

1 HB743  
2 120355-2  
3 By Representative Lindsey  
4 RFD: Education Appropriations  
5 First Read: 23-MAR-10

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8 SYNOPSIS: This bill requires the Alabama Public  
9 School and College Authority to sell and issue  
10 \$66,500,000 in aggregate principal amount of  
11 additional bonds for the support of public  
12 education. This bill authorizes the Authority to  
13 reimburse the Department of Finance and the State  
14 Treasurer's office for costs incurred in providing  
15 services for the Authority; it authorizes the  
16 Authority to provide for the details of the bonds  
17 and the sale and issuance thereof; it makes an  
18 appropriation and pledge for payment of the  
19 principal and interest on the bonds from specific  
20 funds necessary to pay the principal and interest  
21 at their respective maturities and authorizes the  
22 Authority to pledge for payment of the principal  
23 and interest on the bonds the funds that are  
24 appropriated and pledged; it provides for the  
25 investment of funds by the State Treasurer; it  
26 provides that the bonds shall not constitute a debt  
27 of the state but shall be limited obligations

1 payable out of the funds appropriated and pledged  
2 therefor; it provides that the bonds and income  
3 therefrom shall be exempt from all taxation in this  
4 state and that the bonds may be used to secure  
5 deposits of funds of this state and its political  
6 subdivisions, instrumentalities and agencies and  
7 for investment of fiduciary funds; it authorizes  
8 the Authority to establish procedures and  
9 requirements to ensure compliance with the tax  
10 covenants with which the Authority must comply; it  
11 exempts the bonds from the usury laws of the state;  
12 it authorizes the Authority to issue refunding  
13 bonds and gives the details of such refunding; it  
14 provides for the employment of attorneys, fiscal  
15 advisors, trustees, paying agents, investment  
16 bankers, banks, and underwriters and for the  
17 payment of all expenses incurred in the issuance of  
18 the bonds; it provides that after payment of the  
19 expenses of the issuance of the bonds the proceeds  
20 from the sale thereof shall be disbursed on order  
21 or warrants issued by or under the direction of the  
22 Authority for the purposes for which the bonds are  
23 authorized to be issued; it provides that the bonds  
24 may not be issued if certain conditions are met;  
25 and it provides that if any portion of this act  
26 should be held invalid such holding shall not  
27 affect the validity of any other portion thereof.

1  
2 A BILL  
3 TO BE ENTITLED  
4 AN ACT  
5

6 To authorize the Alabama Public School and College  
7 Authority to sell and issue \$66,500,000 in aggregate principal  
8 amount of additional bonds for the support of public  
9 education; to authorize the Authority to reimburse the  
10 Department of Finance and the State Treasurer's office for  
11 costs incurred in providing services for the Authority; to  
12 authorize the Authority to provide for the details of the  
13 bonds and the sale and issuance thereof; to make an  
14 appropriation and pledge for payment of the principal and  
15 interest on the bonds from specific funds necessary to pay the  
16 principal and interest at their respective maturities and  
17 authorizes the Authority to pledge for payment of the  
18 principal and interest on the bonds the funds that are  
19 appropriated and pledged; to provide for the investment of  
20 funds by the State Treasurer; to provide that the bonds shall  
21 not constitute a debt of the state but shall be limited  
22 obligations payable out of the funds appropriated and pledged  
23 therefor; to provide that the bonds and income therefrom shall  
24 be exempt from all taxation in this state and that the bonds  
25 may be used to secure deposits of funds of this state and its  
26 political subdivisions, instrumentalities and agencies and for  
27 investment of fiduciary funds; to authorize the Authority to

1 establish procedures and requirements to ensure compliance  
2 with the tax covenants with which the Authority must comply;  
3 to exempt the bonds from the usury laws of the state; to  
4 authorize the Authority to issue refunding bonds and give the  
5 details of such refunding; to provide for the employment of  
6 attorneys, fiscal advisors, trustees, paying agents,  
7 investment bankers, banks, and underwriters and for the  
8 payment of all expenses incurred in the issuance of the bonds;  
9 to provide that after payment of the expenses of the issuance  
10 of the bonds the proceeds from the sale thereof shall be  
11 disbursed on order or warrants issued by or under the  
12 direction of the Authority for the purposes for which the  
13 bonds are authorized to be issued; it provides that the bonds  
14 may not be issued if certain conditions are met; and to  
15 provide that if any portion of this act should be held invalid  
16 such holding shall not affect the validity of any other  
17 portion thereof.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

19 Section 1. Definitions. Wherever used in this act,  
20 the following terms shall have the following meanings  
21 respectively, unless the context clearly indicates otherwise:

22 (1) "Authority" means the Alabama Public School and  
23 College Authority.

24 (2) "Bonds" means those bonds, other than Refunding  
25 Bonds, issued under the provisions of this act.

26 (3) "Government Securities" means any bonds or other  
27 obligations which as to principal and interest constitute

1 direct obligations of, or are unconditionally guaranteed by,  
2 the United States of America, including obligations of any  
3 federal agency to the extent such obligations are  
4 unconditionally guaranteed by the United States of America and  
5 any certificates or any other evidences of an ownership  
6 interest in such obligations of, or unconditionally guaranteed  
7 by, the United States of America or in specified portions  
8 thereof (which may consist of the principal thereof or the  
9 interest thereon).

10 (4) "Legislature" means the Legislature of Alabama.

11 (5) "Permitted Investments" means (i) Government  
12 Securities; (ii) bonds, debentures, notes or other evidences  
13 of indebtedness issued by any of the following agencies: Bank  
14 for Cooperatives; Federal Intermediate Credit Banks; Federal  
15 Financing Bank; Federal Home Loan Banks; Federal Farm Credit  
16 Bank; Export-Import Bank of the United States; Federal Land  
17 Banks; or Farmers Home Administration or any other agency or  
18 corporation which has been or may hereafter be created by or  
19 pursuant to an act of the Congress of the United States as an  
20 agency or instrumentality thereof; (iii) bonds, notes, pass  
21 through securities or other evidences of indebtedness of  
22 Government National Mortgage Association and participation  
23 certificates of Federal Home Loan Mortgage Corporation; (iv)  
24 full faith and credit obligations of any state, provided that  
25 at the time of purchase such obligations are rated at least  
26 "AA" by Standard & Poor's Ratings Group and at least "Aa" by  
27 Moody's Investors Service; (v) public housing bonds issued by

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

1 collateral levels established by Standard & Poor's Ratings  
2 Group for structured financings; and (viii) uncollateralized  
3 investment agreements with, or certificates of deposit issued  
4 by, banks or bank holding companies, the senior long-term  
5 securities of which are rated at least "AA" by Standard &  
6 Poor's Ratings Group and at least "Aa" by Moody's Investors  
7 Service.

8 (6) "Refunding Bonds" means those refunding bonds  
9 issued under the provisions of this act.

10 (7) "State" means the State of Alabama.

11 Section 2. (a) On or before December 1, 2010, the  
12 Authority shall sell and issue its Bonds in the aggregate  
13 principal amount of \$66,500,000 and shall apply the proceeds  
14 as provided in this act.

15 (b) The Bonds authorized by this act to be issued by  
16 the Authority shall be in addition to all other bonds  
17 previously authorized to be issued by it, and the powers  
18 conferred on the Authority by this act are in addition to all  
19 other powers heretofore conferred on the Authority by acts  
20 heretofore enacted by the Legislature.

21 Section 3. The Bonds shall be signed by the  
22 president or vice-president of the Authority, and the seal of  
23 the 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 Authority, in its proceedings  
27 with respect to issuance, provides for manual authentication



1 (which may be in the form of a certificate as to registration)  
2 of the Bonds by a trustee, registrar or paying agent or by  
3 named individuals who are employees of the State and who are  
4 assigned to the Finance Department or State Treasurer's Office  
5 of the State. All Bonds bearing signatures or facsimiles of  
6 the signatures of officers of the Authority in office on the  
7 date of signing thereof shall be valid and binding  
8 notwithstanding that before the delivery thereof and payment  
9 therefor, any officer whose signature appears thereon shall  
10 have ceased to be an officer of the Authority. The Bonds and  
11 the income therefrom shall be exempt from all taxation in the  
12 State of Alabama, may be used as security for deposits, and  
13 shall be eligible for investments of fiduciary funds, as  
14 provided in the 1965 Act. The Bonds shall be construed to have  
15 all the qualities and incidents of negotiable instruments  
16 subject to any registration provisions pertaining to  
17 transfers. The Authority and the Bonds shall be exempt from  
18 all laws of the State governing usury including, without  
19 limitation, the provisions of Title 8, Chapter 8, Code of  
20 Alabama 1975, or any subsequent statute of similar import. The  
21 Bonds shall be in such form or forms and denomination or  
22 denominations and of such tenor and maturities, shall bear  
23 such rate or rates of interest payable and evidenced in such  
24 manner, may be made subject to redemption prior to their  
25 maturities, and may contain provisions not inconsistent with  
26 this act, all as may be provided by the resolution of the  
27 Authority under which the Bonds may be issued; provided, that

1 no Bonds shall have a specified maturity date later than  
2 twenty years after their date; and provided further, that  
3 those Bonds having maturities more than ten years after their  
4 date shall be subject to redemption at the option of the  
5 Authority on any date on and after the tenth anniversary after  
6 their date at such redemption price or prices and under such  
7 conditions as may be prescribed in the proceedings of the  
8 Authority under which they are issued. For the purpose of  
9 paying the principal of, premium, if any, and interest on the  
10 Bonds or any Refunding Bonds, the Authority shall designate  
11 the State Treasurer or such bank or banks as the Authority, in  
12 its discretion, determines to be appropriate and desirable.  
13 Funds for the payment of debt service shall be transferred by  
14 the Authority or the State Treasurer on behalf of the  
15 Authority to the designated paying agent on the actual due  
16 date of such principal, premium, if any, or interest.

17 Section 4. The Bonds may be sold by the Authority  
18 from time to time in series, and if sold in more than one  
19 series, may all be authorized in one initial resolution of the  
20 Authority with the pledges therefor made by the Authority in  
21 such initial resolution although some of the details  
22 applicable to each series may be specified in the respective  
23 resolutions under which the different series are issued. Each  
24 series of the Bonds shall be sold competitively only at public  
25 sale, on sealed bids which may be submitted either  
26 electronically or in writing, after such advertisement as  
27 shall be prescribed by the Authority and at such time or times

1 as the Authority may consider advantageous, to the bidder  
2 whose bid reflects the lowest true interest cost to the  
3 Authority computed to the respective maturities of the Bonds  
4 being sold (considering mandatory redemption as scheduled  
5 maturity); provided, that if no bid deemed acceptable by the  
6 Authority is received it may reject all bids. The Authority  
7 may fix the method and the terms and conditions under which  
8 the sale of any series of the Bonds may otherwise be held;  
9 provided that such terms and conditions shall not conflict  
10 with any requirement of this act. Approval by the Governor of  
11 Alabama of the terms and conditions under which any of the  
12 Bonds may be issued shall be requisite to their validity.  
13 Neither a public hearing nor consent of the State Department  
14 of Finance or any other department or agency shall be a  
15 prerequisite to the issuance of any of the Bonds.

16 Section 5. (a) Notwithstanding Section 16-13-234 of  
17 the Code of Alabama, 1975, for the purpose of providing for  
18 payment of the principal, premium (if any), and interest on  
19 the Bonds, and to accomplish the objectives of this act, there  
20 is hereby irrevocably pledged to those purposes, and hereby  
21 appropriated, such amount as may be necessary therefor from  
22 the revenues of the Public School Fund, as created by Section  
23 260 of the Constitution of Alabama of 1901.

24 (b) All monies hereby appropriated and pledged shall  
25 constitute a sinking fund for the purpose of paying the  
26 principal of, premium, if any, and interest on the Bonds. The  
27 State Treasurer is authorized and directed to pay at their

1       respective maturities the principal of, premium, if any, and  
2       interest on the Bonds out of this fund and out of the residues  
3       of the tax receipts herein appropriated and pledged for the  
4       benefit of the Bonds, and is further authorized and directed  
5       to set up and maintain appropriate records pertaining thereto.

6               Section 6. The Bonds shall not be general  
7       obligations of the Authority but shall be limited obligations  
8       payable solely out of the residues of the revenues  
9       appropriated and pledged in Section 5 of this act. All Bonds  
10       issued by the Authority pursuant to the provisions of this act  
11       shall be solely and exclusively obligations of the Authority  
12       and shall not constitute or create an obligation or debt of  
13       the State. As security for the payment of the principal of,  
14       premium, if any, and interest on the Bonds, the Authority is  
15       hereby authorized and empowered to pledge the revenues that  
16       are appropriated and pledged in Section 5 hereof for such  
17       purposes. All such pledges made by the Authority shall take  
18       precedence in the order of the adoption of the resolutions  
19       containing the pledges.

20               Section 7. For the purpose of refunding Bonds of the  
21       Authority issued under the provisions of this act, whether  
22       such refunding shall occur before, at or after the maturity of  
23       the Bonds refunded and for the purpose of paying all premiums  
24       and expenses of such refunding (including, but not limited to,  
25       attorneys' fees, costs of printing the Refunding Bonds, fiscal  
26       agents' fees, and accountants' fees), the Authority is hereby  
27       authorized to sell and issue its Refunding Bonds. Such

1 Refunding Bonds may be sold and issued from time to time, at  
2 public sale, on sealed bids and on such other terms and  
3 conditions as the Authority shall determine to be advantageous  
4 and shall adopt and provide for in its proceedings for the  
5 sale and issuance of such Refunding Bonds. Provided, however,  
6 no Refunding Bonds shall be issued unless the present value of  
7 all debt service on the Refunding Bonds (computed with a  
8 discount rate equal to the true interest rate of the Refunding  
9 Bonds and taking into account all underwriting discount and  
10 other issuance expenses) shall not be greater than 95 percent  
11 of the present value of all debt service on the Bonds to be  
12 refunded (computed using the same discount rate and taking  
13 into account the underwriting discount and other issuance  
14 expenses originally applicable to such Bonds) determined as if  
15 such Bonds to be refunded were paid and retired in accordance  
16 with the schedule of maturities (considering mandatory  
17 redemption as scheduled maturity) provided at the time of  
18 their issuance. Provided further that the average maturity of  
19 the Refunding Bonds, as measured from the date of issuance of  
20 such Refunding Bonds, shall not exceed by more than three  
21 years the average maturity of the Bonds to be refunded, as  
22 also measured from such date of issuance, with the average  
23 maturity of any principal amount of Bonds to be determined by  
24 multiplying the principal of each maturity by the number of  
25 years (including any fractional part of a year) intervening  
26 between such date of issuance and each such maturity, taking  
27 the sum of all such products, and then dividing such sum by

1 the aggregate principal amount of Bonds for which the average  
2 maturity is to be determined. For the purpose of providing  
3 funds to enable the Authority to pay at their respective  
4 maturities the principal of, premium, if any, and interest on  
5 the Refunding Bonds issued under this act, the Authority is  
6 hereby authorized to pledge irrevocably for such purpose, and  
7 there is hereby appropriated for such purpose, such amount as  
8 may be necessary of the residues of the receipts from the  
9 revenues pledged and appropriated in Section 5 of this act,  
10 any reserves or sinking funds established by the Authority, as  
11 well as revenues of the Authority from any other sources  
12 specified in the proceedings wherein the Refunding Bonds are  
13 authorized to be issued. Pending the application of the  
14 proceeds of Refunding Bonds issued in accordance with this  
15 Section, the proceeds, together with investment earnings  
16 therefrom, and amounts in any sinking fund, together with  
17 investment earnings thereon, may be held by the State  
18 Treasurer as treasurer of the Authority in trust, or may be  
19 deposited by the State Treasurer in trust, on such terms as  
20 the State Treasurer and the Authority shall approve, with a  
21 trustee or escrow agent, which trustee or escrow agent shall  
22 be a banking institution or trust company authorized to  
23 exercise trust powers in Alabama, for investment in Permitted  
24 Investments. Proceeds of Refunding Bonds shall be so invested  
25 and applied as to assure that the principal, interest, and  
26 redemption premium, if any, on the Bonds being refunded shall  
27 be paid in full on the respective maturity, redemption, or

1 interest payment dates. Refunding Bonds issued by the  
2 Authority shall not be general obligations of the Authority  
3 but shall be payable solely from the sources specified in this  
4 act and in the proceedings whereby the Refunding Bonds are  
5 authorized to be issued. All Refunding Bonds issued by the  
6 Authority shall be solely and exclusively obligations of the  
7 Authority and shall not create debts of the State of Alabama.  
8 The faith and credit of the State of Alabama shall never be  
9 pledged for the payment of any Refunding Bonds issued by the  
10 Authority under this act. The Authority may contract with  
11 respect to the safekeeping and application of the proceeds of  
12 Refunding Bonds and other funds included therewith and the  
13 income therefrom, and shall have the right and power to  
14 appoint a trustee therefore, which may be any bank or company  
15 authorized to exercise trust powers and located within and/or  
16 without the State. All other provisions of this act shall  
17 apply to the Refunding Bonds issued hereunder except the  
18 limitation contained in Section 2 of this act on the amount of  
19 Bonds that may be issued under this act. All pledges made by  
20 this act, or by the Authority pursuant to the provisions of  
21 this act, for the benefit of Refunding Bonds issued under this  
22 act shall take precedence in the order of the adoption of the  
23 resolutions authorizing the issuance of such Refunding Bonds.  
24 Bonds refunded prior to their maturity with the proceeds of  
25 Refunding Bonds shall be deemed paid and the pledges herein  
26 and by the Authority made for the payment thereof defeased if  
27 the Authority, in its proceedings regarding issuance of the

1 Refunding Bonds shall provide for and establish a trust or  
2 escrow fund comprised of monies or Government Securities, or  
3 both, sufficient to pay, when due, the entire principal of,  
4 premium, if any, and interest on the Bonds to be refunded  
5 thereby; provided, that such Government Securities shall not  
6 be subject to redemption prior to their maturities other than  
7 at the option of the holder thereof. Upon the establishment of  
8 such a trust or escrow fund, the refunded Bonds shall no  
9 longer be deemed to be outstanding, shall no longer be secured  
10 by the funds pledged therefor in Section 5 of this act, shall  
11 no longer be obligations of the Authority and shall be secured  
12 solely by and payable from monies and Government Securities  
13 deposited in such trust or escrow fund.

14 Section 8. (a) The proceeds derived from each sale  
15 of the Bonds issued pursuant to this act shall be deposited in  
16 the State Treasury and shall be carried in a separate fund  
17 therein for the account of the Authority, which shall pay the  
18 expenses of issuance therefrom. The expenses of issuance of  
19 the Bonds shall be prorated among the recipients of the  
20 proceeds from the sale of the Bonds in proportions they  
21 receive allocations of the proceeds thereunder. The proceeds  
22 from the sale of the Bonds remaining after payment of the  
23 expenses of issuance thereof shall be retained in said fund  
24 and, until they are paid out, shall be invested by the State  
25 Treasurer at the direction of the Authority in Permitted  
26 Investments maturing at such time or times as the Authority  
27 shall direct.



1 (b) Proceeds from the sale of the Bonds and the  
2 earnings thereon shall be paid out from time to time on orders  
3 or warrants issued by or at the direction of the Authority for  
4 the purposes specified in this act, to include the following  
5 allocations:

6 (1) Thirty two million three hundred two thousand  
7 six hundred eighty seven dollars (\$32,302,687) shall be  
8 allocated and expended to repay the Education Trust Fund for  
9 appropriations made in Act 2009-339 to the local boards of  
10 education for the purpose of school bus fleet renewal. Such  
11 repayment shall occur on or after October 1, 2010, or the date  
12 the bonds are issued, whichever is later.

13 (2) Thirty three million forty thousand one hundred  
14 seventy dollars (\$33,040,170) shall be allocated and expended  
15 for local boards of education for the purpose of school bus  
16 fleet renewal. The allocation in this subdivision shall be  
17 distributed by the State Department of Education to the  
18 various local boards of education in the same manner that  
19 fleet renewal funds are distributed for purposes of the  
20 Foundation Program. Local boards of education may use the  
21 distribution provided by this subdivision to retire existing  
22 indebtedness that was incurred to pay for capital  
23 improvements.

24 Section 9. Notwithstanding any of the foregoing and  
25 in addition to all powers heretofore granted to the Authority,  
26 the Authority is hereby expressly authorized to use the  
27 proceeds derived from the sale of Bonds and income on

1 Permitted Investments in accordance with the provisions of  
2 this act. Additionally, the Authority is hereby expressly  
3 permitted to pay to the Department of Finance and the State  
4 Treasurer's Office, from time to time and from any funds  
5 available to the Authority, amounts to offset costs incurred  
6 in the administration of the business of the Authority. The  
7 cost of such compensation shall be prorated among the  
8 recipients of proceeds of the Bonds in the same manner as the  
9 expenses of issuance of the Bonds are required hereby to be  
10 prorated.

11 Section 10. The Authority shall hire or contract  
12 with businesses or individuals which reflect the racial and  
13 ethnic diversity of the State.

14 Section 11. Tax Exemption. The Authority shall have  
15 the power to make such payments to the United States of  
16 America as the board of directors of the Authority deems  
17 necessary to cause the interest on any bonds of the Authority,  
18 including the Bonds, to be and remain exempt from, or  
19 excludible from gross income for purposes of, federal income  
20 taxation. The Authority shall have the power to make such  
21 agreements respecting the investment of funds of the Authority  
22 as the Authority shall deem necessary in order that the  
23 interest income on bonds of the Authority be and remain exempt  
24 from, or excludible from gross income for purposes of, federal  
25 income taxation.

26 Section 12. Issuance Expenses; Contracts and  
27 Appointments. The Authority is authorized to pay out of

1 proceeds of any series of Bonds the costs and expenses  
2 incurred in connection with the issuance of such Bonds,  
3 including without limitation legal and accounting fees and  
4 expenses, fees and expenses of any financial or fiscal advisor  
5 employed by the Authority, printing costs, rating agency fees,  
6 and premiums or charges for any credit enhancement or  
7 liquidity providers. Notwithstanding any provision of this act  
8 or the 1965 Act, in appointing, employing, or contracting with  
9 attorneys, fiscal advisers, trustees, paying agents,  
10 investment bankers, banks and underwriters, the Authority may  
11 appoint, employ or contract with firms whose principal offices  
12 are located without or within Alabama. The Authority shall  
13 hire or contract with attorneys, fiscal advisors, trustees,  
14 paying agents, investment bankers, banks, and underwriters  
15 which shall reflect the racial and ethnic diversity of the  
16 state. The Authority shall issue Requests For Proposals for  
17 attorneys, fiscal advisors, trustees, paying agents,  
18 investment bankers, banks, and underwriters. The Authority  
19 shall evaluate each proposed bid publicly and award each  
20 contract publicly. Minutes of the Authority's meeting shall  
21 record the reasons for awarding each contract.

22 Section 13. Withdrawal of Authority to Issue Bonds.

23 The Alabama Public School and College Authority shall not  
24 issue any of the bonds provided for in this act if, prior to  
25 the issuance of such bonds, the state receives an amount  
26 greater than or equal to \$66,500,000 in federal funds from a  
27 federal jobs bill, or other similar federal act, enacted after

1 March 1, 2010, and such funds may be used by local boards of  
2 education for the purpose of school bus fleet renewal.

3 Section 14. Severability. In the event any section,  
4 sentence, clause or provision of this act shall be declared  
5 invalid by a court of competent jurisdiction, such action  
6 shall not affect the validity of the remaining sections,  
7 sentences, clauses, or provisions of this act, which shall  
8 continue effective.

9 Section 15. Effective Date. This act shall become  
10 effective immediately upon its passage and approval by the  
11 Governor or upon its otherwise becoming a law.