

1 SB162
2 116109-3
3 By Senators Little (T), Barron, and Mitchem
4 RFD: Fiscal Responsibility and Accountability
5 First Read: 12-JAN-10

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 To provide for additional funds to be appropriated
12 from the Education Trust Fund to the Prepaid Affordable
13 College Tuition program beginning in the fiscal year ending
14 September 30, 2014 and continuing into the fiscal year ending
15 September 30, 2021 and to repeal Section 16-33c-9 Code of
16 Alabama 1975 as amended relating to the disposition of funds
17 upon the dissolution of the PACT Program.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

19 Section 1. Definitions:

20 APSCA -- The Alabama Public School and College
21 Authority, a corporation authorized by Section 16-16-3 Code of
22 Alabama 1975 as amended to issue bonds for educational
23 purposes in Alabama.

24 Base Year Debt Service -- The debt service for the
25 fiscal year ending September 30, 2013 for bonds issued by the
26 APSCA which are paid from certain tax receipts which accrue to
27 the Education Trust Fund. This amount for Fiscal Year 2013

1 according to the current debt service schedule is
2 \$189,515,980.

3 Current Debt Service Schedule -- The schedule for
4 debt service for bonds issued by the APSCA as such schedule
5 existed on January 1, 2010. It does not include any additional
6 payments which might be due to any refinanced bonds or
7 additional bonds issued after January 1, 2010 which are to be
8 repaid from a tax source which accrues to the Education Trust
9 Fund. It also does not include the debt service for any bonds
10 described under Section 16-16-14 Code of Alabama 1975, as
11 amended, and commonly referred to as "pool bonds."

12 PACT Program -- The Prepaid Affordable College
13 Tuition program established under Section 16-33C-6 Code of
14 Alabama 1975, as amended, under which purchasers enter into
15 contracts for the future payment of tuition and mandatory fees
16 at eligible educational institutions. The PACT program
17 includes the PACT Trust Fund which is the source of payments
18 of the obligations of the PACT program under the PACT
19 contracts.

20 Section 2. Beginning in the fiscal year ending
21 September 30, 2014 and continuing through the fiscal year
22 ending September 30, 2021 there is hereby annually
23 appropriated from the Education Trust Fund to the PACT Trust
24 Fund an amount equal to the difference between APSCA base year
25 debt service and the APSCA debt service for the then current
26 fiscal year. These appropriations for each year are as
27 follows:

1 For the fiscal year ending 2014 -- \$19,592,531
2 For the fiscal year ending 2015 -- \$19,957,666
3 For the fiscal year ending 2016 -- \$20,347,990
4 For the fiscal year ending 2017 -- \$19,023,438
5 For the fiscal year ending 2018 -- \$19,697,076
6 For the fiscal year ending 2019 -- \$20,448,628
7 For the fiscal year ending 2020 -- \$84,052,287
8 For the fiscal year ending 2021 -- \$32,980,384

9 Section 3. Any funds in the PACT Trust Fund
10 remaining after the payment of all of the obligations of the
11 fund shall be transferred to the Education Trust Fund in the
12 fiscal year immediately following the year in which the last
13 obligations are met.

14 Section 4. Section 16-33C-9 Code of Alabama 1975 is
15 hereby repealed.

16 Section 5. The provisions of this act are severable.
17 If any part of this act is declared invalid or
18 unconstitutional, that declaration shall not affect the part
19 which remains.

20 Section 6. This act shall become effective
21 immediately upon its passage and approval by the Governor or
22 upon its otherwise becoming a law.

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Senate

Read for the first time and referred to the Senate
committee on Fiscal Responsibility and Account-
ability 12-JAN-10

Read for the second time and placed on the calen-
dar 1 amendment 02-FEB-10

Read for the third time and passed as amended ... 11-FEB-10

Yeas 33
Nays 0

McDowell Lee
Secretary