The following has special meaning:
green underline denotes added text
~~red struck out text denotes deleted text~~

Powered by State Net

2020 AL S 242	**Author:** Orr **Version:** Enacted **Version Date:** 05/18/2020

Act No. 2020–167

SB242

By Senators Orr, Allen, Livingston, Price, Albritton, Marsh, Holley, Butler, Chambliss, Jones, Figures, Smitherman, Gudger, Coleman-Madison, Burkette, Chesteen, Beasley, Elliott, Sanders-Fortier, Singleton, Reed, Sessions, Williams and Whatley

ENROLLED, An Act,

To authorize the Alabama Public School and College Authority to sell and issue $1,250,000,000 in aggregate principal amount of additional bonds for capital improvements for the support of public education and to use such funds for repayment of certain debt incurred for capital improvements; to provide funds for capital improvements for the public schools, the Alabama Community College System, and public institutions of higher education; to make an appropriation and pledge for payment of the principal of and premium, if any, and interest on the bonds from specific taxes necessary to pay the principal and interest at their respective maturities and to authorize the Authority to pledge for payment of the principal of and premium, if any, and interest on the bonds the funds that are appropriated and pledged; to provide that the bonds shall not constitute a debt of the state but shall be limited obligations payable out of the funds appropriated and pledged therefor; to provide that the bonds and income therefrom shall be exempt from all taxation in this state; to authorize the Authority to issue refunding bonds and give details of such refunding; to authorize the Authority to allocate bond proceeds; and to provide that if any portion of this Act should be held invalid such holding shall not affect the validity of any other portion thereof.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Short Title.

This Act shall be known and may be cited as the Investing in Alabama's Future Act.

Section 2. Definitions.

Wherever used in this Act, the following terms shall have the following meanings respectively, unless the context clearly indicates otherwise:

(1) "1965 Act" means Act No. 243 enacted at the 1965 First Special Session of the Legislature, codified as Title 16, Chapter 16, Code of Alabama 1975.

(2) "1971 Acts" means Act No. 94 enacted at the 1971 First Special Session of the Legislature, Act No. 2428 enacted at the 1971 Regular Session of the Legislature, and Act No. 56 enacted at the 1971 Second Special Session of the Legislature.

(3) "1973 Act" means Act No. 1277 enacted at the 1973 Regular Session of the Legislature as amended by Act No. 73 enacted at the 1975 Third Special Session of the Legislature and Act No. 1223 enacted at the 1975 Regular Session of the Legislature.

(4) "1978 Act" means Act No. 138 enacted at the 1978 Second Special Session of the Legislature, as amended by Act No. 79-41 enacted at the 1979 Special Session of the Legislature and Act No. 81-827 enacted at the 1981 Regular Session of the Legislature.

(5) "1985 Act" means Act No. 85-943 enacted at the 1985 Second Special Session of the Legislature.

(6) "1990 Act" means Act No. 90-280 enacted at the 1990 Regular Session of the Legislature.

(7) "1995 Act" means Act No. 95-752 enacted at the 1995 Regular Session of the Legislature.

(8) "1998 Act" means Act No. 98-373 enacted at the 1998 Regular Session of the Legislature.

(9) "1999 Act" means Act No. 99-348 enacted at the 1999 Regular Session of the Legislature.

(10) "2001 Act" means Act No. 2001-668 enacted at the 2001 Regular Session of the Legislature.

(11) "2002 Act" means Act No. 2002-240 enacted at the 2002 Regular Session of the Legislature.

(12) "2003 Act" means Act No. 2003-436 enacted at the 2003 Second Special Session of the Legislature.

(13) "2007 Act" means Act No. 2007-415 enacted at the 2007 Regular Session of the Legislature.

(14) "2009 Act" means Act No. 2009-813 enacted at the 2009 Regular Session of the Legislature.

(15) "2010 Acts" means Act No. 2010-551 enacted at the 2010 Regular Session of the Legislature, Act No. 2010-562 enacted at the 2010 Regular Session of the Legislature, and Act No. 2010-720 enacted at the 2010 Regular Session of the Legislature.

(16) "2012 Act" means Act No. 2012-560 enacted at the 2007 Regular Session of the Legislature.

(17) "2013 Acts" means Act No. 2013-345 enacted at the 2013 Regular Session of the Legislature and Act No. 2013-381 enacted at the 2013 Regular Session of the Legislature.

(18) "Authority" means Alabama Public School and College Authority.

(19) "Bonds" (except where that word is used with reference to bonds issued under another act) means those bonds, other than Refunding Bonds, issued under the provisions of this Act.

(20) "Capital Improvement" means capital outlay projects that include the planning, designing, inspection, purchasing, construction, reconstruction, enlargement, improvement, repair, or renovation of permanent buildings containing classrooms, offices, libraries, laboratories, clinical or teaching facilities, dormitories, vocational and professional and industrial training facilities, cafeterias, alternative schools, physical education facilities, research facilities, academic structures to reduce portable classrooms or substandard classroom facilities, related improvements and land as sites therefor, together with tangible personal property that becomes a permanent part of such facilities.

(21) "Government Securities" means any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any federal agency to the extent such obligations are unconditionally guaranteed by the United States of America and any certificates or any other evidences of an ownership interest in such obligations of, or unconditionally guaranteed by, the United States of America or in specified portions thereof (which may consist of the principal thereof or the interest thereon).

(22) "Legislature" means the Legislature of Alabama.

(23) "Permitted Investments" means (i) Government Securities; (ii) bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Banks; Federal Farm Credit Bank; Export-Import Bank of the United States; Federal Land Banks; or Farmers Home Administration or any other agency or corporation which has been or may hereafter be created by or pursuant to an act of the Congress of the United States as an agency or instrumentality thereof; (iii) bonds, notes, pass through securities or other evidences of indebtedness of Government National Mortgage Association and participation certificates of Federal Home Loan Mortgage Corporation; (iv) time deposits evidenced by certificates of deposit issued by banks or savings and loan associations which are members of the Federal Deposit Insurance Corporation, provided that, to the extent such time deposits are not covered by federal deposit insurance, such time deposits (including interest thereon) are fully secured in accordance with the SAFE Program pursuant to Sections 41-14A-1 through 41-14A-14; (v) government money market mutual funds; and (vi) repurchase agreements for obligations of the type specified in clauses (i), (ii), and (iii) above, provided such repurchase agreements are fully collateralized and secured by such obligations which have a market value at least equal to the purchase price of such repurchase agreements which are held by a depository satisfactory to the State Treasurer in such manner as may be required to provide a perfected security interest in such obligations, and which meet the greater of 100% collateralization or the "AA" or "Aa" collateral levels established by Standard & Poor's Ratings Group or Moody's Investors Service, respectively, for structured financings.

(24) "Prior Acts" means the 1965 Act, the 1971 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act, the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the 2002 Act, the 2003 Act, the 2007 Act, the 2009 Act, the 2010 Acts, the 2012 Act, and the 2013 Acts.

(25) "Refunding Bonds" means those refunding bonds issued under the provisions of this act.

(26) "State" means the State of Alabama.

(27) "Trust Fund" means the Education Trust Fund, formerly designated as the Alabama Special Educational Trust Fund, the name of which was changed to the Education Trust Fund, effective October 1, 1996, pursuant to Act No. 95-264 enacted at the 1995 Regular

Session of the Legislature.

Nouns and pronouns when used in this Act shall be deemed to include both singular and plural and all applicable genders.

Section 3. Authorization to Issue Additional Bonds and Purposes Thereof.

(a) The Authority is hereby authorized to sell and issue its Bonds in the aggregate principal amount of $1,250,000,000 and to apply the proceeds as provided in this Act, to include the following purposes: paying the costs of capital improvements for public education purposes in the State; and providing funds for the retirement of existing debt that has been incurred by recipients of allocations to pay for capital costs.

(b) The Bonds authorized by this Act to be issued by the Authority shall be in addition to all other bonds previously authorized to be issued by it, and the powers conferred on the Authority by this Act are in addition to all other powers heretofore conferred on the Authority by acts heretofore enacted by the Legislature.

Section 4. Execution and Other Details of the Bonds.

The Bonds shall be signed by the president or vice-president of the Authority, and the seal of the Authority affixed thereto (or a facsimile thereof imprinted thereon) and attested by its secretary. All signatures of the president, vice-president, and secretary may be facsimile signatures if the Authority, in its proceedings with respect to issuance, provides for manual authentication (which may be in the form of a certificate as to registration) of the Bonds by a trustee, registrar or paying agent or by individuals named in such proceedings who are employees of the State assigned to the Finance Department or State Treasurer's Office of the State. All Bonds bearing signatures or facsimiles of the signatures of officers of the Authority in office on the date of signing thereof shall be valid and binding notwithstanding that before the delivery thereof and payment therefor, any officer whose signature appears thereon shall have ceased to be an officer of the Authority. The Bonds and the income therefrom shall be exempt from all taxation in the State of Alabama, may be used as security for deposits, and shall be eligible for investments of fiduciary funds, as provided in the 1965 Act. The Bonds shall be construed to have all the qualities and incidents of negotiable instruments subject to any registration provisions pertaining to transfers. The Authority and the Bonds shall be exempt from all laws of the State governing usury including, without limitation, the provisions of Title 8, Chapter 8, Code of Alabama 1975, or any subsequent statute of similar import. The Bonds shall be in such form or forms and denomination or denominations and of such tenor and maturities, shall bear such rate or rates of interest payable and evidenced in such manner, may be made subject to redemption prior to their maturities, and may contain provisions not inconsistent with this Act, all as may be provided by the resolution of the Authority under which the Bonds may be issued; provided, that no Bonds shall have a specified maturity date later than twenty years after their date; and provided further, that the period of time between the date of issuance of any Bonds and the first date on which such Bonds are subject to optional redemption by the Authority shall not be longer than ten years, and such optional redemption of Bonds shall be at such redemption price or prices and under such conditions as may be prescribed in the proceedings of the Authority under which they are issued. For the purpose of paying the principal of, premium, if any, and interest on the Bonds or any Refunding Bonds, the Authority shall designate the State Treasurer or such bank or banks as the Authority, in its discretion, determines to be appropriate and desirable. Funds for the payment of debt service shall be transferred by the Authority or the State Treasurer on behalf of the Authority to the designated paying agent on the actual due date of such principal, premium, if any, or interest; provided, however, that if any bank has been designated as the paying agent with respect to any bonds, the Authority or the State Treasurer on behalf of the Authority shall make available to such bank, not later than one business day prior to the date on which any principal of or interest on such bonds is due and payable, funds sufficient to pay such principal and interest due on such date.

Section 5. Sale of the Bonds.

The Bonds may be sold by the Authority from time to time in series, and if sold in more than one series, may all be authorized in one initial resolution of the Authority with the pledges therefor made by the Authority in such initial resolution although some of the details applicable to each series may be specified in the respective resolutions under which the different series are issued. The Authority, in the course of establishing, by resolution, a principal amount of Bonds to be authorized for sale at any given time, or to be sold in any series, may take into account the existence of any unexpended proceeds of prior issues of bonds of the Authority (and of any other issuer, if such should be deemed by the Authority to be relevant), and may structure the portions of the allocations provided for in Section 9 of this Act to be distributed from the proceeds of a particular series (constituting less than all the Bonds authorized by this Act) as the Authority deems necessary or prudent in order to enable the Authority to comply with any tax covenants that may be required of it, or that may be deemed by it to be prudent to be given by it, in connection with the sale of any series of the Bonds. Each series of the Bonds shall be sold on a competitive basis or on a negotiated basis, as determined by the Authority. The Authority may fix the method and the terms and conditions under which the sale of any series of the Bonds may be held; provided that such terms and conditions shall not conflict with any requirement of this Act. Approval by the Governor of Alabama of the terms and conditions under which any of the Bonds may be issued shall be requisite to their validity. Before any series of the Bonds shall be offered for sale by the Authority, the Governor shall first determine that the issuance of that series of Bonds and the application of the taxes pledged to the payment of the principal of the Bonds as they mature and the interest thereon as the same shall come due will not impair the adequacy of the Trust Fund to pay appropriations therefrom and to support the public schools and institutions of higher learning during the period over which the Bonds will mature. The Governor's determination in this regard shall be in writing signed by the Governor and such determination shall be final and conclusive. Neither a public hearing nor consent of the State Department of Finance or any other department or agency shall be a prerequisite to the issuance of any of the Bonds.

Section 6. Appropriation of Revenues to the Authority; Pledge Thereof for the Benefit of the Bonds and the Refunding Bonds.

For the purpose of providing for payment of the principal, premium (if any), and interest on the Bonds and the Refunding Bonds, and to accomplish the objectives of this Act, there is hereby irrevocably pledged to those purposes, and hereby appropriated, such amount as may be necessary therefor from the following sources:

(a) The residue of the receipts from the excise tax ("the utility gross receipts tax") levied by Title 40, Chapter 21, Article 3, Code of Alabama 1975, as amended ("Article 3"), remaining after payment of the expenses of administration and enforcement of Article 3, being that portion of the tax that is required by Article 3 to be deposited in the State Treasury to the credit of the Trust Fund, after there shall have been taken from the residue the amount necessary to pay at their respective maturities the principal of and interest on those bonds issued by the Authority under this Act or under the Prior Acts that may be outstanding at the time of the delivery of the respective series of the Bonds or Refunding Bonds authorized herein;

(b) The residue of the receipts from the excise tax ("the utility service use tax") levied by Title 40, Chapter 21, Article 4, Code of Alabama 1975 ("Article 4"), remaining after payment of the expenses of administration and enforcement of Article 4, being that portion of the tax that is required by Article 4 to be deposited in the State Treasury to the credit of the Trust Fund, after there shall have been taken from the residue the amount necessary to pay at their respective maturities the principal of and interest on those bonds issued by the Authority under this Act or under the Prior Acts that may be outstanding at the time of the delivery of the respective series of the Bonds or Refunding Bonds authorized herein;

(c) To the extent only that the revenues appropriated in the foregoing subsections (a) and (b) of this Section may not be sufficient to pay at their respective maturities the principal of, premium, if any, and interest on the Bonds and the Refunding Bonds, the residue of the receipts from the excise tax ("the sales tax") levied by Title 40, Chapter 23, Article 1, Division 1, Code of Alabama 1975, as amended ("Article 1"), after there shall have been taken from the residue the amounts appropriated for other educational purposes in Section 40-23-35, Code of Alabama 1975 (which residue constitutes that portion of the receipts from the sales tax that is now required by law to be paid into the Trust Fund), and after there shall have been taken from the residue amounts sufficient to meet all prior charges on the residue including such amounts as may be necessary to pay at their respective maturities the principal of and interest on those bonds issued by the Authority under this Act or under the Prior Acts that may be outstanding at the time of the delivery of the respective series of the Bonds or Refunding Bonds authorized herein; and

(d) To the extent only that the revenues appropriated in the foregoing subsections (a), (b), and (c) of this Section may not be sufficient to pay at their respective maturities the principal of, premium, if any, and the interest on the Bonds and the Refunding Bonds, the residue of the receipts from the excise tax ("the use tax") levied by Title 40, Chapter 23, Article 2, Code of Alabama 1975, as amended ("Article 2"), after there shall have been taken from the residue the amount necessary to meet the expenses of the State Department of Revenue in collecting the use tax (which residue constitutes that portion of the receipts from the use tax that is now required by law to be paid into the Trust Fund), and after there shall have been taken from the residue such amounts as may be necessary to meet all prior charges on the use tax including the amounts sufficient to pay at their respective maturities the principal of and interest on those bonds issued by the Authority under this Act or under the Prior Acts that may be outstanding at the time of the delivery of the respective series of the Bonds or Refunding Bonds authorized herein. All monies hereby appropriated and pledged shall constitute a sinking fund for the purpose of paying the principal of and premium, if any, and interest on the Bonds and the Refunding Bonds. The State Treasurer is authorized and directed to pay at their respective maturities the principal of and premium, if any, and interest on the Bonds and the Refunding Bonds out of this fund and out of the residues of the tax receipts herein appropriated and pledged for the benefit of the Bonds and the Refunding Bonds, and is further authorized and directed to set up and maintain appropriate records pertaining thereto.

Section 7. Bonds and Refunding Bonds to be Payable Solely out of the Revenues Appropriated; Authorization for Authority to Pledge Such Revenues for the Bonds and the Refunding Bonds.

The Bonds and the Refunding Bonds shall not be general obligations of the Authority but shall be limited obligations payable solely out of the residues of the tax receipts appropriated and pledged in Section 6 of this Act. All Bonds and Refunding Bonds issued by the Authority pursuant to the provisions of this Act shall be solely and exclusively obligations of the Authority and shall not constitute or create an obligation or debt of the State. As security for the payment of the principal of, premium, if any, and interest on the Bonds and the Refunding Bonds, the Authority is hereby authorized and empowered to pledge the residues of the tax receipts that are appropriated and pledged in Section 6 hereof for such purposes. All such pledges made by the Authority shall take precedence in the order of the adoption of the resolutions containing the pledges. For purposes of clarity, a pledge made by the Authority pursuant to this Act shall be prior and superior to any pledges made for any bonds issued by the Authority under the provisions of any of the Prior Acts or any other Act heretofore enacted, if such pledge made pursuant to this Act is for Bonds or Refunding Bonds for which a resolution is adopted prior to the adoption of the resolution for the issuance of bonds issued by the Authority under the provisions of any of the Prior Acts or any other Act heretofore enacted.

Section 8. Refunding Bonds.

For the purpose of refunding any bonds or refunding bonds of the Authority issued under the provisions of this Act, the Prior Acts or any other Act previously enacted, or any combination thereof, whether such refunding shall occur before, at or after the maturity of the bonds refunded and for the purpose of paying all premiums and expenses of such refunding (including, but not limited to, attorneys' fees,

costs of printing the Refunding Bonds, financial or fiscal advisors' fees, and accountants' fees), the Authority is hereby authorized to sell and issue its Refunding Bonds in one or more series, and if sold in more than one series, may all be authorized in one initial resolution of the Authority with the pledges therefor made by the Authority in such initial resolution although some of the details applicable to each series may be specified in the respective resolutions under which the different series are issued. Such Refunding Bonds shall be sold on a competitive basis or on a negotiated basis, as determined by the Authority. The Authority may fix the method and the terms and conditions under which the sale of any series of the Refunding Bonds may be held; provided that such terms and conditions shall not conflict with any requirement of this Act. Provided, however, no Refunding Bonds shall be issued unless the present value of the aggregate debt service on the Refunding Bonds (computed with a discount rate equal to the yield of the Refunding Bonds, calculated in accordance with Section 148 of the Internal Revenue Code) shall not be greater than 97 percent of the present value of the aggregate debt service on the bonds to be refunded (computed with a discount rate equal to the yield of the Refunding Bonds, calculated in accordance with Section 148 of the Internal Revenue Code) determined as if such bonds to be refunded were paid and retired in accordance with the schedule of maturities (considering mandatory redemption as scheduled maturity) provided at the time of their issuance. Provided further that the average maturity of the Refunding Bonds, as measured from the date of issuance of such Refunding Bonds, shall not exceed by more than three years the average maturity of the bonds to be refunded, as also measured from such date of issuance, with the average maturity of any principal amount of bonds to be determined by multiplying the principal of each maturity by the number of years (including any fractional part of a year) intervening between such date of issuance and each such maturity, taking the sum of all such products, and then dividing such sum by the aggregate principal amount of bonds for which the average maturity is to be determined. Pending the application of the proceeds of Refunding Bonds issued in accordance with this Section, the proceeds, together with investment earnings therefrom, and amounts in any sinking fund, together with investment earnings thereon, may be held by the State Treasurer as treasurer of the Authority in trust, or may be deposited by the State Treasurer in trust, on such terms as the State Treasurer and the Authority shall approve, with a trustee or escrow agent, which trustee or escrow agent shall be a banking institution or trust company authorized to exercise trust powers in Alabama, for investment in Permitted Investments. Proceeds of Refunding Bonds shall be so invested and applied as to assure that the principal, interest, and redemption premium, if any, on the bonds being refunded shall be paid in full on the respective maturity, redemption, or interest payment dates. Refunding Bonds issued by the Authority shall not be general obligations of the Authority but shall be payable solely from the sources specified in this Act and in the proceedings whereby the Refunding Bonds are authorized to be issued. All Refunding Bonds issued by the Authority shall be solely and exclusively obligations of the Authority and shall not create debts of the State of Alabama. The faith and credit of the State of Alabama shall never be pledged for the payment of any Refunding Bonds issued by the Authority under this Act. The Authority may contract with respect to the safekeeping and application of the proceeds of Refunding Bonds and other funds included therewith and the income therefrom, and shall have the right and power to appoint a trustee therefore, which may be any bank or company authorized to exercise trust powers and located within and/or without the State. All other provisions of this Act shall apply to the Refunding Bonds issued hereunder except (a) the limitation contained in Section 3 of this Act on the amount of Bonds that may be issued under this Act and (b) the provisions of Section 9 of this Act. Any bonds refunded prior to their maturity with the proceeds of Refunding Bonds shall be deemed paid and the pledges herein and by the Authority made for the payment thereof defeased if the Authority, in its proceedings regarding issuance of the Refunding Bonds shall provide for and establish a trust or escrow fund comprised of monies or Government Securities, or both, sufficient to pay, when due, the entire principal of and premium, if any, and interest on the bonds to be refunded thereby; provided, that such Government Securities shall not be subject to redemption prior to their maturities other than at the option of the holder thereof. Upon the establishment of such a trust or escrow fund, the refunded bonds shall no longer be deemed to be outstanding, shall no longer be secured by the funds pledged therefor in Section 6 of this Act, shall no longer be obligations of the Authority and shall be secured solely by and payable from monies and Government Securities deposited in such trust or escrow fund.

Section 9. Use of Bond Proceeds.

(a) The proceeds derived from each sale of the Bonds issued pursuant to this Act shall be deposited in the State Treasury and shall be carried in a separate fund therein for the account of the Authority, which shall pay the expenses of issuance therefrom. The expenses of issuance of the Bonds shall be prorated among the recipients of the proceeds from the sale of the Bonds in proportions they receive allocations of the proceeds thereunder. The proceeds from the sale of the Bonds remaining after payment of the expenses of issuance thereof shall be retained in said fund and, until they are paid out, shall be invested by the State Treasurer at the direction of the Authority in Permitted Investments maturing at such time or times as the Authority shall direct.

(b) Proceeds from the sale of the Bonds and the earnings thereon shall be paid out from time to time on orders or warrants issued by or at the direction of the Authority for any one or more of the purposes specified in this Act, to include the following allocations:

(l) Nine hundred twelve million one hundred twenty-five thousand dollars ($912,125,000) to be allocated and expended on behalf of the k-12 public schools in this state, as follows:

a. a. Four hundred thousand dollars ($400,000) to be allocated and expended on behalf of each state-supported local education agency, special department district, and separate school with its own board of directors or trustees established pursuant to legislative act, in the state.

b. b. Four hundred twenty-six million six hundred sixty-two thousand five hundred dollars ($426,662,500) to be allocated and expended on behalf of state-supported local education agencies, special department district, and separate school with its own board of directors or trustees established pursuant to legislative act pro rata, based on the 2019-2020 first 20 scholastic days after Labor Day of average daily membership of public schools, or anticipated 2020 enrollment of a separate school with no 2019-2020 average daily membership, to pay the cost of capital improvements.

c. c. Four hundred twenty-six million six hundred sixty-two thousand five hundred dollars ($426,662,500)to be allocated and expended on behalf of local education agencies, and separate school with its own board of directors or trustees established pursuant to legislative act based on their respective share of the allocation of the Public School Fund for the fiscal year ending September 30, 2020, to pay the cost of capital improvements.

(2) One hundred twenty million fifty thousand eight hundred seventy-nine dollars ($120,050,879) to be allocated and expended on behalf of the Alabama Community College System for capital improvements.

(3) Two hundred seventeen million eight hundred twenty-four thousand one hundred twenty-one dollars ($217,824,121) to be allocated and expended for capital improvements on behalf of higher education to colleges and universities as follows:

Alabama A & M University	$7,412,935
Alabama State University	$5,675,936
Athens State University	$4,567,295
Auburn University	$36,414,835
Auburn University at Montgomery	$7,574,052
Jacksonville State University	$11,979,462
Tuskegee University	$1,216,350
Troy University	$21,317,367
University of Alabama	$41,338,122
University of Alabama at Birmingham	$27,972,283
University of Alabama in Huntsville	$13,033,631
University of Montevallo	$3,744,829
University of North Alabama	$10,251,670
University of South Alabama	$18,159,466
University of West Alabama	$7,165,888

(c) The provision for the use of proceeds for the purposes specified in Section 9(b)notwithstanding, each recipient is permitted to use proceeds of the Bonds to retire existing indebtedness that has been incurred by the recipient to pay for capital improvements. The use of bond proceeds for this purpose shall require specific approval of the Authority and shall be subject to the Authority's policies and rules governing this use.

Section 10. (a) Should Bond proceeds exceed $1,250,000,000 due to receipt of original issue premium in connection with sale of Bonds or due to any other reason, such Bond proceeds in excess of $1,250,000,000 shall be allocated by the Authority in a resolution adopted by the board of directors of the Authority.

(b) Not later than three years following allocation of Bond proceeds as provided herein, the Authority shall review the status of any unexpended allocations, and, at its sole discretion, determine if unexpended allocations or any portion thereof shall revert to the Authority for reallocation by the board of directors of the Authority.

Section 11. Notwithstanding any of the foregoing and in addition to all powers heretofore granted to the Authority, the Authority is hereby expressly authorized to use the proceeds derived from the sale of Bonds and income on Permitted Investments in accordance with the provisions of this Act. The preparation of all plans and specifications for any building constructed wholly or in part with any of the monies realized from the sale of any of the Bonds and all work done pursuant to expenditure of the proceeds thereof in regard to the construction, reconstruction, alteration, improvement, and equipping (not including furnishings) of buildings shall comply with the requirements of Sections 39-1-1 through 39-8-8 Code of Alabama 1975 and Section 41-4-400 Code of Alabama 1975. Additionally, the Authority is hereby expressly permitted to pay to the Department of Finance and the State Treasurer's Office, from time to time and from any funds available to the Authority, amounts to offset costs incurred in the administration of the business of the Authority. The cost of such compensation shall be prorated among the recipients of proceeds of the Bonds in the same manner as the expenses of issuance of the Bonds are required hereby to be prorated.

Section 12. The Authority shall hire or contract with businesses or individuals which reflect the racial and ethnic diversity of the State.

Section 13. Tax Exemption.

The Authority shall have the power to make such payments to the United States of America as the board of directors of the Authority deems necessary to cause the interest on any bonds of the Authority, including the Bonds, to be and remain exempt from, or excludible from gross income for purposes of, federal income taxation. The Authority shall have the power to make such agreements respecting the investment of funds of the Authority as the Authority shall deem necessary in order that the interest income on bonds of the Authority be

and remain exempt from, or excludible from gross income for purposes of, federal income taxation.

Section 14. Issuance Expenses; Contracts and Appointments.

The Authority is authorized to pay out of proceeds of any series of Bonds or Refunding Bonds the costs and expenses incurred in connection with the issuance of such Bonds or Refunding Bonds, including without limitation legal and accounting fees and expenses, fees and expenses of any financial or fiscal advisor employed by the Authority, printing costs, rating agency fees, and premiums or charges for any credit enhancement or liquidity providers. Notwithstanding any provision of this Act or the 1965 Act, in appointing, employing, or contracting with attorneys, financial or fiscal advisors, trustees, paying agents, investment bankers, banks and underwriters, the Authority may appoint, employ or contract with firms whose principal offices are located without or within Alabama. The Authority shall hire or contract with attorneys, financial or fiscal advisors, trustees, paying agents, investment bankers, banks, and underwriters which shall reflect the racial and ethnic diversity of the state.

Section 15. Order of Issuance.

The Authority shall issue bonds under this Act or under the Prior Acts in the same order the Authority adopts resolutions authorizing such bonds to be issued. If the Authority authorizes the issuance of multiple series of bonds under this Act or under the Prior Acts in one resolution, all bonds so authorized shall be issued simultaneously.

Section 16. Severability.

In the event any section, sentence, clause or provision of this Act shall be declared invalid by a court of competent jurisdiction, such action shall not affect the validity of the remaining sections, sentences, clauses, or provisions of this Act, which shall continue effective.

Section 17. This act shall become effective immediately upon its passage and approval by the Governor, or upon its otherwise becoming law.

Copyright © 2021 State Net