SB59

181096-1

By Senator Ward

RFD: Judiciary

First Read: 07-FEB-17

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SYNOPSIS: This bill will be known as the Alabama Prison Transformation Initiative Act. This bill would provide for the construction of four modern, efficient prison facilities to reduce overcrowding, to improve safety conditions for corrections officers, to allow for additional inmate re-entry programs and to improve operational practices and procedures.

This bill would require increased reporting to the Joint Legislative Prison Committee.

Under existing law, the Alabama Corrections Institution Finance Authority is authorized to issue bonds for prison construction purposes. The Authority is required to construct facilities using plans and specifications of architects or engineers, or both.

This bill would also allow the Authority to construct women's and regional prison facilities using various types of construction agreements.
This bill would allow the Authority to issue additional bonds with no specified maturity date later than 30 years for the purpose of financing women's and regional prison facilities, for the renovation of existing prison facilities, and for demolition of obsolete prison facilities.

This bill would require the Department of Corrections to consolidate facilities for certain male inmates.

This bill would also provide for disposing of property not required for use by the Department of Corrections and further provide for actions to be taken upon payment of all bonds issued by the Authority.

This bill would provide for the pledge of a portion of the proceeds of the one mill tax levied by Section 40-8-3 and to pledge a portion of the proceeds of the tax on all spirituous or vinous liquors levied by current law to secure the Authority's bonds.

A BILL
TO BE ENTITLED
AN ACT

To amend Sections 14-2-1, 14-2-6, 14-2-12, 14-2-13.1, 14-2-14, 14-2-16, 14-2-19, 14-2-21, 14-2-28, and
1 14-2-34, relating to the Alabama Corrections Institution
2 Finance Authority, to allow the Authority to issue up to $800
3 million in bonds or other forms of funding deemed optimal for
4 the project with no specified maturity date later than 30
5 years for the purpose of financing the construction of women's
6 and regional prison facilities, renovating existing prison
7 facilities, and demolishing obsolete prison facilities; to
8 allow the Authority to design, construct, finance, lease, and
9 maintain, or any combination thereof, women's and regional
10 prison facilities using various types of agreements; and to
11 revise the membership of the Authority; to require the
12 Department of Corrections to consolidate facilities for
13 certain male inmates; to authorize the Authority to dispose of
14 property not required for Department of Corrections purposes;
15 to require reporting to the Joint Legislative Prison
16 Committee; to further provide for actions to be taken upon
17 payment of all bonds issued by the Authority; to amend Section
18 29-2-20, Code of Alabama 1975, as last amended by Act
19 2015-165, 2015 Regular Session, to revise the membership of
20 the Joint Legislative Prison Committee; to amend Sections
21 28-3-201, 28-3-202, 28-3-24, and 40-8-3, Code of Alabama 1975,
22 relating to allocation of a portion of the proceeds of the one
23 mill ($.10 on each $100 of assessed value) tax and the tax on
24 all spirituous or vinous liquors provided therein as a second
25 and third priority security for the Authority's bonds; to
26 amend Section 38-4-12, Code of Alabama 1975, relating to the
priority of the use of the one mill tax; and to define certain
terms.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and cited as the

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

Section 3. The Alabama Corrections Institution
Finance Authority shall report to the Joint Legislative Prison
Committee on any plans for the demolition or disposal of any existing prison facilities pursuant to this act. In addition, the Department of Corrections shall report to the Joint Legislative Prison Committee and the Chairmen of the House Ways and Means General Fund Committee and the Senate Finance and Taxation General Fund Committee on the operational savings directly realized as a result of the consolidation of prisons pursuant to this act. This operational savings report shall be made annually beginning on the date on which the first bond payment is due, and continuing until all bonds authorized by this act have matured, been redeemed, or are otherwise no longer outstanding.

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

"§14-2-1.

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

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

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

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

(4) STATE. The State of Alabama.

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

(6) FACILITIES. Such term includes any one or more
of the following:
   a. Prisons;
   b. Buildings and enclosures for housing, containing
or supervising prisoners; and
   c. Any facilities necessary or useful in connection
with prisons, buildings or enclosures, including, without
limiting the generality of the foregoing, hospitals, offices,
correctional officers' quarters and residences, warehouses,
garages, storage facilities, abattoirs, cold storage plants,
canning plants, laundries and manufacturing plants for the
employment of prison labor.

(7) KILBY PROPERTY. Such term includes all of the
real property commonly referred to as Kilby prison property,
embracing not only the real property owned by the state on
which Kilby prison is located, but also all real property
owned by the state used in connection with Kilby prison and
adjacent thereto, all located in sections 2, 3, 10, 11, 21,
22, 26, 27, 28, 29, 30, 33, 34, and 35 in township 17, range
18 in Montgomery County, Alabama, together with all personal
property owned by the state and used in connection with Kilby
prison and the real property adjacent thereto.
(8) PERRY COUNTY FACILITY. The Perry County Correctional Center, including all real property, buildings and improvements located at the facility in Perry County.

(9) NET PROCEEDS OF THE ONE MILL TAX. The portion of the proceeds of the tax levied under Section 40-8-3 at the rate of $.10 on each $100 of the assessed value of taxable property, remaining after payment of one percent of the proceeds thereof to the Alabama Historical Commission for the purposes set forth therein.

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

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

"§14-2-6.

"The applicants named in the application and their respective successors in office shall constitute the members of the authority. The Governor shall be the president of the authority, the Commissioner of Corrections shall be the vice-president of the authority and the Director of Finance shall be the secretary of the authority. In addition, one member of the House of Representatives appointed by the Speaker of the House and one member of the Senate appointed by the President Pro Tempore of the Senate shall be members of the authority. The State Treasurer shall be the treasurer and"
custodian of the funds of the authority, but shall not be a
member of the authority. The members of the authority shall
constitute all the members of the board of directors of the
authority, which shall be the governing body of the authority.
A majority of the members of the said board of directors shall
constitute a quorum for the transaction of business. Should
any person holding any state office named in this section
cease to hold such office by reason of death, resignation,
expiration of his term of office or for any other reason, then
his successor in office shall take his place as a member,
officer or director, as the case may be, of the authority. No
member, officer or director of the authority shall draw any
salary in addition to that now authorized by law for any
service he may render or for any duty he may perform in
connection with the authority. No member, officer, director or
employee of the authority shall be personally liable for any
debt, obligation or liability of the authority.

"§14-2-12.

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

(b) In addition to the authorization provided in
subsection (a), the authority is hereby authorized, from time
to time, to sell and issue its bonds in amounts determined by
the authority to be necessary for the acquisition,
construction, reconstruction, alteration, and improvement of
facilities. Additional bonds may be issued to provide for
additional bedspace by improving properties currently owned by
the Department of Corrections or the authority. The total
additional bonds authorized by this subsection shall not
exceed $60 million.

(c) In addition to any other authorization provided
in this chapter, the authority is hereby authorized, from time
to time, to sell and issue its bonds in amounts determined by
the authority to be necessary for the acquisition of sites,
construction, reconstruction, alteration, demolition, and
improvement of facilities owned and operated by the Department
of Corrections or the Alabama Corrections Institution Finance
Authority, including but not limited to women's prison
facilities and regional prison facilities and for the
procurement and installation of equipment therefor. The total
additional bonds authorized by this subsection shall not
exceed $800 million. Bonds authorized by this subsection shall
be sold as provided in Section 14-2-16.

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

The bonding authority provided herein must file a
report, in concise, simple language to each legislator between
the first and the twelfth legislative day of each legislative
session which shall reflect the date of the issuance of the
bonds, total amount of the bonds, maturity date, schedule of
payments, including interest and principal, amount of attorney
fees, architect fees and bond attorney fees, discount points
and all other costs incurred in the issuance of and sale of
the bonds herein authorized, and to what person, firm,
corporation, company or other entity to which any such fees or
money is to be or has been paid.

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

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

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

§14-2-13.1. It is hereby further provided that no refunding bonds as provided for by Section 14-2-13 shall be issued unless the present value of all debt service on the refunding bonds (computed with a discount rate equal to the true interest rate of the refunding bonds and taking into account all underwriting discount and other issuance expenses) shall not be greater than 95 98% of the present value of all debt service on the bonds to be refunded (computed using the same discount rate and taking into account the underwriting discount and other issuance expenses originally applicable to such bonds) determined as if such bonds to be refunded were paid and retired in accordance with the schedule of maturities (considering mandatory redemption as a 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.

"§14-2-14.

Any bonds of the authority may be executed and delivered by it at any time and from time to time, shall be in such form and denominations and of such tenor and maturities, shall bear such rate or rates of interest payable and evidenced in such manner, may contain provisions for redemption prior to maturity and may contain other provisions not inconsistent with this section, all as may be provided by the resolution of the board of directors whereunder such bonds are authorized to be issued; provided, that no bond of the authority shall have a specified maturity date later than 20 years after its date. In the event that the authority shall make more than one pledge of the same revenues, such pledges shall, unless otherwise provided in the resolution or resolutions authorizing the earlier issued bonds, take precedence in the order of the adoption of the resolutions in which the pledges are made; provided, that each pledge for the benefit of refunding bonds shall have the same priority as the pledge for the benefit of the bonds refunded thereby.

"§14-2-16.

Bonds of the authority may be sold at such price or prices and at such time or times as the board of directors of the authority may consider advantageous, either at public sale or private sale. Bonds of the authority sold by competitive bid must be sold, whether on sealed bids or at public auction,
to the bidder whose bid reflects the lowest effective
borrowing cost to the authority for the bonds being sold;
provided, that if no bid acceptable to the authority is
received, it may reject all bids. Notice of each such sale by
competitive bids shall be given by publication in either a
financial journal or a financial newspaper published in the
City of New York, New York, and also by publication in a
newspaper published in the State of Alabama, each of which
notices must be published at least one time not less than 10
days before the date for the sale. The board of directors may
fix the terms and conditions under which such sale may be
held; provided, that such terms and conditions shall not
conflict with any of the requirements of this chapter. The
authority may pay out of the proceeds of the sale of its bonds
all expenses, including capitalized interest during a period
not to exceed one three years from the date of issuance of
such bonds, publication and printing charges, attorneys' fees
and other expenses which said board of directors may deem
necessary and advantageous in connection with the
authorization, advertisement, sale, execution and issuance of
such bonds. Neither a public hearing nor consent of the State
Department of Finance or any other department or agency of the
state shall be a prerequisite to the issuance or sale of bonds
by the authority.

"§14-2-19.
(a) All proceeds derived from the sale of any bonds,
except refunding bonds, sold by the authority, remaining after
payment of the expenses of issuance thereof, shall be turned over to the State Treasurer, shall be carried in a special account to the credit of the authority, and shall be subject to be drawn on by the authority solely for the purposes of:

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

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

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

(4) Paying the interest which will accrue on the equipment equipping of the said facilities and for a period not exceeding six months after the completion thereof; and

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

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

(b) All proceeds from the sale of refunding bonds
issued by the authority that remain after paying the expenses
of their issuance may be used only for the purpose of
refunding the principal of and any unpaid and accrued interest
on the outstanding bonds of the authority for the refunding of
which the refunding bonds are authorized to be issued,
together with any premium that may be necessary to be paid in
order to redeem or retire such outstanding bonds.

§14-2-21.
(a) The principal of, premium, if any, and interest
on the bonds of the authority shall be secured, first, by any
or all of the following, as the authority may determine:

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

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

(3) Any bond proceeds remaining unexpended upon
completion of all facilities to be constructed with such bond
proceeds and the payment of the cost thereof;
(4) Any insurance proceeds which the authority may receive by reason of its ownership of any of the facilities; and

(5) Any mortgage upon or security interest in one or more facilities of the authority, granted in connection with the issuance of such bonds; and

(6) Operational savings realized from the consolidation of prison facilities as a result of this amendatory act.

(b) To such extent and to such extent only as the revenues described in subsection (a) of this section may not be sufficient to pay at their respective maturities the principal of and interest on the bonds of the authority, there is irrevocably pledged and appropriated, as a second priority security, so much of the portion of the net proceeds of the one mill tax allocated to the Department of Human Resources under Section 38-4-12 as may be necessary, when added to the amounts described in subsection (a) of this section, for the purpose of providing funds to enable the authority to pay at their respective maturities and due dates the principal of and interest on the bonds that may be issued by it under this article at any time. The revenues pledged by this subsection shall be limited to the payment of debt service on the bonds authorized by this amendatory act, including debt service on any refunding bonds issued to refund the bonds authorized by this amendatory act.
(c) To such extent and to such extent only as the revenues described in subsections (a) and (b) may not be sufficient to pay at their respective maturities the principal of and interest on the bonds of the authority, there is irrevocably pledged and appropriated, as a third priority security, so much of the net proceeds of the net proceeds of the tax levied on spirituous or vinous liquors allocated to the Public Welfare Trust Fund under Sections 28-3-201, 28-3-202, and 28-3-204, as may be necessary, when added to the amounts described in subsections (a) and (b), for the purpose of providing funds to enable the authority to pay at their respective maturities and due dates the principal of and interest on the bonds that may be issued by it under this article at any time. The revenues pledged by this subsection shall be limited to the payment of debt service on the bonds authorized by this amendatory act, including debt service on any refunding bonds issued to refund the bonds authorized by this amendatory act.

(d) In the event that revenues pledged by subsection (b) or (c) are used to pay debt service on bonds authorized by this amendatory act, including debt service on refunding bonds issued to refund the bonds authorized by this amendatory act, the Legislature shall provide for the reimbursement of the amount used for those debt service payments to the Department of Human Resources.

(e) The authority shall have authority to transfer and assign any lease of any of the facilities and any lease or
mortgage of the Kilby property as security for the payment of such principal, premium, if any, and interest. The bonds may be issued under, and secured by, a resolution which may, but need not, provide for an indenture of trust covering one or more facilities of the authority. Such resolution or such indenture of trust may contain any provision or agreement customarily contained in instruments securing evidences of indebtedness, including, without limiting the generality of the foregoing, provisions respecting the collection and application of any receipts pledged to the payment of bonds, the terms to be incorporated in lease agreements respecting the facilities, the maintenance and insurance thereof, the creation and maintenance of reserve and other special funds from such receipts and the rights and remedies available in the event of default to the holders of the bonds or to the trustee for the holders of the bonds or under any indenture of trust, all as the authority may deem advisable and as shall not be in conflict with the provisions of this chapter; provided, however, that in making such agreements or provisions the authority shall not have the power to obligate itself except with respect to its facilities, the Kilby property and the application of the receipts which it is authorized in this chapter to pledge.

(f) For each fiscal year in which the department, under a lease agreement with the authority, is required to pay rent to the authority in an amount at least equal to the annual debt service on bonds issued pursuant to the act adding
this amendatory language, the department, from the amount
appropriated to it in each annual general fund appropriations
act, shall pay the rent payments as a first priority
expenditure, and all other expenditures of the department for
each fiscal year shall be adjusted accordingly.

§14-2-28.

(a) Except as provided in subsection (b), all All
facilities constructed by the authority shall be constructed
according to plans and specifications of architects or
engineers, or both, selected by the department. Such plans and
specifications shall be approved by the department and by the
commission. All work in the construction of facilities, or any
part thereof, which is determined by the commission to be
suitable and proper for construction by prison labor under
force account shall be performed by such prison labor under
such supervision and directions as shall be ordered by the
department. All construction of facilities or any part thereof
which the commission shall determine not to be suitable and
proper for construction by prison labor shall be done under
the supervision and direction of the commission following
award for each part of the work to the lowest responsible
bidder after advertising for, receipt and public opening of
sealed bids. Each such invitation for bids and the bidding
documents applicable thereto shall be so arranged that any
alternates shall constitute cumulative deductions from the
base bid rather than additions thereto. In determining the
lowest bidder if funds are insufficient to construct the
facility on the lowest base bid, then the commission may proceed to consider the bids upon the basis of the base bids of all bidders minus the respective reductions stated for the first alternate. If the lowest bid so determined is not then within the funds available, the commission shall proceed to consider the base bid minus the first and second alternates together to determine the lowest bid and in like manner throughout all alternates, if need be, so that in no event shall there be any discretion as to which alternate or alternates will be used in determining the lowest responsible bidder. If no bid deemed acceptable by the commission and the authority is received, all bids may be rejected, in which event bids may again from time to time be invited and acted on as provided in this section. All such contracts shall be lump sum contracts. All contracts for the entire work on a facility shall be awarded at the same time, but notice to proceed may be withheld until prior work under another contract has progressed to a point where the joint or following work can best be coordinated for the earliest completion of the entire project in a sound and workmanlike manner. Each contract shall be executed by the authority upon the determination of the commission as to the lowest bidder. Payments made by the authority under the construction contracts shall be upon the contractor's written sworn request only if endorsed as approved by the commission or in any lesser amount the commission shall endorse as having been then earned on said contract. After the contracts for a facility have been
1 awarded, such construction cost estimate shall be revised and
2 all extras on the contracts shall be awarded within the funds
3 available. The authority shall pay to the commission as a part
4 of the cost of constructing the facility such sums for the
5 services of its employees as may be mutually agreed between
6 the department and the commission.

7 (b) All projects awarded using bond proceeds
8 authorized by this act shall comply with the provisions of
9 Title 39, except for the construction of regional prison
10 facilities. In constructing, reconstructing, or renovating
11 contracts or agreements with private parties using alternative
12 project delivery methods, including but not limited to
13 design-build, design-build-finance, construction management at
14 risk or public-private partnerships, pursuant to which the
design, construction, financing, leasing, and maintenance, or
15 any combination thereof, is accomplished on behalf of the
16 authority by the private party. Regional prison facilities may
17 be individually or jointly awarded using alternative delivery
18 methods if determined by the authority that doing so is in the
19 best interest of the state, and the authority shall report its
20 findings to the Joint Legislative Prison Committee. Before
21 construction proposals are developed and evaluated, project
22 requirements shall be established by expert professionals
23 selected by and working directly for the authority. The
24 Division of Construction Management of the Department of
25 Finance shall establish a project management team that
includes, but is not limited to, in-house staff, design professionals, consulting firms, and other experts, and shall develop competitive qualification-based selection policies and procedures for the procurement of contracts or agreements through alternative project delivery methods, including, but not limited to, proposal content, selection criteria, prequalification, applicant interview, proposal evaluation, proposal negotiation, selection and award which will be outlined in each request for proposal. Notwithstanding any provision of law to the contrary, proposals under this section with respect to regional prison facilities that the Authority determines can be more efficiently accomplished by alternative project delivery methods may be evaluated and awarded by the Authority based on the qualifications of participants or best value, or both, as evaluated by the procedures of the Division of Construction Management and taking into consideration the best interest of the State of Alabama. Selection for design and construction contracts shall be based on the bidder's qualifications and best value offered in each bidder's response to project requirements, as established by the authority. The authority is strongly encouraged to award contracts or agreements under the provisions of this subsection that reflect the racial and ethnic diversity of the state. In evaluating and awarding contracts, the authority shall develop and utilize selection criteria giving preference to proposals that include participation by resident contractors and subcontractors and participation by minority
contractors, in addition to other quality and performance
criteria. All architects and engineers who prepare plans and
specifications for these prison facilities shall be duly
licensed in the State of Alabama.

The successful proposer shall retain resident design
professionals that include subsurface investigations,
surveying, environmental, civil engineering, electrical
engineering, mechanical engineering, structural engineering,
and architects familiar with the local project conditions for
each project. Notwithstanding the foregoing, each contract
entered into pursuant to this act shall require the contractor
of the design-build portion of the prison facility contract to
comply with Section 39-1-1.

§14-2-34.

When all bonds and securities issued by the
authority and all obligations assumed by it under the
provisions of this chapter shall have been paid in full, the
then president of the authority shall thereupon execute and
deliver in the name of, and in behalf of, the authority an
appropriate deed or deeds, to which the seal of the authority
shall be affixed and attested by the secretary of the
authority, conveying all facilities and other assets then
owned by the authority to the state, except that no such
conveyance shall be required if the president of the authority
determines that the issuance of additional bonds to finance
additional facilities or improvements to existing facilities
is contemplated. The then officers and directors of the
authority may, in their discretion, at such time file with the Secretary of State a written statement, subscribed and sworn to by each of them, reciting the payment in full of all bonds theretofore issued by the authority and the execution and delivery of such deed or deeds, which statement shall be filed by the Secretary of State and recorded with the certificate of incorporation of the authority, and thereupon the authority shall stand dissolved.

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

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

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

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

(2) To pay for such services, goods, repairs, renovations, construction, demolition, or other activities in or about facilities as may be deemed necessary by the board of the authority in the exercise of its sole discretion, to further the purposes of the authority or the department,
including developing of a master plan for the use of the real
or personal property that is owned by or which may be acquired
by the authority for its statutory purposes, the preparation
for sale or lease, or the preservation of, facilities or
excess unimproved property owned for the authority; or

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

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

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

Section 6. Upon the three regional prison facilities
for male inmates becoming operational, the department shall
consolidate all operations housing medium or higher custody
level male inmates into not more than six independent
facilities. This limitation shall not apply if the future male
inmate population increases above one hundred twenty-five
percent (125%) of design capacity.

Section 7. Prior to the closing of a prison or
correctional facility, the Department of Corrections shall
consider whether the facility has any bonded indebtedness that
a governmental entity has undertaken or incurred to serve the
existing facility.

Section 8. A person or entity submitting a proposal
for a project under this act shall disclose both of the
following:

(1) The names of all lobbyists, attorneys, or other
professionals or professional firms hired or retained by the
person or entity on or after January 1, 2014.

(2) The names of all current or past elected
officials or family members as defined in Section 36-25-1(15),
Code of Alabama 1975, associated in any manner with the person
or entity submitting the proposal or associated in any manner
with a subcontractor of the person or entity on or after
January 1, 2014.

Section 9. Section 29-2-20, Code of Alabama 1975, as
last amended by Act 2015-165, 2015 Regular Session, is amended
to read as follows:

"§29-2-20.

(a) A permanent legislative committee which shall
be composed of eight members, two of whom shall be ex
officio members and six of whom shall be appointed members,
three each to be appointed by the President of the Senate
and Speaker of the House, who shall both serve as the ex
officio members, shall be formed to assist in realizing the
recommendations of the Legislative Prison Task Force and
examine all aspects of the operations of the Department of
Corrections. The four additional members appointed on or after
the effective date of the act adding this amendatory language
shall include two members from the majority party and two
members from the minority party. The chairman of the committee
shall be selected by and from among the membership. The
committee shall make diligent inquiry and a full examination
of Alabama's present and long term prison needs and they shall
file reports of their findings and recommendations to the
Alabama Legislature not later than the fifteenth legislative
day of each regular session that the committee continues to
exist.

(b) The committee shall study and address mental
health issues for prisoners reentering the community after a
term of imprisonment in order to streamline the sharing of
critical mental health information and in order to address
barriers to accessing mental health treatment for such
prisoners. The committee shall report such findings to the
Legislature no later than April 20, 2016, and shall work in
conjunction with the following in studying and addressing such
issues:

(1) Department of Corrections;
(2) Board of Pardons and Paroles;
(3) Department of Mental Health;
(4) Administrative Office of Courts;
(5) Office of Prosecution Services;
(6) Office of the Attorney General;
(7) Alabama Law Enforcement Agency;
(8) Association of County Commissions of Alabama;
(9) Alabama Probate Judges Association;
(10) Alabama Sheriffs' Association;
(11) Alabama Criminal Defense Lawyers Association;
(12) Alabama Circuit Judges' Association;
(13) Department of Public Health;
(14) Office of the Governor;
(15) Alabama District Attorneys Association;
(16) Alabama Drug Abuse Task Force; and
(17) Any other advocacy groups as determined by the
committee.

(c) The committee shall study and address issues
related to felony restitution collection in order to improve
rates of collection for restitution obligations in felony
cases and establish best practices relating to a defendant's
ability to pay obligations owed. The committee shall report
such findings to the Legislature no later than April 20, 2016,
and shall work in conjunction with the following in studying
and addressing such issues:

(1) Department of Corrections;
(2) Board of Pardons and Paroles;
(3) Administrative Office of Courts;
(4) Office of Prosecution Services;
(5) Office of the Attorney General;
(6) Alabama Law Enforcement Agency;
(7) Alabama Criminal Defense Lawyers Association;
(8) Alabama Circuit Judges' Association;
(9) Association of County Commissions of Alabama;
(10) Alabama Sheriffs' Association;
(11) Alabama Crime Victims Compensation Commission;
(12) The Alabama Circuit Clerk's Association;
(13) Two crime victims' rights advocates designated by the Attorney General;
(14) Two members from the Alabama District Attorneys Association, of which one shall be from a largely populated metropolitan judicial circuit and the other shall be from a small, rurally populated judicial circuit; and
(15) Any other advocacy groups as determined by the committee.

(d) The committee shall study and address capacity issues within the Department of Corrections to include, but not limited to, the issue of design capacity and operational or functional capacity, as well as the construction of new prison facilities and the renovation of current correctional facilities as they relate to prison overcrowding and public safety. The committee shall report such findings to the Legislature no later than April 20, 2016, and shall work in conjunction with the following in studying and addressing such issues:

(1) Department of Corrections;
(2) Board of Pardons and Paroles;
(3) Department of Mental Health;
(4) Department of Public Health;
(5) Administrative Office of Courts;
Section 10. Section 40-8-3, Code of Alabama 1975, is amended to read as follows:

"§40-8-3.

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

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

(e) The studies and collaborating partners provided for in this section shall reflect the racial, gender, geographic, urban/rural, and economic diversity of the state."
(2) For the relief of needy Confederate soldiers and sailors, resident citizens of Alabama and their widows, and to secure the obligations of the Alabama Corrections Institution Finance Authority as provided in Title 14, Chapter 2, $.10 on each $100 of the assessed value of taxable property of which one percent of the gross amount collected will be expended by the Alabama Historical Commission to provide for capital improvements and maintenance at the Confederate Memorial Park at Mountain Creek, Chilton County, Alabama.

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

Section 11. Sections 28-3-201, 28-3-202, and 28-3-204, Code of Alabama 1975, are amended to read as follows:

"§28-3-201.

In addition to all other taxes of every kind now imposed by law and in addition to any marked-up price authorized or required by law, there is hereby levied and shall be collected a tax at the rate of 10 percent upon the selling price of all spirituous or vinous liquors sold by the Alabama Alcoholic Beverage Control Board. The tax hereby imposed shall be collected by the board from the purchaser at the time the purchase price is paid. In computing the proceeds of this tax, the board shall divide the total sales of spirituous and vinous liquors made by it by a factor of 110 and multiply the quotient by 100 and by 10. An amount equal to
the quotient multiplied by 100 shall be deposited in the State Treasury to the credit of the Alcoholic Beverage Control Board Store Fund and an amount equal to the quotient multiplied by 10 shall be deposited in the State Treasury to the credit of the Public Welfare Trust Fund and shall be used for general welfare purposes and is hereby appropriated therefor. to be distributed as follows:

(1) A sum equal to the amount necessary to pay the principal of and interest on bonds issued by the Alabama Corrections Institution Finance Authority as and to the extent provided in Section 14-2-21, shall be distributed to the authority.

(2) The remainder shall be distributed to the Public Welfare Trust Fund.

§28-3-202.


(b) Levy; collection; disposition of proceeds. In addition to all other taxes of every kind now imposed by law and in addition to any marked-up price authorized or required by law, there is hereby levied and shall be collected a tax at the rate of 10 percent upon the selling price of all spirituous or vinous liquors sold by the board. The tax imposed by this subsection shall be collected by the board from the purchaser at the time the purchase price is paid. One half of the proceeds derived from the tax shall be deposited in the State Treasury to be distributed as follows: (1) a sum equal to the amount necessary to pay the principal of and
interest on bonds issued by the Alabama Corrections
Institution Finance Authority as and to the extent provided in
Section 14-2-21, shall be distributed to the authority; and
(2) the remainder shall be distributed to the credit of the
Public Welfare Trust Fund and shall be used for general
welfare purposes and is hereby appropriated therefor. The
remainder of such proceeds from the tax levied by this
subsection shall be deposited in the State Treasury to the
credit of a special fund which shall be designated the Alabama
Special Mental Health Fund and shall be used only for mental
health purposes, including the prevention of mental illness,
the care and treatment of the mentally ill and the mentally
deficient and the acquisition, equipment, operation and
maintenance of facilities for mental health purposes.

The markup as currently established by the board on
spirituous or vinous liquors shall not be reduced by the
board for the purpose of absorbing the tax levied by this
subsection, it being the intention of this provision that the
said tax shall be passed on to the purchaser.

§28-3-204.
(b) Levy and collection. In addition to all other
taxes of every kind now imposed by law and in addition to any
marked-up price authorized or required by law, there is hereby
levied and shall be collected a tax at the rate of three
percent upon the selling price of all spirituous or vinous
liquors sold by the board.
The board shall have the authority to examine the books and records of any wine wholesaler to determine the accuracy of any return required to be filed with the board.

The markup as currently established by the board on spirituous or vinous liquors shall not be reduced by the board for the purpose of absorbing the tax levied in this subsection, it being the intention of this provision that the said tax shall be passed on to the purchaser.

(c) Distribution of proceeds. One half of the proceeds derived from the tax shall be deposited in the State Treasury to be distributed as follows: (1) a sum equal to the amount necessary to pay the principal of and interest on bonds issued by the Alabama Corrections Institution Finance Authority as and to the extent provided in Section 14-2-21, shall be distributed to the Authority; and (2) the remainder shall be distributed the credit of the Public Welfare Trust Fund and shall be used for general welfare purposes and is hereby appropriated therefor. The remainder of such proceeds from the tax levied by this section shall be deposited in the State Treasury to the credit of a special fund which shall be designated the Special Mental Health Fund and shall be used only for mental health purposes, including the prevention of mental illness, the care and treatment of the mentally ill and the mentally deficient and the acquisition, equipment, operation and maintenance of facilities for mental health purposes.
Section 12. Section 38-4-12, Code of Alabama 1975, is amended to read as follows:

"§38-4-12.

(a) Except as provided in subsection (b), there is appropriated, beginning with the fiscal year ending September 30, 1998, to the state department, for old age pension purposes, out of the proceeds from the levy of the one mill tax for the relief of needy Confederate soldiers and sailors and their widows, a sum not to exceed $20,773,500 annually of the surplus or residue from the tax after the payment in full of the pensions to the widows of Confederate soldiers and sailors to pay the principal of and interest on bonds issued by the Alabama Corrections Institution Finance Authority as and to the extent provided in Section 14-2-21, and then to the State Department, for old age pension purposes, other charges against the fund set out in the laws authorizing the payment of the pensions to the widows, and annually to the Department of Revenue, as a first charge against the proceeds of the one mill tax, funds for the annual costs of the Department of Revenue for administering the tax. In making this appropriation, it is declared to be the legislative policy that the Department of Human Resources shall expend its portion of the surplus or residue hereby appropriated and all moneys received by it from the federal government as matching funds for all funds expended for Confederate pensions or as matching funds for the surplus or residue hereby appropriated under this section, for old age pension purposes exclusively.
insofar as is possible under existing laws and the rules and
regulations of the federal government and of the Department of
Human Resources in regard thereto, before any part thereof may
be expended for any other purposes of the Department of Human
Resources.

(b) Beginning with the fiscal year ending September
30, 1997, all of the remaining surplus or residue from the tax
provided in (a) above, after deducting the amounts
appropriated to the Department of Human Resources and the
Department of Revenue under the annual appropriations act for
the fiscal year ending September 30, 1997, and under
subsection (a) of this section for each year thereafter, is
hereby appropriated to the State Veterans' Assistance Fund to
be expended for veterans' programs approved by the State Board
of Veterans' Affairs, including expenditures for emergencies
and needs in the state's veterans' nursing homes.

Section 13. (a) Beginning January 2, 2018, and every
six months thereafter until the annual reports begin on the
date on which the first bond issue payment is due, the
Commissioner of the Department of Corrections shall prepare a
report on the progress of prison construction activities in
the state during the previous six-month period. The report
shall include, but not be limited to, expenditures, savings,
cost-analyses, and the number of agreements entered into,
including design-build, construction, architectural, and legal
agreements.
(b) The Commissioner of the Department of Corrections shall report his or her findings to the Joint Legislative Prison Committee, the House Ways and Means General Fund Committee, the Senate Committee on Finance and Taxation General Fund, and any other appropriate House and Senate Standing Committee.

Section 14. The provisions of this act are severable. If any part of this act is declared invalid or unconstitutional, that declaration shall not affect the part which remains.

Section 15. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.