

HB526 INTRODUCED



1 HB526
2 FK4F3C5-1
3 By Representative Brown
4 RFD: Ways and Means General Fund
5 First Read: 03-Apr-25



SYNOPSIS:

Under existing law, the Alabama 21st Century Authority may issue bonds for economic development and industrial recruitment purposes, secured by tobacco settlement revenues received by the State of Alabama and deposited into the Alabama 21st Century Fund.

This bill would allow the Alabama 21st Century Fund revenues to be used to pay other project costs and debt service on bonds issued by the State Industrial Development Authority. This bill would also transfer five million dollars (\$5,000,000) from the Alabama 21st Century Fund to the Alabama Department of Commerce to further expand economic development by establishing international offices and increasing rural development strategy.

A BILL
TO BE ENTITLED
AN ACT

Relating to the Alabama 21st Century Authority; to amend Section 41-10-629, Code of Alabama 1975, establishing the Alabama 21st Century Fund; to allow funds not needed to pay debt service on bonds of the authority to be used to pay



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other project costs and debt service obligations of the State Industrial Development Authority; to transfer five million dollars (\$5,000,000) from the fund to the Alabama Department of Commerce for the establishment of international offices and to increase rural development strategy.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 41-10-629, Code of Alabama 1975, is amended to read as follows:

"§41-10-629

(a) For the benefit of the State of Alabama and the ~~citizens~~residents thereof, there is hereby created a special fund named the "Alabama 21st Century Fund" which shall be funded with tobacco revenues and administered in accordance with this division. ~~The following amounts shall be retained in the special fund in the following fiscal years and shall be used to pay principal, interest, and premium, if any, due on bonds issued by the authority.~~

Fiscal Year	Amount to be Retained
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2000	\$7,000,000
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2001	9,000,000
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2002	11,000,000
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2003-2017	13,000,000
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2018 and thereafter	16,000,000
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Beginning in fiscal year 2018 and thereafter, sixteen



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million dollars (\$16,000,000) shall be retained in the special fund and shall be used to pay principal, interest, and premium, if any, due on bonds issued by the authority.

(b) Pending the use of revenues in the special fund for the payment of debt service on the bonds, such revenues shall be invested by the State Treasurer in permitted investments until such revenues are needed for such purposes. Earnings on such permitted investments shall remain a part of the special fund. ~~For the fiscal year ended September 30, 2015, twenty million dollars (\$20,000,000) shall be transferred from the Alabama 21st Century Fund to the State General Fund.~~ If amounts in the special fund are no longer needed to pay obligations of the Alabama 21st Century Authority, the amount in the fund shall be used for the following:

(1) To pay for project and project costs as defined in Section 41-10-541.

(2) To pay debt service on bonds issued by the Alabama Incentives Financing Authority.

(3) A one-time appropriation of \$5,000,000 shall be transferred from the Alabama 21st Century Fund to the Alabama Department of Commerce for the establishment of international offices and to increase rural development strategy.

Section 2. This act shall become effective immediately.