

1 HB456
2 216666-1
3 By Representative Garrett
4 RFD: Ways and Means Education
5 First Read: 08-MAR-22

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8 SYNOPSIS: This bill would establish a separate fund in
9 the State Treasury known as the Education Trust
10 Fund Debt Service Sinking Fund and would provide
11 for the administration and uses of the Fund.

12
13 A BILL
14 TO BE ENTITLED
15 AN ACT
16

17 To establish a separate fund in the State Treasury
18 known as the Education Trust Fund Debt Service Sinking Fund
19 and to provide for the administration and uses of the Fund.
20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. The Legislature finds and declares all
22 the following:

23 a. The State of Alabama has issued bonds in prior
24 years, and a portion of the proceeds from those bonds has been
25 used for capital projects at educational institutions in the
26 state.

1 b. The annual Education Trust Fund budget act
2 includes an appropriation for the portion of the annual debt
3 service payment on those bonds that is attributable to those
4 educational institution capital projects.

5 c. It is advisable for the state to create a sinking
6 fund to receive payments for the Education Trust Fund's
7 portion of debt service due in future fiscal years on these
8 previously issued bonds.

9 Section 2. The Education Trust Fund Debt Service
10 Sinking Fund is created in the State Treasury for the purpose
11 of providing funding for the Education Trust Fund's portion of
12 debt service due on the following bonds: General Obligation
13 Series 2014-A, General Obligation Series 2016-C, General
14 Obligation Series 2018-A, General Obligation Series 2018-B,
15 Alabama Incentives Financing Authority Series 2009-A, Alabama
16 Incentives Financing Authority Series 2009-B, Alabama
17 Incentives Financing Authority Series 2019-A, and any bonds
18 issued for the purpose of refunding those previously listed
19 bonds. The Legislature may appropriate to this fund amounts
20 sufficient to pay the Education Trust Fund's portion of debt
21 service until the final maturity of the bonds. Any funds in
22 the Education Trust Fund Debt Service Sinking Fund remaining
23 after the payment of all of the obligations of the fund shall
24 be transferred to the Education Trust Fund in the fiscal year
25 immediately following the year in which the last obligations
26 are met.

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