

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

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8 SYNOPSIS: This bill authorizes the Alabama Public  
9 School and College Authority to issue and sell its  
10 bonds under the provisions of the federal American  
11 Recovery and Reinvestment Act of 2009 or any other  
12 governmental program providing reductions in  
13 interest payments or conditions acceptable to the  
14 Authority.

15  
16 A BILL  
17 TO BE ENTITLED  
18 AN ACT  
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20 To authorize the Alabama Public School and College  
21 Authority to issue and sell its bonds under the provisions of  
22 the federal American Recovery and Reinvestment Act of 2009 or  
23 any other governmental program providing reductions in  
24 interest payments or conditions acceptable to the Authority;  
25 and to amend Section 16-16-14.1 of the Code of Alabama 1975.  
26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1           Section 1. This Act is adopted by the Legislature of  
2 the State of Alabama to amend certain provisions of the Code  
3 of Alabama 1975 and certain prior Acts of the Legislature of  
4 Alabama and to make other provisions in a manner intended to  
5 permit the Alabama Public School and College Authority (the  
6 "Authority") to issue bonds, notes or other debt obligations  
7 under the provisions of the American Recovery and Reinvestment  
8 Act of 2009 or other governmental program providing  
9 cost-savings or conditions acceptable to the Authority. The  
10 issuance of such bonds, notes or other debt obligations by the  
11 Authority for the benefit of local boards of education in the  
12 State will provide financing for such local boards on  
13 favorable terms and will thereby serve an essential need of  
14 the citizens of the State. Bonds of the Authority in the form  
15 of bonds, notes or other debt obligations under the provisions  
16 of the American Recovery and Reinvestment Act of 2009 or other  
17 governmental program shall be, and are hereby authorized to be  
18 issued by the Authority under Section 3(b) of Act No. 98-373  
19 and the provisions of this act.

20           Section 2. Section 16-16-14.1 of the Code of Alabama  
21 1975 is hereby amended and reads as follows:

22           "§16-16-14.1.

23           "From and after August 14, 2009, bonds issued by the  
24 authority under subsection (b) of Section 3 of Act 98-373 may  
25 be sold by negotiated sale or by competitive bid at such price  
26 or prices and at such time or times as the authority may  
27 consider advantageous. In addition, bonds hereafter issued by

1 the authority under subsection (b) of Section 3 of Act 98-373  
2 may bear such maturities, may be subject to redemption, or may  
3 not be subject to redemption, all on such terms as the  
4 authority may consider advantageous. Notwithstanding any other  
5 provision of law, bonds, notes or other debt obligations  
6 issued as "qualified school construction bonds" under the  
7 provisions of the American Recovery and Reinvestment Act of  
8 2009 or other governmental program providing cost-savings or  
9 conditions acceptable to the Authority may be issued by the  
10 authority after review by the Alabama Public School and  
11 College Education Incentive Fund Council created in Section  
12 16-16-15. The council shall make their review within 10 days  
13 after receiving notification from the authority. In addition,  
14 bonds, notes or other debt obligations issued as "qualified  
15 school construction bonds" under the provisions of the  
16 American Recovery and Reinvestment Act of 2009 or other  
17 governmental program providing cost-savings or conditions  
18 acceptable to the Authority may contain such other terms and  
19 provisions as shall be necessary ~~for such bonds~~ to comply with  
20 Federal legislation, including the American Recovery and  
21 Reinvestment Act of 2009 and the Internal Revenue Code of  
22 1986, as amended. In addition, proceeds from the sale of bonds  
23 issued as "qualified school construction bonds" may be  
24 provided only to those participating local boards of education  
25 that irrevocably pledge for the entire bond maturation period  
26 an amount of revenue sufficient to meet the corresponding debt  
27 service obligations of such local board of education."

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

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