

1 SB442
2 116248-3
3 By Senators Butler, Orr, Mitchem, Sanford, Bedford, and Barron
4 RFD: Finance and Taxation General Fund
5 First Read: 17-FEB-10

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8 SYNOPSIS: This bill authorizes the State of Alabama
9 to make payments to the City of Huntsville Federal
10 Building Authority under certain circumstances for
11 financing infrastructure and improvements in areas
12 of North Alabama impacted by the 2005 Base
13 Realignment and Closure. This bill also authorizes
14 the Alabama Public School and College Authority to
15 sell and issue bonds and to apply such proceeds for
16 the construction of new school facilities as well
17 as the renovation of existing school facilities in
18 the several school systems located in those areas
19 of North Alabama that will be directly impacted by
20 the 2005 Base Realignment and Closure.

21
22 A BILL
23 TO BE ENTITLED
24 AN ACT

25
26 To authorize the State of Alabama to make payments
27 to the City of Huntsville Federal Building Authority under

1 certain circumstances for financing infrastructure and
2 improvements in areas of North Alabama impacted by the 2005
3 Base Realignment and Closure; and to authorize the Alabama
4 Public School and College Authority to sell and issue bonds
5 and to apply such proceeds for the construction of new school
6 facilities as well as the renovation of existing school
7 facilities in the several school systems located in those
8 areas of North Alabama that will be directly impacted by the
9 2005 Base Realignment and Closure.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Military installations are a major source
12 of economic stability for Alabama and, particularly, Madison
13 County and North Alabama and are important to our Nation's
14 defense. The United States Department of Defense was
15 legislatively directed to reorganize its military installation
16 infrastructure through the 2005 Base Realignment and Closure
17 (2005 BRAC) process. As a result of the 2005 BRAC, Madison
18 County and North Alabama will experience significant growth
19 which demands modernizing and expanding the infrastructure for
20 schools, and school related capital projects, in the areas
21 impacted by the growth at Redstone Arsenal. It is expected
22 that Alabama will gain thousands of high paying jobs because
23 of the 2005 BRAC process. It is found and declared to be
24 necessary to foster business growth and job creation and
25 generate tax revenues by rendering aid to the political
26 subdivisions of North Alabama impacted by the growth at
27 Redstone Arsenal.

1 Section 2. As used in this act, the following words
2 and phrases shall have the following meanings:

3 (1) AMCOM. The Aviation Missile Command of the
4 United States Army and any successor command thereto.

5 (2) AUTHORITY. The City of Huntsville Federal
6 Building Authority.

7 (3) BASELINE DATE. October 1, 2005.

8 (4) 2005 BRAC. Base Realignment and Closure actions
9 taken in 2005 as they relate to Redstone Arsenal.

10 (5) BRAC DISTRIBUTIONS. The payments made by the
11 State of Alabama to the City of Huntsville Federal Building
12 Authority as set forth in Sections 3 and 4.

13 (6) BRAC IMPACTED AREA. The geographic area within
14 Madison County and the City of Huntsville described by a
15 closed perimeter boundary consisting of Cummings Research
16 Park, East and West, Thornton Research Park, Redstone Gateway
17 EUL Area, and Redstone Arsenal.

18 (7) BRAC SUBSIDY. The sum of two thousand five
19 hundred dollars (\$2,500).

20 (8) DETERMINATION DATE. September 30 of each fiscal
21 year.

22 Section 3. On or before January 31 of each year,
23 beginning in 2011, it shall be the obligation of the State of
24 Alabama to pay to the Authority annually the BRAC Distribution
25 as calculated in subdivision (1).

26 (1) For the purposes of this act, the BRAC
27 Distribution paid each year by the state to the Authority

1 shall be the difference calculated by subtracting the number
2 of jobs in the BRAC Impacted District on the Baseline Date
3 from the number of jobs in the BRAC Impacted Area on the
4 Determination Date of each fiscal year that this act is in
5 effect. That difference shall be multiplied by the BRAC
6 Subsidy to produce the BRAC Distribution for the year of
7 calculation. The first Determination Date shall be September
8 30, 2010.

9 (2) The method for the Authority to distribute the
10 amount paid by the state shall be determined in accordance
11 with Section 4.

12 Section 4. The Authority will annually distribute
13 the BRAC Distribution to a political subdivision based on the
14 percentage of BRAC Impacted Area employees living in a city or
15 county in the state, in accordance with the following:

16 (1) The Authority shall obtain statistical sampling
17 information of AMCOM Alabama residents employed at Redstone
18 Arsenal from AMCOM, such information to include a survey of
19 the primary residences of employees employed at AMCOM. The
20 Authority shall request this information by October 1 of every
21 third fiscal year and such statistical sampling shall be used
22 to make the allocation for the following three fiscal years.

23 (2) The Authority shall remit the portion of the
24 BRAC Distributions to each city or county where the employees
25 reside based on the percentage calculated by the Authority
26 using the statistical sampling referred to above. If an
27 employee resides in a city, the payment shall be made to the

1 city of residence. If an employee does not reside in a city,
2 the payment shall be made to the county commission of the
3 county in which the employee resides.

4 Section 5. The City of Huntsville Federal Building
5 Authority is hereby authorized to calculate, determine, and
6 pay the amount of BRAC Distribution that is due to each county
7 or city and may adopt regulations to carry out the provisions
8 of this act and to specify criteria and procedures for the
9 application, approval, and monitoring of the benefits under
10 this act.

11 Section 6. Payments to the Authority required by
12 this act shall be made until September 30, 2033.

13 Section 7. Not later than November 1 of each year,
14 any private employer located in the BRAC Impacted Area must
15 provide a certification of the number of employees it employed
16 in the BRAC Impacted Area as of September 30, 2005, and the
17 number of employees on September 30 of the current year, to
18 the Authority. The Authority shall request of AMCOM, or its
19 designee, the number of persons employed at Redstone Arsenal.
20 In order to prevent double-counting of employees in the BRAC
21 Impacted Area in the case of private employers, the
22 certifications shall delineate between employees located at
23 Redstone Arsenal and those not located at Redstone Arsenal.
24 The number of jobs in the BRAC Impacted Area shall be the sum
25 of the number of employees employed on Redstone Arsenal plus
26 the total number of jobs not on Redstone Arsenal but inside
27 the BRAC Impacted Area. On or before December 31 of each year,

1 the Authority shall submit a report to the office of the
2 Governor detailing the number of jobs within the BRAC Impacted
3 Area created since the Baseline Date.

4 Section 8. (a) The Legislature finds that the number
5 of students attending the several school systems located in
6 those areas of North Alabama that will be directly impacted by
7 the 2005 BRAC will collectively increase by an estimated 9,000
8 students. As a result, there will be a need for the
9 construction of additional school facilities as well as the
10 renovation of existing school facilities. The Legislature
11 also finds that the 2005 BRAC will have a positive impact on
12 future receipts to the Education Trust Fund, as the
13 significant population growth in North Alabama will increase
14 sales, income, and other tax collections. Thus, it is an
15 efficient use of state funds to allow such revenue growth to
16 help pay for capital improvement costs associated with
17 BRAC-related school construction.

18 (b) The Alabama Public School and College Authority
19 is hereby authorized to sell and issue its Bonds in the
20 aggregate principal amount of \$350,000,000 and to apply such
21 proceeds for either the renovation of existing school
22 facilities or the construction of new school facilities in the
23 several school systems located in those areas of North Alabama
24 that will be directly impacted by the 2005 BRAC. Provided,
25 however, that in no event shall any school system or other
26 political subdivision receive the proceeds of the bonds issued
27 herein unless such system or subdivision has experienced,

1 since on or after July 1, 2005, an increase in their sales tax
2 rate of at least one-half cent, or equivalent property tax
3 increase, or renewal of an existing school tax, with the
4 revenue generated from such tax increase dedicated to schools
5 within that district or political subdivision. The
6 requirements of the preceding sentence shall not apply to any
7 school system or political subdivision where the sales tax
8 rate, when including all other state and local sales taxes,
9 equals at least nine percent (9%), or where the ad valorem tax
10 millage rate has, since on or after July 1, 2005, been
11 increased by an amount equal to the equivalent of a one-half
12 cent sales tax. The Bonds herein authorized shall be in
13 addition to all other bonds previously authorized to be issued
14 by the Alabama Public School and College Authority, and the
15 powers conferred herein are in addition to all other powers
16 heretofore conferred on the Alabama Public School and College
17 Authority by acts heretofore enacted by the Legislature.

18 (c) The Bonds shall be signed by the president or
19 vice-president of the Alabama Public School and College
20 Authority, and the seal of the Alabama Public School and
21 College Authority affixed thereto (or a facsimile thereof
22 imprinted thereon) and attested by its secretary. All
23 signatures of the president, vice-president, and secretary may
24 be facsimile signatures if the Alabama Public School and
25 College Authority, in its proceedings with respect to
26 issuance, provides for manual authentication (which may be in
27 the form of a certificate as to registration) of the Bonds by

1 a trustee, registrar or paying agent, or by named individuals
2 who are employees of the State and who are assigned to the
3 Finance Department or State Treasurer's Office of the State.
4 All Bonds bearing signatures or facsimiles of the signatures
5 of officers of the Alabama Public School and College Authority
6 in office on the date of signing thereof shall be valid and
7 binding notwithstanding that before the delivery thereof and
8 payment therefor, any officer whose signature appears thereon
9 shall have ceased to be an officer of the Alabama Public
10 School and College Authority. The Bonds and the income
11 therefrom shall be exempt from all taxation in the State of
12 Alabama, may be used as security for deposits, and shall be
13 eligible for investments of fiduciary funds, as provided in
14 the 1965 Act. The Bonds shall be construed to have all the
15 qualities and incidents of negotiable instruments subject to
16 any registration provisions pertaining to transfers. The
17 Alabama Public School and College Authority and the Bonds
18 shall be exempt from all laws of the State governing usury
19 including, without limitation, the provisions of Title 8,
20 Chapter 8, Code of Alabama 1975, or any subsequent statute of
21 similar import. The Bonds shall be in such form or forms and
22 denomination or denominations and of such tenor and
23 maturities, shall bear such rate or rates of interest payable
24 and evidenced in such manner, may be made subject to
25 redemption prior to their maturities, and may contain
26 provisions not inconsistent with this act, all as may be
27 provided by the resolution of the Alabama Public School and

1 College Authority under which the Bonds may be issued;
2 provided, that no Bonds shall have a specified maturity date
3 later than twenty years after their date; and provided
4 further, that those Bonds having maturities more than ten
5 years after their date shall be subject to redemption at the
6 option of the Alabama Public School and College Authority on
7 any date on and after the tenth anniversary after their date
8 at such redemption price or prices and under such conditions
9 as may be prescribed in the proceedings of the Alabama Public
10 School and College Authority under which they are issued. For
11 the purpose of paying the principal of, premium, if any, and
12 interest on the Bonds or any Refunding Bonds, the Alabama
13 Public School and College Authority shall designate the State
14 Treasurer or such bank or banks as the Alabama Public School
15 and College Authority, in its discretion, determines to be
16 appropriate and desirable. Funds for the payment of debt
17 service shall be transferred by the Alabama Public School and
18 College Authority or the State Treasurer on behalf of the
19 Alabama Public School and College Authority to the designated
20 paying agent on the actual due date of such principal,
21 premium, if any, or interest.

22 (d) The Bonds may be sold by the Alabama Public
23 School and College Authority from time to time in series, and
24 if sold in more than one series, may all be authorized in one
25 initial resolution of the Alabama Public School and College
26 Authority with the pledges therefor made by the Alabama Public
27 School and College Authority in such initial resolution

1 although some of the details applicable to each series may be
2 specified in the respective resolutions under which the
3 different series are issued. The Alabama Public School and
4 College Authority, in the course of establishing, by
5 resolution, a principal amount of Bonds to be authorized for
6 sale at any given time, or to be sold in any series, may take
7 into account the existence of any unexpended proceeds of prior
8 issues of bonds of the Alabama Public School and College
9 Authority (and of any other issuer, if such should be deemed
10 by the Alabama Public School and College Authority to be
11 relevant), and may structure the portions of the allocations
12 provided for in Section 9 of this act to be distributed from
13 the proceeds of a particular series (constituting less than
14 all the Bonds authorized by this act) as the Alabama Public
15 School and College Authority deems necessary or prudent in
16 order to enable the Alabama Public School and College
17 Authority to comply with any tax covenants that may be
18 required of it, or that may be deemed by it to be prudent to
19 be given by it, in connection with the sale of any series of
20 the Bonds. Each series of the Bonds shall be sold
21 competitively only at public sale, on sealed bids which may be
22 submitted either electronically or in writing, after such
23 advertisement as shall be prescribed by the Alabama Public
24 School and College Authority and at such time or times as the
25 Alabama Public School and College Authority may consider
26 advantageous, to the bidder whose bid reflects the lowest true
27 interest cost to the Alabama Public School and College

1 Authority computed to the respective maturities of the Bonds
2 being sold (considering mandatory redemption as scheduled
3 maturity); provided, that if no bid deemed acceptable by the
4 Alabama Public School and College Authority is received it may
5 reject all bids. The Alabama Public School and College
6 Authority may fix the method and the terms and conditions
7 under which the sale of any series of the Bonds may otherwise
8 be held; provided that such terms and conditions shall not
9 conflict with any requirement of this act. Approval by the
10 Governor of Alabama of the terms and conditions under which
11 any of the Bonds may be issued shall be requisite to their
12 validity. Before any series of the Bonds shall be offered for
13 sale by the Alabama Public School and College Authority, the
14 Governor shall first determine that the issuance of that
15 series of Bonds and the application of the taxes pledged to
16 the payment of the principal of the Bonds as they mature and
17 the interest thereon as the same shall come due will not
18 impair the adequacy of the Trust Fund to pay appropriations
19 therefrom and to support the public schools and institutions
20 of higher learning during the period over which the Bonds will
21 mature. The Governor's determination in this regard shall be
22 in writing signed by the Governor and such determination shall
23 be final and conclusive. Neither a public hearing nor consent
24 of the State Department of Finance or any other department or
25 agency shall be a prerequisite to the issuance of any of the
26 Bonds.

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

7 (1) The residue of the receipts from the excise tax
8 ("the utility gross receipts tax") levied by Title 40, Chapter
9 21, Article 3, Code of Alabama 1975, as amended ("Article 3"),
10 remaining after payment of the expenses of administration and
11 enforcement of Article 3, being that portion of the tax that
12 is required by Article 3 to be deposited in the State Treasury
13 to the credit of the Trust Fund, after there shall have been
14 taken from the residue the amount necessary to pay at their
15 respective maturities the principal of and interest on those
16 bonds issued by the Authority under this Act or any prior Act
17 that may be outstanding at the time of the delivery of the
18 respective series of the Bonds authorized herein;

19 (2) The residue of the receipts from the excise tax
20 ("the utility service use tax") levied by Title 40, Chapter
21 21, Article 4, Code of Alabama 1975 ("Article 4"), remaining
22 after payment of the expenses of administration and
23 enforcement of Article 4, being that portion of the tax that
24 is required by Article 4 to be deposited in the State Treasury
25 to the credit of the Trust Fund, after there shall have been
26 taken from the residue the amount necessary to pay at their
27 respective maturities the principal of and interest on those

1 bonds issued by the Authority under this Act or any prior Act
2 that may be outstanding at the time of the delivery of the
3 respective series of the Bonds authorized herein;

4 (3) To the extent and to the extent only that the
5 revenues appropriated in the foregoing subdivisions (1) and
6 (2) of this subsection may not be sufficient to pay at their
7 respective maturities the principal of, premium, if any, and
8 interest on the Bonds, the residue of the receipts from the
9 excise tax ("the sales tax") levied by Title 40, Chapter 23,
10 Article 1, Division 1, Code of Alabama 1975, as amended
11 ("Article 1"), after there shall have been taken from the
12 residue the amounts appropriated for other educational
13 purposes in Section 40-23-35, Code of Alabama 1975 (which
14 residue constitutes that portion of the receipts from the
15 sales tax that is now required by law to be paid into the
16 Trust Fund), and after there shall have been taken from the
17 residue amounts sufficient to meet all prior charges on the
18 residue including such amounts as may be necessary to pay at
19 their respective maturities the principal of and interest on
20 those bonds issued by the Authority under this Act or any
21 prior Act that may be outstanding at the time of the delivery
22 of the respective series of the Bonds authorized herein;

23 (4) To the extent and to the extent only that the
24 revenues appropriated in the foregoing subdivisions (1), (2),
25 and (3) of this subsection may not be sufficient to pay at
26 their respective maturities the principal of, premium, if any,
27 and the interest on the Bonds, the residue of the receipts

1 from the excise tax ("the use tax") levied by Title 40,
2 Chapter 23, Article 2, Code of Alabama 1975, as amended
3 ("Article 2"), after there shall have been taken from the
4 residue the amount necessary to meet the expenses of the State
5 Department of Revenue in collecting the use tax (which residue
6 constitutes that portion of the receipts from the use tax that
7 is now required by law to be paid into the Trust Fund), and
8 after there shall have been taken from the residue such
9 amounts as may be necessary to meet all prior charges on the
10 use tax including the amounts sufficient to pay at their
11 respective maturities the principal of and interest on those
12 outstanding bonds referred to in subdivision (3) of this
13 subsection; and

14 (5) All monies hereby appropriated and pledged shall
15 constitute a sinking fund for the purpose of paying the
16 principal of, premium, if any, and interest on the Bonds. The
17 State Treasurer is authorized and directed to pay at their
18 respective maturities the principal of, premium, if any, and
19 interest on the Bonds out of this fund and out of the residues
20 of the tax receipts herein appropriated and pledged for the
21 benefit of the Bonds, and is further authorized and directed
22 to set up and maintain appropriate records pertaining thereto.

23 (f) The Bonds shall not be general obligations of
24 the Alabama Public School and College Authority but shall be
25 limited obligations payable solely out of the residues of the
26 tax receipts appropriated and pledged herein. All Bonds issued
27 by the Alabama Public School and College Authority pursuant to

1 the provisions of this act shall be solely and exclusively
2 obligations of the Alabama Public School and College Authority
3 and shall not constitute or create an obligation or debt of
4 the State. As security for the payment of the principal of,
5 premium, if any, and interest on the Bonds, the Alabama Public
6 School and College Authority is hereby authorized and
7 empowered to pledge the residues of the tax receipts that are
8 appropriated and pledged herein. All such pledges made by the
9 Alabama Public School and College Authority shall take
10 precedence in the order of the adoption of the resolutions
11 containing the pledges. All such pledges shall be prior and
12 superior to any pledges that may be made for any refunding
13 bonds hereafter issued by the Alabama Public School and
14 College Authority under the provisions of any act heretofore
15 enacted.

16 (g) For the purpose of refunding any Bonds or
17 Refunding Bonds of the Alabama Public School and College
18 Authority issued under the provisions of this act, or any
19 other act previously enacted, or any combination thereof,
20 whether such refunding shall occur before, at, or after the
21 maturity of the Bonds refunded and for the purpose of paying
22 all premiums and expenses of such refunding (including, but
23 not limited to, attorneys' fees, costs of printing the
24 Refunding Bonds, fiscal agents' fees, and accountants' fees),
25 the Alabama Public School and College Authority is hereby
26 authorized to sell and issue its Refunding Bonds. Such
27 Refunding Bonds may be sold and issued from time to time, at

1 public sale, on sealed bids and on such other terms and
2 conditions as the Alabama Public School and College Authority
3 shall determine to be advantageous and shall adopt and provide
4 for in its proceedings for the sale and issuance of such
5 Refunding Bonds. Provided, however, no Refunding Bonds shall
6 be issued unless the present value of all debt service on the
7 Refunding Bonds (computed with a discount rate equal to the
8 true interest rate of the Refunding Bonds and taking into
9 account all underwriting discount and other issuance expenses)
10 shall not be greater than 95 percent of the present value of
11 all debt service on the Bonds to be refunded (computed using
12 the same discount rate and taking into account the
13 underwriting discount and other issuance expenses originally
14 applicable to such Bonds) determined as if such Bonds to be
15 refunded were paid and retired in accordance with the schedule
16 of maturities (considering mandatory redemption as scheduled
17 maturity) provided at the time of their issuance. Provided
18 further that the average maturity of the Refunding Bonds, as
19 measured from the date of issuance of such Refunding Bonds,
20 shall not exceed by more than three years the average maturity
21 of the Bonds to be refunded, as also measured from such date
22 of issuance, with the average maturity of any principal amount
23 of Bonds to be determined by multiplying the principal of each
24 maturity by the number of years (including any fractional part
25 of a year) intervening between such date of issuance and each
26 such maturity, taking the sum of all such products, and then
27 dividing such sum by the aggregate principal amount of Bonds

1 for which the average maturity is to be determined. For the
2 purpose of providing funds to enable the Alabama Public School
3 and College Authority to pay at their respective maturities
4 the principal of, premium, if any, and interest on the
5 Refunding Bonds issued under this act, the Alabama Public
6 School and College Authority is hereby authorized to pledge
7 irrevocably for such purpose, and there is hereby appropriated
8 for such purpose, such amount as may be necessary of the
9 residues of the receipts from the excise taxes pledged and
10 appropriated herein, any reserves or sinking funds established
11 by the Alabama Public School and College Authority, as well as
12 revenues of the Alabama Public School and College Authority
13 from any other sources specified in the proceedings wherein
14 the Refunding Bonds are authorized to be issued. Pending the
15 application of the proceeds of Refunding Bonds issued in
16 accordance with this subsection, the proceeds, together with
17 investment earnings therefrom, and amounts in any sinking
18 fund, together with investment earnings thereon, may be held
19 by the State Treasurer as treasurer of the Alabama Public
20 School and College Authority in trust, or may be deposited by
21 the State Treasurer in trust, on such terms as the State
22 Treasurer and the Alabama Public School and College Authority
23 shall approve, with a trustee or escrow agent, which trustee
24 or escrow agent shall be a banking institution or trust
25 company authorized to exercise trust powers in Alabama, for
26 investment in Permitted Investments, as such term is defined
27 in Act 2007-415. Proceeds of Refunding Bonds shall be so

1 invested and applied as to assure that the principal,
2 interest, and redemption premium, if any, on the Bonds being
3 refunded shall be paid in full on the respective maturity,
4 redemption, or interest payment dates. Refunding Bonds issued
5 by the Alabama Public School and College Authority shall not
6 be general obligations of the Alabama Public School and
7 College Authority but shall be payable solely from the sources
8 specified in this act and in the proceedings whereby the
9 Refunding Bonds are authorized to be issued. All Refunding
10 Bonds issued by the Alabama Public School and College
11 Authority shall be solely and exclusively obligations of the
12 Alabama Public School and College Authority and shall not
13 create debts of the State of Alabama. The faith and credit of
14 the State of Alabama shall never be pledged for the payment of
15 any Refunding Bonds issued by the Alabama Public School and
16 College Authority under this act. The Alabama Public School
17 and College Authority may contract with respect to the
18 safekeeping and application of the proceeds of Refunding Bonds
19 and other funds included therewith and the income therefrom,
20 and shall have the right and power to appoint a trustee
21 therefor, which may be any bank or company authorized to
22 exercise trust powers and located within and/or without the
23 State. All pledges made by this act, or by the Alabama Public
24 School and College Authority pursuant to the provisions of
25 this act, for the benefit of Refunding Bonds issued under this
26 act, and all such pledges for the benefit of Refunding Bonds
27 which may be issued to refund any bonds issued under any prior

1 act, shall take precedence in the order of the adoption of the
2 resolutions authorizing the issuance of such Refunding Bonds.
3 Bonds refunded prior to their maturity with the proceeds of
4 Refunding Bonds shall be deemed paid and the pledges herein
5 and by the Alabama Public School and College Authority made
6 for the payment thereof defeased if the Alabama Public School
7 and College Authority, in its proceedings regarding issuance
8 of the Refunding Bonds shall provide for and establish a trust
9 or escrow fund comprised of monies or Government Securities
10 (as such term is defined in Act 2007-415), or both, sufficient
11 to pay, when due, the entire principal of, premium, if any,
12 and interest on the Bonds to be refunded thereby; provided,
13 that such Government Securities (as such term is defined in
14 Act 2007-415) shall not be subject to redemption prior to
15 their maturities other than at the option of the holder
16 thereof. Upon the establishment of such a trust or escrow
17 fund, the refunded Bonds shall no longer be deemed to be
18 outstanding, shall no longer be secured by the funds pledged
19 therefor in this act, shall no longer be obligations of the
20 Alabama Public School and College Authority and shall be
21 secured solely by and payable from monies and Government
22 Securities (as such term is defined in Act 2007-415) deposited
23 in such trust or escrow fund.

24 (h) The Alabama Public School and College Authority
25 is authorized to pay out of proceeds of any series of Bonds
26 the costs and expenses incurred in connection with the
27 issuance of such Bonds, including without limitation legal and

1 accounting fees and expenses, fees and expenses of any
2 financial or fiscal advisor employed by the Alabama Public
3 School and College Authority, printing costs, rating agency
4 fees, and premiums or charges for any credit enhancement or
5 liquidity providers. Notwithstanding any provision of this act
6 or any previous act, in appointing, employing, or contracting
7 with attorneys, fiscal advisers, trustees, paying agents,
8 investment bankers, banks, and underwriters, the Alabama
9 Public School and College Authority may appoint, employ, or
10 contract with firms whose principal offices are located
11 without or within Alabama. The Alabama Public School and
12 College Authority shall hire or contract with attorneys,
13 fiscal advisors, trustees, paying agents, investment bankers,
14 banks, and underwriters which shall reflect the racial and
15 ethnic diversity of the state. The Alabama Public School and
16 College Authority shall issue Requests For Proposals for
17 attorneys, fiscal advisors, trustees, paying agents,
18 investment bankers, banks, and underwriters. The Alabama
19 Public School and College Authority shall evaluate each
20 proposed bid publicly and award each contract publicly.
21 Minutes of the Alabama Public School and College Authority's
22 meeting shall record the reasons for awarding each contract.
23 The Alabama Public School and College Authority shall hire or
24 contract with businesses or individuals which reflect the
25 racial and ethnic diversity of the State. The Alabama Public
26 School and College Authority shall have the power to make such
27 payments to the United States of America as the board of

1 directors of the Alabama Public School and College Authority
2 deems necessary to cause the interest on any bonds of the
3 Alabama Public School and College Authority, including the
4 Bonds, to be and remain exempt from, or excludible from gross
5 income for purposes of, federal income taxation. The Alabama
6 Public School and College Authority shall have the power to
7 make such agreements respecting the investment of funds of the
8 Alabama Public School and College Authority as the Alabama
9 Public School and College Authority shall deem necessary in
10 order that the interest income on bonds of the Alabama Public
11 School and College Authority be and remain exempt from, or
12 excludible from gross income for purposes of, federal income
13 taxation.

14 Section 9. This act shall become effective
15 immediately and shall remain effective until September 30,
16 2033. At the end of such period, this act shall be abrogated
17 and of no further force and effect, although the rights and
18 responsibilities granted to the Authority shall continue so
19 long as the Authority exists.