

1 SB512
2 119825-2
3 By Senator Sanders
4 RFD: Finance and Taxation Education
5 First Read: 09-MAR-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 authorize the Alabama Public School and College
12 Authority to issue and sell its bonds under the provisions of
13 the federal American Recovery and Reinvestment Act of 2009 or
14 any other governmental program providing reductions in
15 interest payments or conditions acceptable to the Authority;
16 and to amend Section 3 of Act 2009-813.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. This Act is adopted by the Legislature of
19 the State of Alabama to amend certain provisions of the Code
20 of Alabama 1975 and certain prior Acts of the Legislature of
21 Alabama and to make other provisions in a manner intended to
22 permit the Alabama Public School and College Authority (the
23 "Authority") to issue bonds, notes or other debt obligations
24 under the provisions of the American Recovery and Reinvestment
25 Act of 2009 or other governmental program providing
26 cost-savings or conditions acceptable to the Authority. The
27 issuance of such bonds, notes or other debt obligations by the

1 Authority for the benefit of local boards of education in the
2 State will provide financing for such local boards on
3 favorable terms and will thereby serve an essential need of
4 the citizens of the State. Bonds of the Authority in the form
5 of bonds, notes or other debt obligations under the provisions
6 of the American Recovery and Reinvestment Act of 2009 or other
7 governmental program shall be, and are hereby authorized to be
8 issued by the Authority under Section 3(b) of Act No. 98-373
9 and the provisions of this act.

10 Section 2. Section 3 of Act 2009-813 is amended to
11 read as follows:

12 "From and after August 14, 2009, bonds issued by the
13 authority under subsection (b) of Section 3 of Act 98-373 may
14 be sold by negotiated sale or by competitive bid at such price
15 or prices and at such time or times as the authority may
16 consider advantageous. In addition, bonds hereafter issued by
17 the authority under subsection (b) of Section 3 of Act 98-373
18 may bear such maturities, may be subject to redemption, or may
19 not be subject to redemption, all on such terms as the
20 authority may consider advantageous. Notwithstanding any other
21 provision of law, bonds, notes or other debt obligations
22 issued as "~~qualified school construction bonds~~" under the
23 provisions of the American Recovery and Reinvestment Act of
24 2009 or other governmental program providing cost-savings or
25 conditions acceptable to the Authority may be issued by the
26 authority after review by the Alabama Public School and
27 College Education Incentive Fund Council created in Section

1 16-16-15. The council shall make their review within 10 days
2 after receiving notification from the authority. In addition,
3 bonds, notes or other debt obligations issued as "qualified
4 school construction bonds" under the provisions of the
5 American Recovery and Reinvestment Act of 2009 or other
6 governmental program providing cost-savings or conditions
7 acceptable to the Authority may contain such other terms and
8 provisions as shall be necessary ~~for such bonds~~ to comply with
9 Federal legislation, including the American Recovery and
10 Reinvestment Act of 2009 and the Internal Revenue Code of
11 1986, as amended. In addition, proceeds from the sale of bonds
12 issued as "qualified school construction bonds" may be issued
13 as "qualified school construction bonds" or "qualified zone
14 academy bonds" may be provided only to those participating
15 local boards of education that irrevocably pledge for the
16 entire bond maturation period an amount of revenue sufficient
17 to meet the corresponding debt service obligations of such
18 local board of education."

19 Section 3. In the event any section, sentence,
20 clause or provision of this act shall be declared invalid by a
21 court of competent jurisdiction, that action shall not affect
22 the validity of the remaining sections, sentences, clauses, or
23 provisions of this act, which shall continue effective.

24 Section 4. This act shall become effective
25 immediately upon its passage and approval by the Governor or
26 upon its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate committee on Finance and Taxation Education	09-MAR-10
Read for the second time and placed on the calen- dar 1 amendment	25-MAR-10
Read for the third time and passed as amended ...	06-APR-10

Yeas 27
Nays 0

McDowell Lee
Secretary