the issuance of the refunding bonds; provided, however,

1 that no refunding bonds shall be issued unless the present  
2 value of all debt service on the refunding bonds (computed  
3 with a discount rate equal to the true interest rate of the  
4 refunding bonds and taking into account all underwriting  
5 discount and other issuance expenses) shall not be greater  
6 than 95% of the present value of all debt service on the bonds  
7 to be refunded (computed using the same discount rate and  
8 taking into account the underwriting discount and other  
9 issuance expenses originally applicable to such bonds)  
10 determined as if such bonds to be refunded were paid and  
11 retired in accordance with the schedule of maturities  
12 (considering mandatory redemption as a scheduled maturity)  
13 provided at the time of their issuance.

14 (d) Authority obligations shall not be general  
15 obligations of the authority but shall be payable solely from  
16 one or more of the following sources: (1) appropriated funds;  
17 (2) the revenues and receipts of the authority derived from  
18 any financing agreement entered into by the authority with  
19 respect to the project or projects financed by such authority  
20 obligations; (3) the income or proceeds realized by the  
21 authority under any mortgage or other security granted to the  
22 authority; (4) amounts derived from any letter of credit,  
23 insurance policy or other form of credit enhancement  
24 applicable to the authority obligations; (5) any reserve or  
25 other fund established for such purpose by the authority; (6)  
26 any earnings on the proceeds of authority obligations invested



1 by the authority pending their disbursement; and (7) any other  
2 amounts that may hereafter be appropriated to the authority.  
3 As security for the payment of the debt service referable to  
4 bonds issued by it and of its obligations under authority  
5 guaranties, the authority is authorized and empowered to  
6 pledge for payment of such debt service and such obligations  
7 appropriated funds and other moneys and funds from which such  
8 authority obligations are made payable. All contracts made and  
9 all authority obligations issued or incurred by the authority  
10 pursuant to this division shall be solely and exclusively  
11 obligations of the authority and shall not constitute or  
12 create an obligation or debt of the state. Bonds issued by the  
13 authority shall be construed to be negotiable instruments,  
14 although payable solely from a specified source, as provided  
15 herein. The proceedings of the directors under which any  
16 authority obligations are authorized to be issued and any such  
17 mortgage and deed of trust or trust indenture may contain any  
18 agreements and provisions respecting the collection and  
19 disposition of appropriated funds, revenues, and receipts  
20 subject to such mortgage and deed of trust or trust indenture,  
21 the creation and maintenance of special funds from such  
22 appropriated funds, revenues, and receipts, the rights,  
23 duties, and remedies of the parties to any such instrument and  
24 the parties for the benefit of whom the instrument is made and  
25 the rights and remedies available in the event of default, all  
26 as the directors shall deem advisable. Any pledge made with

1 respect to authority obligations shall be valid and binding  
2 from the time such pledge is made; the appropriated funds,  
3 revenues, receipts, funds, and other property so pledged shall  
4 immediately be subject to the lien of such pledge without any  
5 physical delivery thereof or further act; and the lien of  
6 pledge shall be valid and binding as against all parties  
7 having claims of any kind against the authority irrespective  
8 of whether the parties have notice thereof. Neither the  
9 proceedings of the directors authorizing the authority  
10 obligations nor any other instrument by which a pledge is  
11 created need be recorded. Each pledge, agreement, mortgage,  
12 and deed of trust or trust indenture made for the benefit or  
13 security of any of the authority obligations of the authority  
14 shall continue effective until the authority obligations have  
15 been fully paid or satisfied.

16 (e) Any bonds of the authority and any authority  
17 guaranteed obligations may be used by the holder as security  
18 for any funds belonging to the state, or to any political  
19 subdivision, instrumentality, or agency of the state, in any  
20 instance where security for the deposits may be required by  
21 law. Unless otherwise directed by the court having  
22 jurisdiction, or the document that is the source of authority,  
23 a trustee, executor, administrator, guardian, or one acting in  
24 any other fiduciary capacity may, in addition to any other  
25 investment powers conferred by law and with the exercise of  
26 reasonable business prudence, invest trust funds in bonds of

1 the authority and authority-guaranteed obligations. Neither a  
2 public hearing nor consent of the Department of Finance or any  
3 other department or agency shall be a prerequisite to the  
4 issuance of bonds by the authority. Bonds of the authority and  
5 authority-guaranteed obligations shall be legal investments  
6 for funds of the Teachers' Retirement System of Alabama, the  
7 Employees' Retirement System of Alabama, and the State  
8 Insurance Fund.

9 (f) The State Treasurer shall be registrar, transfer  
10 agent, and paying agent for the bonds. The State Treasurer may  
11 designate named individuals who are employees of the state and  
12 who are assigned to the State Treasurer's office to  
13 authenticate the bonds."

14 Section 3. Section 41-10-550, Code of Alabama 1975,  
15 is hereby amended to read as follows:

16 "§41-10-550.

17 "(a) For the purpose of providing funds to enable  
18 the authority to pay debt service referable to any bonds  
19 issued by it, amounts due on any authority guaranties entered  
20 into by it under this division and other obligations incurred  
21 by the authority pursuant to this division, and to pay the  
22 costs of acquiring, operating and maintaining any project or  
23 other property the authority may own, acquire or operate and  
24 to pay any other costs, expenses or obligations of the  
25 authority, there is irrevocably pledged to such purpose and is  
26 appropriated to the authority so much as may be necessary

1 therefore of the appropriated funds. All moneys hereby  
2 appropriated and pledged shall be deposited in a special fund  
3 maintained by the State Treasurer separate and apart from all  
4 other funds under his or her supervision, and the State  
5 Treasurer is hereby directed to cause moneys in the special  
6 fund to be disbursed solely for the following purposes:

7 (1) Prior to dissolution of the authority, moneys on  
8 deposit in the special fund shall be disbursed by the State  
9 Treasurer in payment of debt service referable to authority  
10 obligations and in payment of other obligations of the  
11 authority incurred pursuant to this division; provided,  
12 however, that if directed so to do by a resolution of the  
13 directors, the State Treasurer shall transfer from the special  
14 fund to the General Fund of the state or to such Maintenance  
15 Fund established by the authority for payment of the costs of  
16 acquiring, operating and maintaining any project or other  
17 facilities the authority may at any time own, acquire or  
18 operate and to pay any other costs, expenses or obligations of  
19 the authority, moneys and securities the directors determine  
20 are not needed to meet the aforesaid obligations of the  
21 authority; provided, however, that no such transfer to the  
22 General Fund or Maintenance Fund shall be made during any year  
23 in which any authority obligations are outstanding unless,  
24 with respect to each of the two fiscal years immediately  
25 preceding the fiscal year in which such transfer is proposed  
26 to be made, the amount of money that had been deposited from

1 time to time into the special fund was not less than 1.3 times  
2 the maximum annual debt service payable on all authority  
3 obligations outstanding during such fiscal year.

4 (2) Promptly upon dissolution of the authority, the  
5 State Treasurer shall transfer all cash and securities on  
6 deposit in the special fund to the General Fund of the state.

7 (b) Pending disbursement for the above purposes,  
8 moneys on deposit in the special fund shall be invested by the  
9 State Treasurer in eligible investments as specified by the  
10 directors.

11 (c) The Governor, on behalf of the state, and the  
12 authority are hereby authorized to enter into a funding  
13 agreement pursuant to which the state may agree, in the event  
14 that moneys are withdrawn during any fiscal year of the state  
15 from any reserve fund established by the authority for any of  
16 its bonds owing to the inadequacy of pledged revenues to pay  
17 when due debt service thereon as herein provided for, to  
18 provide funds to the authority not in excess of the amount so  
19 withdrawn from whatever source lawfully available to the state  
20 for that purpose in order to fully fund such reserve fund in  
21 accordance with the proceedings of the authority pursuant to  
22 which the authority issued the bonds for which such reserve  
23 fund was established. Any funding agreement entered into  
24 pursuant hereto shall be executed by the Governor and  
25 countersigned by the Finance Director of the state and by the

1 President of the authority and countersigned by the Secretary  
2 of the authority."

3 Section 4. Section 41-10-551, Code of Alabama 1975,  
4 is hereby amended to read as follows:

5 "§41-10-551.

6 "No authority obligations shall be incurred with  
7 respect to any projecttraining facility and no funds of the  
8 authority shall be applied to payment of training facility  
9 management fees pursuant to Section 41-10-550 unless the  
10 following conditions are met:

11 (1) Subject to subdivisions (3), (4), and (5) of  
12 this subsection, in the case of any projecttraining facility  
13 financed in whole or in part through the issuance of bonds of  
14 the authority, title to the financed property shall be  
15 acquired in the name of, or transferred promptly after  
16 acquisition to, the authority and the title shall remain in  
17 the authority.

18 (2) Subject to subdivisions (3), (4), and (5) of  
19 this subsection, in the case of any projecttraining facility  
20 financed in whole or in part through the issuance of  
21 authority-guaranteed obligations, title to the financed  
22 property shall be acquired in the name of, or transferred  
23 promptly after acquisition to, the development agency issuing  
24 such authority-guaranteed obligations and the title shall  
25 remain in the development agency.

1           (3) In the case of any projecttraining facility  
2           constituting an industrial or research facility and financed  
3           in whole or in part through the issuance of bonds of the  
4           authority or authority-guaranteed obligations, the financed  
5           property may be leased to any person under an agreement  
6           containing such provisions as the authority may require,  
7           including without limitation, provisions for the payment of  
8           nominal rental by the lessee.

9           (4) In the case of any projecttraining facility  
10          constituting an industrial or research facility and financed  
11          in whole or in part through the issuance of bonds of the  
12          authority or authority-guaranteed obligations, the financed  
13          property may be acquired and held in the name of any person,  
14          provided that the authority may require such person to enter  
15          into an agreement containing, among other things, an option by  
16          the authority to purchase or otherwise acquire such  
17          projecttraining facility if the operation of the  
18          projecttraining facility by such person ceases.

19          (5) In the case of the issuance of bonds of the  
20          authority to provide funds for payment of project costs  
21          referable to a training facility or training facility  
22          management fees or in the case of direct funding of training  
23          facility management fees pursuant to the provisions of Section  
24          41-10-549 without the issuance of bonds of the authority, the  
25          authority may enter into an agreement with any person to  
26          provide for operation and management of such training facility

1 by such person and to prescribe the terms and conditions upon  
2 which training facility management fees are to be paid or  
3 reimbursed by the authority from the proceeds of the bonds.  
4 Such agreement shall contain such other provisions as the  
5 authority may require. Without limiting the generality of the  
6 foregoing, the authority shall have the power to lease or  
7 convey title to any training facility to the Alabama Public  
8 School and College Authority or to the State Board of  
9 Education, acting by and through the Alabama Industrial  
10 Development Training Institute, and such agencies shall have  
11 the power to acquire title to or a leasehold interest in any  
12 such training facility."

13 Section 5. This Act shall become effective upon its  
14 signature by the Governor, or its otherwise becoming a law.



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House of Representatives

Read for the first time and re-  
ferred to the House of Representa-  
tives committee on Government Ap-  
propriations ..... 03-MAR-10

Read for the second time and placed  
on the calendar with 1 substitute  
and ..... 11-MAR-10

Read for the third time and passed  
as amended ..... 06-APR-10

Yeas 103, Nays 0, Abstains 1

Greg Pappas  
Clerk