

1 SB512  
2 119825-3  
3 By Senator Sanders  
4 RFD: Finance and Taxation Education  
5 First Read: 09-MAR-10

1 SB512

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4 ENROLLED, An Act,

5 To authorize the Alabama Public School and College  
6 Authority to issue and sell its bonds under the provisions of  
7 the federal American Recovery and Reinvestment Act of 2009 or  
8 any other governmental program providing reductions in  
9 interest payments or conditions acceptable to the Authority;  
10 to amend Section 3 of Act 2009-813; and to prohibit the use of  
11 SWAPtions.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. This Act is adopted by the Legislature of  
14 the State of Alabama to amend certain provisions of the Code  
15 of Alabama 1975 and certain prior Acts of the Legislature of  
16 Alabama and to make other provisions in a manner intended to  
17 permit the Alabama Public School and College Authority (the  
18 "Authority") to issue bonds, notes or other debt obligations  
19 under the provisions of the American Recovery and Reinvestment  
20 Act of 2009 or other governmental program providing  
21 cost-savings or conditions acceptable to the Authority. The  
22 issuance of such bonds, notes or other debt obligations by the  
23 Authority for the benefit of local boards of education in the  
24 State will provide financing for such local boards on  
25 favorable terms and will thereby serve an essential need of

1 the citizens of the State. Bonds of the Authority in the form  
2 of bonds, notes or other debt obligations under the provisions  
3 of the American Recovery and Reinvestment Act of 2009 or other  
4 governmental program shall be, and are hereby authorized to be  
5 issued by the Authority under Section 3(b) of Act No. 98-373  
6 and the provisions of this act.

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

9 "From and after August 14, 2009, bonds issued by the  
10 authority under subsection (b) of Section 3 of Act 98-373 may  
11 be sold by negotiated sale or by competitive bid at such price  
12 or prices and at such time or times as the authority may  
13 consider advantageous. In addition, bonds hereafter issued by  
14 the authority under subsection (b) of Section 3 of Act 98-373  
15 may bear such maturities, may be subject to redemption, or may  
16 not be subject to redemption, all on such terms as the  
17 authority may consider advantageous. Notwithstanding any other  
18 provision of law, bonds, notes or other debt obligations  
19 issued under the provisions of the American Recovery and  
20 Reinvestment Act of 2009 or other governmental program  
21 providing cost-savings or conditions acceptable to the  
22 Authority may be issued by the authority after review by the  
23 Alabama Public School and College Education Incentive Fund  
24 Council created in Section 16-16-15. The council shall make  
25 their review within 10 days after receiving notification from

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

15 Section 3. Notwithstanding any other provision of  
16 law, including without limitation Article 3 of Title 41, the  
17 Public School and College Authority shall not enter into any  
18 swap agreement involving the bonds authorized to be issued by  
19 this act or Act 2009-813. For purposes of the preceding  
20 sentence, "swap agreement" shall have the same meaning as  
21 provided in Section 41-1-41.

22 Section 4. In the event any section, sentence,  
23 clause or provision of this act shall be declared invalid by a  
24 court of competent jurisdiction, that action shall not affect

1 the validity of the remaining sections, sentences, clauses, or  
2 provisions of this act, which shall continue effective.

3 Section 5. This act shall become effective  
4 immediately upon its passage and approval by the Governor or  
5 upon its otherwise becoming law.

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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB512

Senate 06-APR-10

I hereby certify that the within Act originated in and passed the Senate, as amended.

McDowell Lee  
Secretary

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House of Representatives  
Amended and passed 21-APR-10

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Senate concurred in House amendment 22-APR-10

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By: Senator Sanders