SB205 ENGROSSED



- 1 5V1S66-2
- 2 By Senators Orr, Allen
- 3 RFD: Transportation and Energy
- 4 First Read: 12-Apr-23

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6 2023 Regular Session



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5	A BILL
6	TO BE ENTITLED
7	AN ACT
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9	Relating to the Alabama Transportation Infrastructure
10	Bank; to amend Sections 23-7-2 and 23-7-15, Code of Alabama
11	1975, to include additional entities, including tax increment
12	districts, Alabama improvement districts, and cooperative
13	improvement districts, as government units that may receive
14	loans or financial assistance from the bank; to reduce the
15	minimum project cost to be eligible for assistance from the
16	bank; and to further provide for the bank's annual reporting
17	requirements.
18	BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
19	Section 1. Sections 23-7-2 and 23-7-15, Code of Alabama
20	1975, is amended to read as follows:
21	" §23-7-2
22	For the purposes of this chapter, the following words
23	shall have the following meanings:
24	(1) BANK. The Alabama Transportation Infrastructure
25	Bank.
26	(2) BOARD. The board of directors of the bank.
27	(3) BONDS. Includes bonds, notes, or other evidence of
28	indebtedness except as otherwise provided in this chapter.



- 29 (4) DEPARTMENT OF DEPARTMENT OF TRANSPORTATION. The 30 Alabama Department of Transportation.
- (5) ELIGIBLE COST. As applied to a qualified project to be financed from the federal highway account, the costs that are permitted under applicable federal laws, requirements, procedures, and guidelines in regard to establishing, operating, and providing assistance from the bank. As applied to a qualified project to be financed from the state highway account, these costs include the costs of preliminary engineering, traffic, and revenue studies; environmental studies; right-of-way acquisition; legal and financial services associated with the development of the qualified project; construction; construction management; facilities; and other costs necessary for the qualified project.
 - (6) ELIGIBLE PROJECT. Highways, roads, bridges, and mass transit capital projects which provide public benefits by either enhancing mobility and safety, promoting economic development, or increasing the quality of life and general welfare of the public.

(7) FINANCING AGREEMENT. Any agreement entered into between the bank and a qualified borrower pertaining to a loan or other financial assistance. This agreement may contain, in addition to financial terms, provisions relating to the regulation and supervision of a qualified project, or other provisions as the board may determine. The term includes, without limitation, a loan agreement, trust indenture, security agreement, reimbursement agreement, guarantee agreement, bond or note, ordinance or resolution, or similar



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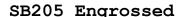
- 58 (8) GOVERNMENT UNIT. A municipal corporation, county, 59 or another public body, instrumentality, or agency of the 60 state including combinations of two or more of these entities acting jointly to finance, construct, own, or operate a 61 62 qualified project, and any other state or local authority, 63 public corporation, tax increment district established 64 pursuant to Chapter 99 of Title 11, Alabama improvement 65 district established pursuant to Chapter 99A of Title 11, cooperative improvement district established pursuant to 66 67 Chapter 99B of Title 11, board, commission, agency, department, or other political subdivision created by the 68 Legislature or pursuant to the Constitution of Alabama of 69 70 19012022, and laws of this state which may finance, construct, 71 own, or operate a qualified project.
 - (9) LOAN. An obligation subject to repayment which is provided by the bank to a qualified borrower for all or a part of the eligible cost of a qualified project. A loan may be disbursed in anticipation of reimbursement for or direct payment of eligible costs of a qualified project or to refinance temporary financing used to pay eligible costs of a qualified project.
- 79 (10) LOAN OBLIGATION. A bond, note, or other evidence 80 of an obligation issued by a qualified borrower.
- 81 (11) OTHER FINANCIAL ASSISTANCE. Includes, but is not
 82 limited to, grants, contributions, credit enhancement, capital
 83 or debt reserves for bonds or debt instrument financing,
 84 interest rate subsidies, provision of letters of credit and



- 85 credit instruments, provision of bond or other debt financing
- instrument security, and other lawful forms of financing and
- methods of leveraging funds that are approved by the board,
- and in the case of federal funds, as allowed by federal law.
- 89 (12) PERMITTED INVESTMENTS. Include any of the
- 90 following:
- 91 a. Certificates of deposit, savings accounts, deposit
- 92 accounts, or money market deposits that are any of the
- 93 following:
- 94 1. Secured as provided in Chapter 14A of Title 41.
- 95 2. Fully insured by the FDIC.
- 96 3. Made with a bank whose unsecured, long-term
- 97 obligations are rated by at least one nationally recognized
- 98 securities rating agency in one of the three highest rating
- 99 categories assigned by that rating agency.
- b. Direct obligations of, or obligations the full and
- 101 timely payment of which is guaranteed by, the United States of
- 102 America, including unit investment trusts and mutual funds
- 103 that invest solely in such obligations.
- 104 c. Bonds, debentures, notes, pass through securities,
- or other obligations issued or guaranteed by any federal
- 106 agency or corporation which has been or may hereafter be
- 107 created by or pursuant to an act of the Congress of the United
- 108 States of America as an agency or instrumentality thereof if
- 109 such obligations are either of the following:
- 1. Backed by the full faith and credit of the United
- 111 States of America.
- 112 2. Rated by at least one nationally recognized



- securities rating agency in one of the three highest rating categories assigned by the rating agency.
- d. Commercial paper which is rated not less than "P-1" by Moody's Investor Service or "A-1+" by Standard & Poor's at
- 117 the time of purchase.
- e. Money market funds rated by at least one nationally recognized securities rating agency in one of the three highest rating categories assigned by that rating agency.
- f. Bonds, warrants, notes, or other obligations issued by any state, county, or municipality that are rated by at least one nationally recognized securities rating agency in one of the three highest rating categories assigned by that rating agency.
- g. Investment agreements, including, without
 limitation, guaranteed investment contracts, repurchase
 agreements, and forward purchase agreements, provided that all
 of the following are satisfied:
- 1. Any securities purchased or held pursuant to such agreement are otherwise permitted investments.
- 2. The counterparty's long-term debt obligations are rated by at least one nationally recognized securities rating agency in one of the three highest rating categories assigned by that rating agency.
- 3. The securities, if purchased, are owned by the bank or a trustee for any of the bank's obligations and are held by the bank, the trustee, or a third-party custodian acceptable to the bank or, if held as collateral, are held by the bank, the trustee, or a third-party custodian acceptable to the bank





141 with a perfected first security interest in such collateral.

h. Investment or cash management agreements with a commercial bank whose senior long-term debt obligations are, at the time of the acquisition of any such investment or cash management agreement for the account of the bank, rated by at least one nationally recognized securities rating agency in one of the three highest rating categories assigned by that rating agency, or with a commercial bank that is owned or controlled by a bank holding company whose senior long-term debt obligations are, at the time of the acquisition of any such investment or cash management agreement for the account of the bank, rated by at least one nationally recognized securities rating agency in one of the three highest rating categories assigned by that rating agency.

assessments, charges, and other receipts derived or to be derived by a qualified borrower from a qualified project or made available from a special source, and, as provided in the applicable financing agreement, derived from any system of which the qualified project is a part of, from any other revenue producing facility under the ownership or control of the qualified borrower including, without limitation, proceeds of grants, gifts, appropriations, and loans, including the proceeds of loans made by the bank, investment earnings, reserves for capital and current expenses, proceeds of insurance or condemnation and proceeds from the sale or other disposition of property and from any other special source as may be provided by the qualified borrower.



- 169 (14) QUALIFIED BORROWER. Any government unit which is
 170 authorized to finance, construct, operate, or own a qualified
 171 project or the applicable portion thereof in the case of a
 172 qualified project consisting of a pool of eligible projects
 173 for more than one government unit.
- 174 (15) QUALIFIED PROJECT. Includes either of the following:
- a. An eligible project or combination of eligible

 projects of a government unit, the aggregate total cost of

 which exceeds five million dollars (\$5,000,000) one million

 dollars (\$1,000,000), which has been selected by the bank to

 receive a loan or other financial assistance from the bank to

 defray an eligible cost.
- b. A pool of eligible projects of government units, the aggregate total cost of which exceeds five million dollars

 (\$5,000,000) one million dollars (\$1,000,000), which government units have been selected by the bank to receive a loan funded from the proceeds of bonds issued by the bank for the pool of eligible projects to defray an eligible cost.
 - (16) REVENUES. When used with respect to the bank, any receipts, fees, income, or other payments received or to be received by the bank including, without limitation, receipts and other payments deposited in the bank and investment earnings on its funds and accounts."
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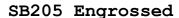
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Following the close of each state fiscal year, the bank
shall submit an annual report of its activities for the
preceding year to the Governor and to the Legislature. The



197	report may be incorporated into the annual report required
198	pursuant to Section 23-1-35 or may be prepared as a separate
199	document. The bank also shall submit an annual report to the
200	appropriate federal agency in accordance with requirements of
201	any federal program. An independent certified public
202	accountant or the Department of Examiners of Public Accounts
203	shall perform an audit of the books and accounts of the bank
204	at least once in each state fiscal year."
205	Section 2. This act shall become effective on the first
206	day of the third month following its passage and approval by
207	the Governor, or its otherwise becoming law.





Senate to the Senate committee on Transportation and Energy on the calendar: 0 amendments Read for the third time and passed02-May-23 as amended Yeas 32 Nays 0 Abstains 0 Patrick Harris, Secretary.