

1 SB98
2 164722-1
3 By Senators Ross, Singleton, Dunn, Coleman, Beasley,
4 Smitherman, Sanders and Figures
5 RFD: Finance and Taxation Education
6 First Read: 03-MAR-15

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8 SYNOPSIS: This bill would repeal Sections 29-9-1 to
9 29-9-6, Code of Alabama 1975, providing for the
10 maximum amount that may be appropriated annually
11 from the Education Trust Fund; and to provide for
12 the establishment and operation of a budget
13 stabilization fund and a capital fund for the
14 Education Trust Fund and repealing Section
15 40-1-32.1, Code of Alabama 1975.

16 This bill would reenact Section 40-1-32.1,
17 Code of Alabama 1975, providing for the Education
18 Trust Fund Proration Account.

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20 A BILL

21 TO BE ENTITLED

22 AN ACT

23
24 To repeal Sections 29-9-1 to 29-9-6, Code of Alabama
25 1975, providing for the maximum amount that may be
26 appropriated annually from the Education Trust Fund; and to

1 reenact Section 40-1-32.1, Code of Alabama 1975, providing for
2 the Education Trust Fund Proration Account.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Sections 29-9-1 to 29-9-6, Code of
5 Alabama 1975, are repealed.

6 Section 2. Section 40-1-32.1, Code of Alabama 1975,
7 is reenacted to read as follows:

8 §40-1-32.1. Education Trust Fund Proration
9 Prevention Act.

10 (a) Short title. This section shall be known as the
11 Education Trust Fund Proration Prevention Act of 1988.

12 (b) Establishment of Proration Prevention Account.
13 There is hereby created and shall be a distinct and separate
14 fund established within the State Treasury to be known as the
15 Education Trust Fund Proration Prevention Account to which
16 monies shall be deposited as provided herein for the purpose
17 of preventing proration of funds which have been appropriated
18 by the Legislature from the Education Trust Fund. Monies which
19 accrue in the Education Trust Fund Proration Prevention
20 Account shall not be subject to appropriation except as
21 provided in this section.

22 (c) Appropriations. The following monies are hereby
23 appropriated to the Education Trust Fund Proration Prevention
24 Account: Beginning on October 1, 2008, and on October 1 of
25 each fiscal year thereafter, there is hereby appropriated into
26 the Education Trust Fund Proration Prevention Account,
27 established in subsection (b), 75 percent of the ending

1 balance in the Education Trust Fund from the preceding fiscal
2 year that was unanticipated and unappropriated by the
3 Legislature as a beginning balance in the current fiscal year.
4 The Legislature shall set forth the amount of the beginning
5 balance anticipated and appropriated in the Education Trust
6 Fund appropriation act each year beginning in the Education
7 Trust Fund appropriation act for the fiscal year beginning
8 October 1, 1999. The Finance Director shall transfer 75
9 percent of the unanticipated and unappropriated beginning
10 balance by October 15 of each year.

11 (d) Withdrawals. Money in the Education Trust Fund
12 Proration Prevention Account may be withdrawn only:

13 (1) To prevent proration in the Education Trust
14 Fund. The Governor of the State of Alabama must certify to the
15 Comptroller and notify the Legislature that proration would
16 occur in the Education Trust Fund before funds could be
17 withdrawn. Upon the certification by the Governor, withdrawals
18 may be executed under the direction of the Governor; however,
19 withdrawals must be limited to the amount of the anticipated
20 proration and funds allotted only to the extent necessary to
21 avoid proration of appropriations in the Education Trust Fund.

22 (2) By an act of the Legislature with a recorded
23 vote of at least two-thirds of the membership of each
24 legislative chamber.

25 (e) Repayment. Monies withdrawn under the provisions
26 of subsection (d) shall be repaid as provided by the
27 Legislature at its discretion. Repayment of funds may be

1 suspended during those fiscal years in which the Education
2 Trust Fund is actually prorated. Repayment of monies withdrawn
3 from the account shall not be required during a fiscal year in
4 which the repayment will cause proration.

5 (f) Interest. Any monetary interest which accrues in
6 the Proration Prevention Account shall be retained in the
7 account from year to year and shall be subject only to the
8 provisions of this section.

9 (g) Reversion to trust fund. Any amount of money in
10 the Proration Prevention Account which is in excess of 10
11 percent of the preceding year's Education Trust Fund
12 appropriations act shall revert back to the Education Trust
13 Fund for the support and maintenance of public education.

14 Section 3. This act shall become effective on the
15 first day of the third month following its passage and
16 approval by the Governor, or its otherwise becoming law.