

1 SB287
2 173595-2
3 By Senators Pittman, Ward, Allen, Williams and Reed
4 RFD: Finance and Taxation General Fund
5 First Read: 23-FEB-16

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 To amend Sections 14-2-1, 14-2-12, 14-2-13.1,
12 14-2-14, 14-2-16, 14-2-19, 14-2-21, 14-2-28, and 14-2-34,
13 relating to the Alabama Corrections Institution Finance
14 Authority, to allow the Authority to issue up to \$800 million
15 in bonds with no specified maturity date later than 30 years
16 for the purpose of financing the construction of women's and
17 regional prison facilities, renovating existing prison
18 facilities, and demolishing obsolete prison facilities; and to
19 allow the Authority to construct the women's and regional
20 prison facilities using various types of construction
21 agreements; to authorize the Authority to dispose of property
22 not required for Department of Corrections purposes; to
23 require reporting to the Joint Legislative Prison Committee;
24 to further provide for actions to be taken upon payment of all
25 bonds issued by the Authority; to amend Section 40-8-3,
26 relating to allocation of the proceeds of the one mill (\$.10
27 on each \$100 of assessed value) tax provided therein as a

1 second and third priority security for the Authority's bonds;
2 to amend Section 38-4-12 relating to the priority of the use
3 of the one mill tax; and to define certain terms.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. This act shall be known and cited as the
6 Alabama Prison Transformation Initiative Act.

7 Section 2. The Legislature finds all of the
8 following: (1) Many of the state's current prison facilities
9 were constructed decades ago; (2) The age and design of the
10 facilities are causing many inefficiencies in the operation of
11 the prison system, including increasing costs of maintaining
12 and repairing the facilities, increasing costs of transporting
13 inmates from prisons to medical care facilities, increasing
14 correctional and support staff costs because of the geographic
15 disparity of the system and the antiquated design of the
16 prison facilities, and increasing medical costs due to
17 inefficiencies in delivering medical services to inmates; (3)
18 Many of these higher costs could be reduced by constructing
19 women's and regional prison facilities designed to house a
20 larger number of inmates; (4) The purpose of this act is to
21 allow the Alabama Corrections Institution Finance Authority to
22 issue bonds for the purpose of financing the construction of
23 women's and regional prison facilities and for other purposes;
24 and (5) In order to achieve the most advantageous interest
25 rates and borrowing costs for the bonds it is necessary to
26 secure them with an additional source of payment.

1 Section 3. The Alabama Corrections Institution
2 Finance Authority shall report to the Joint Legislative Prison
3 Committee on any plans for the demolition or disposal of any
4 existing prison facilities pursuant to this act.

5 Section 4. Sections 14-2-1, 14-2-12, 14-2-13.1,
6 14-2-14, 14-2-16, 14-2-19, 14-2-21, 14-2-28, and 14-2-34, Code
7 of Alabama 1975, are amended to read as follows:

8 "§14-2-1.

9 For the purposes of this chapter, the following
10 terms shall have the meanings respectively ascribed to them by
11 this section:

12 (1) AUTHORITY. The public corporation organized
13 pursuant to the provisions of this chapter.

14 (2) COMMISSION. The Building Commission created by
15 Section 41-9-140 and its successors as the state agency for
16 awarding construction contracts and supervising construction.

17 (3) DEPARTMENT. The Alabama Department of
18 Corrections created by Section 14-1-1.1 and its successors as
19 the state agency responsible for supervising and controlling
20 the operation of the correctional institutions of the state.

21 (4) STATE. The State of Alabama.

22 (5) BONDS. The bonds issued under the provisions of
23 this chapter.

24 (6) FACILITIES. Such term includes any one or more
25 of the following:

26 a. Prisons;

1 b. Buildings and enclosures for housing, containing
2 or supervising prisoners; and

3 c. Any facilities necessary or useful in connection
4 with prisons, buildings or enclosures, including, without
5 limiting the generality of the foregoing, hospitals, offices,
6 correctional officers' quarters and residences, warehouses,
7 garages, storage facilities, abattoirs, cold storage plants,
8 canning plants, laundries and manufacturing plants for the
9 employment of prison labor.

10 (7) KILBY PROPERTY. Such term includes all of the
11 real property commonly referred to as Kilby prison property,
12 embracing not only the real property owned by the state on
13 which Kilby prison is located, but also all real property
14 owned by the state used in connection with Kilby prison and
15 adjacent thereto, all located in sections 2, 3, 10, 11, 21,
16 22, 26, 27, 28, 29, 30, 33, 34, and 35 in township 17, range
17 18 in Montgomery County, Alabama, together with all personal
18 property owned by the state and used in connection with Kilby
19 prison and the real property adjacent thereto.

20 (8) PERRY COUNTY FACILITY. The Perry County
21 Correctional Center, including all real property, buildings
22 and improvements located at the facility in Perry County.

23 (9) NET PROCEEDS OF THE ONE MILL TAX. The portion of
24 the proceeds of the tax levied under Section 40-8-3 at the
25 rate of \$.10 on each \$100 of the assessed value of taxable
26 property, remaining after payment of one percent of the

1 proceeds thereof to the Alabama Historical Commission for the
2 purposes set forth therein.

3 (10) REGIONAL PRISON FACILITY. A prison facility
4 designed to house at least 3,500 inmates with a construction
5 project cost of at least \$100 million dollars procured by the
6 bond issue.

7 (11) WOMEN'S PRISON FACILITY. A prison facility
8 designed and constructed to house female inmates and intended
9 to replace the existing Julia Tutwiler Prison for Women.

10 "§14-2-12.

11 (a) For the purpose of providing funds for the
12 acquisition of sites, for the construction, reconstruction,
13 alteration and improvement of facilities, for the procurement
14 and installation of equipment therefor and for payment of
15 obligations incurred and the principal of and interest on any
16 temporary loans made for any of the said purposes, the
17 authority is hereby authorized, from time to time, to sell and
18 issue, in addition to all bonds heretofore authorized to be
19 issued by the authority, its bonds in such aggregate principal
20 amounts as may be determined by the corporation to be
21 necessary for the said purposes but not to exceed \$25,000,000,
22 plus an additional seven million five hundred thousand dollars
23 (\$7,500,000) pursuant to Act 97-950, in aggregate principal
24 amount.

25 (b) In addition to the authorization provided in
26 subsection (a), the authority is hereby authorized, from time
27 to time, to sell and issue its bonds in amounts determined by

1 the authority to be necessary for the acquisition,
2 construction, reconstruction, alteration, and improvement of
3 facilities. Additional bonds may be issued to provide for
4 additional bedspace by improving properties currently owned by
5 the Department of Corrections or the authority. The total
6 additional bonds authorized by this subsection shall not
7 exceed \$60 million.

8 (c) In addition to any other authorization provided
9 in this chapter, the authority is hereby authorized, from time
10 to time, to sell and issue its bonds in amounts determined by
11 the authority to be necessary for the acquisition of sites,
12 construction, reconstruction, alteration, demolition, and
13 improvement of facilities, including but not limited to
14 women's prison facilities and regional prison facilities and
15 for the procurement and installation of equipment therefor.
16 The total additional bonds authorized by this subsection shall
17 not exceed \$800 million. Bonds authorized by this subsection
18 shall be sold as provided in Section 14-2-16.

19 The authority shall hire or contract with businesses
20 or individuals which reflect the racial and ethnic diversity
21 of the state, and the authority shall hire or contract with
22 attorneys, fiscal advisors, trustees, paying agents,
23 investment bankers, banks, and underwriters which reflect the
24 racial and ethnic diversity of the state.

25 The bonding authority provided herein must file a
26 report, in concise, simple language to each legislator between
27 the first and the twelfth legislative day of each legislative

1 session which shall reflect the date of the issuance of the
2 bonds, total amount of the bonds, maturity date, schedule of
3 payments, including interest and principal, amount of attorney
4 fees, architect fees and bond attorney fees, discount points
5 and all other costs incurred in the issuance of and sale of
6 the bonds herein authorized, and to what person, firm,
7 corporation, company or other entity to which any such fees or
8 money is to be or has been paid.

9 ~~(c)~~ (d) Any monetary transactions completed pursuant
10 to Act 2010-729 shall be fully disclosed to the public.

11 ~~(d)~~ (e) Any bonds issued pursuant to this section
12 shall be sold by competitive bid if practical and economically
13 feasible as determined by the authority.

14 ~~(e)~~ (f) The authority is strongly encouraged to
15 utilize businesses and companies in all aspects of the bond
16 and construction portions of this chapter that reflect the
17 racial and ethnic diversity of the state.

18 "§14-2-13.1.

19 It is hereby further provided that no refunding
20 bonds as provided for by Section 14-2-13 shall be issued
21 unless the present value of all debt service on the refunding
22 bonds (computed with a discount rate equal to the true
23 interest rate of the refunding bonds and taking into account
24 all underwriting discount and other issuance expenses) shall
25 not be greater than ~~95~~ 98% of the present value of all debt
26 service on the bonds to be refunded (computed using the same
27 discount rate and taking into account the underwriting

1 discount and other issuance expenses originally applicable to
2 such bonds) determined as if such bonds to be refunded were
3 paid and retired in accordance with the schedule of maturities
4 (considering mandatory redemption as a scheduled maturity)
5 provided at the time of their issuance. Provided further that
6 the average maturity of the refunding bonds, as measured from
7 the date of issuance of such refunding bonds, shall not exceed
8 by more than three years the average maturity of the bonds to
9 be refunded, as also measured from such date of issuance, with
10 the average maturity of any principal amount of bonds to be
11 determined by multiplying the principal of each maturity by
12 the number of years (including any fractional part of a year)
13 intervening between such date of issuance and each such
14 maturity, taking the sum of all such products, and then
15 dividing such sum by the aggregate principal amount of bonds
16 for which the average maturity is to be determined.

17 "§14-2-14.

18 Any bonds of the authority may be executed and
19 delivered by it at any time and from time to time, shall be in
20 such form and denominations and of such tenor and maturities,
21 shall bear such rate or rates of interest payable and
22 evidenced in such manner, may contain provisions for
23 redemption prior to maturity and may contain other provisions
24 not inconsistent with this section, all as may be provided by
25 the resolution of the board of directors whereunder such bonds
26 are authorized to be issued; provided, that no bond of the
27 authority shall have a specified maturity date later than ~~20~~

1 30 years after its date. In the event that the authority shall
2 make more than one pledge of the same revenues, such pledges
3 shall, unless otherwise provided in the resolution or
4 resolutions authorizing the earlier issued bonds, take
5 precedence in the order of the adoption of the resolutions in
6 which the pledges are made; provided, that each pledge for the
7 benefit of refunding bonds shall have the same priority as the
8 pledge for the benefit of the bonds refunded thereby.

9 "§14-2-16.

10 Bonds of the authority may be sold at such price or
11 prices and at such time or times as the board of directors of
12 the authority may consider advantageous, either at public sale
13 or private sale. Bonds of the authority sold by competitive
14 bid must be sold, whether on sealed bids or at public auction,
15 to the bidder whose bid reflects the lowest effective
16 borrowing cost to the authority for the bonds being sold;
17 provided, that if no bid acceptable to the authority is
18 received, it may reject all bids. Notice of each such sale by
19 competitive bids shall be given by publication in either a
20 financial journal or a financial newspaper published in the
21 City of New York, New York, and also by publication in a
22 newspaper published in the State of Alabama, each of which
23 notices must be published at least one time not less than 10
24 days before the date for the sale. The board of directors may
25 fix the terms and conditions under which such sale may be
26 held; provided, that such terms and conditions shall not
27 conflict with any of the requirements of this chapter. The

1 authority may pay out of the proceeds of the sale of its bonds
2 all expenses, including capitalized interest during a period
3 not to exceed ~~one~~ three years from the date of issuance of
4 such bonds, publication and printing charges, attorneys' fees
5 and other expenses which said board of directors may deem
6 necessary and advantageous in connection with the
7 authorization, advertisement, sale, execution and issuance of
8 such bonds. Neither a public hearing nor consent of the State
9 Department of Finance or any other department or agency of the
10 state shall be a prerequisite to the issuance or sale of bonds
11 by the authority.

12 "§14-2-19.

13 (a) All proceeds derived from the sale of any bonds,
14 except refunding bonds, sold by the authority, remaining after
15 payment of the expenses of issuance thereof, shall be turned
16 over to the State Treasurer, shall be carried in a special
17 account to the credit of the authority, and shall be subject
18 to be drawn on by the authority solely for the purposes of:

19 (1) Acquiring land for and constructing,
20 reconstructing and equipping thereon one or more facilities, ~~and~~
21 including, but not limited to, one or more women's prison
22 facilities and one or more regional prison facilities.

23 (2) Constructing additional improvements on property
24 currently owned by the Department of Corrections or the
25 authority in order to provide for additional bedspace;

1 (3) Paying all reasonable and necessary expenses
2 incidental thereto, including filing, recording, surveying,
3 legal and engineering fees and expenses;

4 (4) Paying the interest which will accrue on the
5 said bonds during the period required for the construction and
6 ~~equipment~~ equipping of the said facilities and for a period
7 not exceeding six months after the completion thereof; and

8 (5) Paying the principal of and interest on all then
9 outstanding notes theretofore issued by the authority pursuant
10 to the provisions of Section 14-2-10.

11 The balance of the said proceeds thereafter
12 remaining, unless required for the construction of other
13 facilities by the authority as shall be determined by
14 resolution of its board of directors within six months after
15 completion of the facilities for which the bonds were issued,
16 shall be set aside as additional security for the bonds or
17 shall be used to pay, purchase or redeem bonds as may be
18 provided in the proceedings authorizing their issuance. The
19 reasonable and necessary expenses incident to the construction
20 of any facility shall, if deemed advisable by the authority,
21 include all or any part of the expense of providing temporary
22 facilities, during the construction of a new facility, for any
23 penal or correctional institution facility which is demolished
24 or ~~rendered~~ unserviceable as such.

25 (b) All proceeds from the sale of refunding bonds
26 issued by the authority that remain after paying the expenses
27 of their issuance may be used only for the purpose of

1 refunding the principal of and any unpaid and accrued interest
2 on the outstanding bonds of the authority for the refunding of
3 which the refunding bonds are authorized to be issued,
4 together with any premium that may be necessary to be paid in
5 order to redeem or retire such outstanding bonds.

6 "§14-2-21.

7 (a) The principal of, premium, if any, and interest
8 on the bonds of the authority shall be secured, first, by any
9 or all of the following, as the authority may determine:

10 (1) The rent and revenue for the use of one or more
11 facilities of the authority;

12 (2) The net rent or sale proceeds from the Kilby
13 property;

14 (3) Any bond proceeds remaining unexpended upon
15 completion of all facilities to be constructed with such bond
16 proceeds and the payment of the cost thereof;

17 (4) Any insurance proceeds which the authority may
18 receive by reason of its ownership of any of the facilities;
19 and

20 (5) Any mortgage upon or security interest in one or
21 more facilities of the authority, granted in connection with
22 the issuance of such bonds.

23 (b) To such extent and to such extent only as the
24 revenues described in subsection (a) of this section may not
25 be sufficient to pay at their respective maturities the
26 principal of and interest on the bonds of the authority, there
27 is irrevocably pledged and appropriated, as a second priority

1 security, so much of the portion of the net proceeds of the
2 one mill tax allocated to the Department of Human Resources
3 under Section 38-4-12 as may be necessary, when added to the
4 amounts described in subsection (a) of this section, for the
5 purpose of providing funds to enable the authority to pay at
6 their respective maturities and due dates the principal of and
7 interest on the bonds that may be issued by it under this
8 article at any time. The revenues pledged by this subsection
9 shall be limited to the payment of debt service on the bonds
10 authorized by this amendatory act, including debt service on
11 any refunding bonds issued to refund the bonds authorized by
12 this amendatory act.

13 (c) To such extent and to such extent only as the
14 revenues described in subsections (a) and (b) of this section
15 may not be sufficient to pay at their respective maturities
16 the principal of and interest on the bonds of the authority,
17 there is irrevocably pledged and appropriated, as a third
18 priority security, so much of the net proceeds of the one mill
19 tax allocated under Section 38-4-12 to the State Veterans'
20 Assistance Fund to be expended for veterans' programs approved
21 by the State Board of Veterans' Affairs as may be necessary,
22 when added to the amounts described in subsections (a) and (b)
23 of this section, for the purpose of providing funds to enable
24 the authority to pay at their respective maturities and due
25 dates the principal of and interest on the bonds that may be
26 issued by it under this article at any time. The revenues
27 pledged by this subsection shall be limited to the payment of

1 debt service on the bonds authorized by this amendatory act,
2 including debt service on any refunding bonds issued to refund
3 the bonds authorized by this amendatory act.

4 (d) In the event that revenues pledged by subsection
5 (b) or (c) of this section are used to pay debt service on
6 bonds authorized by this amendatory act, including debt
7 service on refunding bonds issued to refund the bonds
8 authorized by this amendatory act, the Legislature shall
9 provide for the reimbursement of the amount used for those
10 debt service payments to the Department of Human Resources and
11 the Veterans' Assistance Fund.

12 (e) The authority shall have authority to transfer
13 and assign any lease of any of the facilities and any lease or
14 mortgage of the Kilby property as security for the payment of
15 such principal, premium, if any, and interest. The bonds may
16 be issued under, and secured by, a resolution which may, but
17 need not, provide for an indenture of trust covering one or
18 more facilities of the authority. Such resolution or such
19 indenture of trust may contain any provision or agreement
20 customarily contained in instruments securing evidences of
21 indebtedness, including, without limiting the generality of
22 the foregoing, provisions respecting the collection and
23 application of any receipts pledged to the payment of bonds,
24 the terms to be incorporated in lease agreements respecting
25 the facilities, the maintenance and insurance thereof, the
26 creation and maintenance of reserve and other special funds
27 from such receipts and the rights and remedies available in

1 the event of default to the holders of the bonds or to the
2 trustee for the holders of the bonds or under any indenture of
3 trust, all as the authority may deem advisable and as shall
4 not be in conflict with the provisions of this chapter;
5 provided, however, that in making such agreements or
6 provisions the authority shall not have the power to obligate
7 itself except with respect to its facilities, the Kilby
8 property and the application of the receipts which it is
9 authorized in this chapter to pledge.

10 "§14-2-28.

11 (a) Except as provided in subsection (b), all ~~All~~
12 facilities constructed by the authority shall be constructed
13 according to plans and specifications of architects or
14 engineers, or both, selected by the department. Such plans and
15 specifications shall be approved by the department and by the
16 commission. All work in the construction of facilities, or any
17 part thereof, which is determined by the commission to be
18 suitable and proper for construction by prison labor under
19 force account shall be performed by such prison labor under
20 such supervision and directions as shall be ordered by the
21 department. All construction of facilities or any part thereof
22 which the commission shall determine not to be suitable and
23 proper for construction by prison labor shall be done under
24 the supervision and direction of the commission following
25 award for each part of the work to the lowest responsible
26 bidder after advertising for, receipt and public opening of
27 sealed bids. Each such invitation for bids and the bidding

1 documents applicable thereto shall be so arranged that any
2 alternates shall constitute cumulative deductions from the
3 base bid rather than additions thereto. In determining the
4 lowest bidder if funds are insufficient to construct the
5 facility on the lowest base bid, then the commission may
6 proceed to consider the bids upon the basis of the base bids
7 of all bidders minus the respective reductions stated for the
8 first alternate. If the lowest bid so determined is not then
9 within the funds available, the commission shall proceed to
10 consider the base bid minus the first and second alternates
11 together to determine the lowest bid and in like manner
12 throughout all alternates, if need be, so that in no event
13 shall there be any discretion as to which alternate or
14 alternates will be used in determining the lowest responsible
15 bidder. If no bid deemed acceptable by the commission and the
16 authority is received, all bids may be rejected, in which
17 event bids may again from time to time be invited and acted on
18 as provided in this section. All such contracts shall be lump
19 sum contracts. All contracts for the entire work on a facility
20 shall be awarded at the same time, but notice to proceed may
21 be withheld until prior work under another contract has
22 progressed to a point where the joint or following work can
23 best be coordinated for the earliest completion of the entire
24 project in a sound and workmanlike manner. Each contract shall
25 be executed by the authority upon the determination of the
26 commission as to the lowest bidder. Payments made by the
27 authority under the construction contracts shall be upon the

1 contractor's written sworn request only if endorsed as
2 approved by the commission or in any lesser amount the
3 commission shall endorse as having been then earned on said
4 contract. After the contracts for a facility have been
5 awarded, such construction cost estimate shall be revised and
6 all extras on the contracts shall be awarded within the funds
7 available. The authority shall pay to the commission as a part
8 of the cost of constructing the facility such sums for the
9 services of its employees as may be mutually agreed between
10 the department and the commission.

11 (b) All projects awarded using bond proceeds
12 authorized by this act shall comply with the provisions of
13 Title 39, except for the construction of regional prison
14 facilities. In constructing, reconstructing, or renovating
15 women's and regional prison facilities, the authority may
16 enter into contracts or agreements with private parties using
17 alternative project delivery methods, including but not
18 limited to design-build, construction management at risk or
19 public-private partnerships, pursuant to which the design,
20 construction, financing, and maintenance, or any combination
21 thereof, is accomplished on behalf of the authority by the
22 private party. Regional prison facilities may be individually
23 or jointly awarded using alternative delivery methods if
24 determined by the authority that doing so is in the best
25 interest of the state, and the authority shall report its
26 findings to the Joint Legislative Prison Committee. Before
27 construction proposals are developed and evaluated, project

1 requirements shall be established by expert professionals
2 selected by and working directly for the authority. The
3 Division of Construction Management of the Department of
4 Finance shall establish a project management team that
5 includes, but is not limited to, in-house staff, design
6 professionals, consulting firms, and other experts, and shall
7 develop procedures for the procurement of contracts or
8 agreements through alternative project delivery methods,
9 including, but not limited to, proposal content, selection
10 criteria, prequalification, applicant interview, proposal
11 evaluation, proposal negotiation, selection and award which
12 will be outlined in each request for proposal. Notwithstanding
13 any provision of law to the contrary, proposals under this
14 section with respect to women's and regional prison facilities
15 that the Authority determines can be more efficiently
16 accomplished by alternative project delivery methods may be
17 evaluated and awarded by the Authority based on the
18 qualifications of participants or best value, or both, as
19 evaluated by the procedures of the Division of Construction
20 Management and taking into consideration the best interest of
21 the State of Alabama. Selection for design and construction
22 contracts shall be based on the bidder's qualifications and
23 best value offered in each bidder's response to project
24 requirements, as established by the authority. The authority
25 is strongly encouraged to award contracts or agreements under
26 the provisions of this subsection that reflect the racial and
27 ethnic diversity of the state. In evaluating and awarding

1 contracts, the authority shall develop and utilize selection
2 criteria giving preference to proposals that include
3 participation by resident contractors and subcontractors and
4 participation by minority contractors, in addition to other
5 quality and performance criteria. All architects and engineers
6 who prepare plans and specifications for these prison
7 facilities shall be duly licensed in the State of Alabama.

8 The successful proposer shall retain resident design
9 professionals that include subsurface investigations,
10 surveying, environmental, civil engineering, structural
11 engineering, and architects familiar with the local project
12 conditions for each project.

13 "§14-2-34.

14 When all bonds and securities issued by the
15 authority and all obligations assumed by it under the
16 provisions of this chapter shall have been paid in full, the
17 then president of the authority shall thereupon execute and
18 deliver in the name of, and in behalf of, the authority an
19 appropriate deed or deeds, to which the seal of the authority
20 shall be affixed and attested by the secretary of the
21 authority, conveying all facilities and other assets then
22 owned by the authority to the state, except that no such
23 conveyance shall be required if the president of the authority
24 determines that the issuance of additional bonds to finance
25 additional facilities or improvements to existing facilities
26 is contemplated. The then officers and directors of the
27 authority may, in their discretion, at such time file with the

1 Secretary of State a written statement, subscribed and sworn
2 to by each of them, reciting the payment in full of all bonds
3 theretofore issued by the authority and the execution and
4 delivery of such deed or deeds, which statement shall be filed
5 by the Secretary of State and recorded with the certificate of
6 incorporation of the authority, and thereupon the authority
7 shall stand dissolved.

8 Section 5. (a) Separate and apart from the power
9 granted to the authority in regard to the Kilby property in
10 Section 14-2-26 and 14-2-27, and in addition to those powers,
11 the authority shall have the power to sell, convey and lease
12 all or any part of any real and personal property now or
13 hereafter owned by it, together with the improvements thereon
14 and ancillary thereto, that is not being used by the
15 department as a facility, and the sale of which will not
16 impair the outstanding obligations of the authority, and as an
17 aid to the sale or lease, to cause to be prepared by competent
18 real estate experts a land use map and plan. The authority may
19 lease or sell lands and property owned by it without going
20 through the Lands Division or in any other way complying with
21 the provisions of Title 9, Chapter 15, Article 3, Code of
22 Alabama, 1975. The authority must have duly adopted written
23 policies and procedures governing the sale or lease of the
24 property which invoke open competition and produce the best
25 price, to include obtaining an appraisal, advertising the sale
26 or lease and conducting the sale by public auction or publicly
27 sought sealed bid. No such sale or lease shall be made except

1 at public offering, on sealed bids or at auction, and upon
2 such published notice as the authority shall determine to be
3 necessary or desirable in order to attract the greatest
4 interest from prospective bidders.

5 (b) The award of any property offered for sale or
6 lease shall be made to the highest responsible bidder unless
7 all bids shall be rejected as inadequate and other public
8 offering shall be made upon notice republished as prescribed
9 above. Any sale shall be for all cash. Each deed or lease to
10 effectuate any sale or lease shall be signed in the name of
11 the authority by its president, to which the seal of the
12 authority shall be affixed and attested by its secretary.

13 (c) The proceeds of each sale or lease of any such
14 property shall be used first to pay the reasonable and
15 necessary expenses of the sale or lease, and the balance
16 remaining shall be paid to the State Treasurer and held by him
17 in a special account and disbursed on order of the authority
18 for any one or more of the following purposes:

19 (1) To acquire land for, and to construct,
20 reconstruct, renovate, repair, maintain and equip one or more
21 facilities; or

22 (2) To pay for such services, goods, repairs,
23 renovations, construction, demolition, or other activities in
24 or about facilities as may be deemed necessary by the board of
25 the authority in the exercise of its sole discretion, to
26 further the purposes of the authority or the department,
27 including developing of a master plan for the use of the real

1 or personal property that is owned by or which may be acquired
2 by the authority for its statutory purposes, the preparation
3 for sale or lease, or the preservation of, facilities or
4 excess unimproved property owned for the authority; or

5 (3) To pay the principal of, and interest on, its
6 bonds at maturity or upon refunding or redemption.

7 (d) The department will maintain all facilities not
8 being used for the purposes designated in Section 14-2-1(6),
9 and designated for sale, lease, demolition or other
10 disposition, so long as title thereto is held by the
11 authority, to enable the authority to achieve the best
12 possible price or other result upon the sale, lease or other
13 disposition thereof.

14 (e) Upon request of the authority the department
15 shall convey to the authority any real and personal property
16 to which the department holds title and acquired with proceeds
17 of the authority's bonds or income thereon.

18 Section 6. Section 40-8-3, Code of Alabama 1975, is
19 amended to read as follows:

20 "§40-8-3.

21 There is hereby levied for the purpose and upon the
22 property hereinafter named and not specifically exempted from
23 taxation annual taxes, as follows:

24 (1) For the maintenance of the public schools of
25 this state, \$.30 on each \$100 of the assessed value of taxable
26 property.

1 (2) For the relief of needy Confederate soldiers and
2 sailors, resident citizens of Alabama and their widows, and to
3 secure the obligations of the Alabama Corrections Institution
4 Finance Authority as provided in Title 14, Chapter 2, \$.10 on
5 each \$100 of the assessed value of taxable property of which
6 one percent of the gross amount collected will be expended by
7 the Alabama Historical Commission to provide for capital
8 improvements and maintenance at the Confederate Memorial Park
9 at Mountain Creek, Chilton County, Alabama.

10 (3) For the use of the state and to raise revenue
11 therefor, \$.25 on each \$100 of the assessed value of taxable
12 property.

13 Section 7. Section 38-4-12, Code of Alabama 1975, is
14 amended to read as follows:

15 "§38-4-12.

16 (a) Except as provided in subsection (b), there is
17 appropriated, beginning with the fiscal year ending September
18 30, 1998, ~~to the state department, for old age pension~~
19 ~~purposes,~~ out of the proceeds from the levy of the one mill
20 tax ~~for the relief of needy Confederate soldiers and sailors~~
21 ~~and their widows,~~ a sum not to exceed \$20,773,500 annually of
22 the surplus or residue from the tax after the payment in full
23 of the pensions to the widows of Confederate soldiers and
24 sailors to the state department, for old-age pension purposes,
25 a sum equal to the amount necessary to pay the principal of
26 and interest on bonds issued by the Alabama Corrections
27 Institution Finance Authority as and to the extent provided in

1 Section 14-2-21, other charges against the fund set out in the
2 laws authorizing the payment of the pensions to the widows,
3 and annually to the Department of Revenue, as a first charge
4 against the proceeds of the one mill tax, funds for the annual
5 costs of the Department of Revenue for administering the tax.
6 In making this appropriation, it is declared to be the
7 legislative policy that the Department of Human Resources
8 shall expend its portion of the surplus or residue hereby
9 appropriated and all moneys received by it from the federal
10 government as matching funds for all funds expended for
11 Confederate pensions or as matching funds for the surplus or
12 residue hereby appropriated under this section, for old age
13 pension purposes exclusively insofar as is possible under
14 existing laws and the rules and regulations of the federal
15 government and of the Department of Human Resources in regard
16 thereto, before any part thereof may be expended for any other
17 purposes of the Department of Human Resources.

18 (b) Beginning with the fiscal year ending September
19 30, 1997, all of the remaining surplus or residue from the tax
20 provided in (a) above, after deducting the amounts
21 appropriated to the Department of Human Resources and the
22 Department of Revenue under the annual appropriations act for
23 the fiscal year ending September 30, 1997, and under
24 subsection (a) of this section for each year thereafter, is
25 hereby appropriated to the State Veterans' Assistance Fund to
26 be expended for veterans' programs approved by the State Board

1 of Veterans' Affairs, including expenditures for emergencies
2 and needs in the state's veterans' nursing homes.

3 Section 8. The provisions of this act are severable.
4 If any part of this act is declared invalid or
5 unconstitutional, that declaration shall not affect the part
6 which remains.

7 Section 9. This act shall become effective
8 immediately following its passage and approval by the
9 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Finance and Taxation General Fund ... 23-FEB-16

Read for the second time and placed on the calen-
dar 1 amendment..... 22-MAR-16

Read for the third time and passed as amended 05-APR-16

Yeas 23
Nays 11

Patrick Harris
Secretary