

1 SB414
2 138636-1
3 By Senator Sanders (Constitutional Amendment)
4 RFD: Finance and Taxation General Fund
5 First Read: 15-MAR-12

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8 SYNOPSIS: This bill would propose an amendment to the
9 Constitution of Alabama of 1901, to amend Sections
10 IV, VIII, and IX of Amendment 666 to the
11 Constitution of Alabama of 1901, now appearing as
12 Sections IV, VIII, and IX of Section 219.04 of the
13 Official Recompilation of the Constitution of
14 Alabama of 1901, as amended, to increase the total
15 amount of bonding authority granted under the
16 amendment; to provide for the payment of debt
17 service on the bonds by increasing the annual oil
18 and gas capital payments deposited into the Capital
19 Improvement Trust Fund; to provide for competitive
20 bidding on the bonds; to require the Bond
21 Commission to contract with businesses or
22 individuals which reflect the racial and ethnic
23 diversity in the State; and to repeal Amendment 796
24 to the Constitution of Alabama of 1901, now
25 appearing as Section 219.041 of the Official

1 Recompilation of the Constitution of Alabama of
2 1901.

3
4 A BILL
5 TO BE ENTITLED
6 AN ACT
7

8 To propose an amendment to the Constitution of
9 Alabama of 1901, to amend Sections IV, VIII, and IX of
10 Amendment 666 to the Constitution of Alabama of 1901, now
11 appearing as Sections IV, VIII, and IX of Section 219.04 of
12 the Official Recompilation of the Constitution of Alabama of
13 1901, as amended, to increase the total amount of bonding
14 authority granted under the amendment; to provide for the
15 payment of debt service on the bonds by increasing the annual
16 oil and gas capital payments deposited into the Capital
17 Improvement Trust Fund; to provide for competitive bidding on
18 the bonds; to require the Bond Commission to contract with
19 businesses or individuals which reflect the racial and ethnic
20 diversity in the State; and to repeal Amendment 796 to the
21 Constitution of Alabama of 1901, now appearing as Section
22 219.041 of the Official Recompilation of the Constitution of
23 Alabama of 1901.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. The following amendment to the
26 Constitution of Alabama of 1901, as amended, is proposed and

1 shall become valid as a part thereof when approved by a
2 majority of the qualified electors voting thereon and in
3 accordance with Sections 284, 285, and 287 of the Constitution
4 of Alabama of 1901, as amended:

5 PROPOSED AMENDMENT

6 I. AMENDMENT OF SECTIONS IV, VIII AND IX OF
7 AMENDMENT 666

8 "Section IV. Beginning on October 1 immediately
9 following the ratification of this amendment, ~~35%~~ 70% of all
10 Oil and Gas Capital Payments paid into the Alabama Trust Fund
11 in any fiscal year shall be transferred by the State Treasurer
12 to the special trust funds created by this amendment in the
13 following manner: (a) an amount equal to seven percent (7%) of
14 all Oil and Gas Capital Payments received by the Alabama Trust
15 Fund during the preceding fiscal year shall be paid into the
16 County and Municipal Government Capital Improvement Trust
17 Fund; and (b) an amount equal to ~~twenty-eight percent (28%)~~
18 sixty-three percent (63%) of all Oil and Gas Capital Payments
19 received by the Alabama Trust Fund during the preceding fiscal
20 year shall be paid into the Alabama Capital Improvement Trust
21 Fund.

22 "Section VIII. The State of Alabama is authorized
23 to become indebted and to sell and issue its interest-bearing
24 General Obligation Bonds, in addition to all other bonds of
25 the state, in an aggregate principal amount not exceeding ~~\$350~~
26 million \$1.25 billion. The General Obligation Bonds issued

1 pursuant to this amendment shall be general obligations of the
2 State, and the full faith and credit of the State are hereby
3 irrevocably pledged for the prompt and faithful payment of the
4 principal, interest and redemption premium (if any) on the
5 General Obligation Bonds.

6 "Section IX. The Governor, the Director of Finance,
7 the Commissioner of Revenue, the Chairman of the Senate
8 Finance and Taxation General Fund Committee and the Chairman
9 of the House Ways and Means General Fund Committee are hereby
10 constituted a Bond Commission with full authority, except as
11 herein specified or limited, to determine the terms and
12 conditions of the General Obligation Bonds and to provide for
13 the sale and issuance thereof. All of the bonds shall be sold
14 only at public sale or sales, either on sealed bids or at
15 public auction, after such advertisement as may be prescribed
16 by the Bond Commission, to the bidder whose bid reflects the
17 lowest true interest cost to the State computed to the
18 respective maturities of the bonds sold; provided, that if no
19 bid deemed acceptable by the commission is received all bids
20 may be rejected. Relative to issuance expenses, contracts and
21 appointments incurred in connection with the issuance of
22 bonds, the Bond Commission shall contract with businesses or
23 individuals which reflect the racial and ethnic diversity of
24 the state. No member of the Bond Commission shall receive
25 compensation in any form for any services performed by him or
26 her in and about his or her duties as a member or officer of

1 the Bond Commission. The Bond Commission shall meet at the
2 call of the Governor, who is hereby designated its chairman.
3 Three members of the Bond Commission (at least one of which
4 shall be the Chairman of the Senate Finance and
5 Taxation-General Fund Committee or the Chairman of the Ways
6 and Means-General Fund Committee) shall constitute a quorum
7 for the transaction of business, and all proceedings of the
8 Bond Commission shall be reduced to writing, recorded in a
9 substantial record book and filed with the Director of
10 Finance, who is hereby designated as the Secretary of the Bond
11 Commission and who shall keep the records of the proceedings
12 of the Bond Commission.

13 II. Amendment 796 to the Constitution of Alabama of
14 1901, now appearing as now appearing as Section 219.041 of the
15 Official Recompilation of the Constitution of Alabama of 1901,
16 as amended, is hereby repealed; provided however, this repeal
17 shall not affect the validity of any bonds authorized under
18 Amendment 796 prior to the ratification of this amendment."

19 Section 2. An election upon the proposed amendment
20 shall be held in accordance with Sections 284, and 285 of the
21 Constitution of Alabama of 1901, now appearing as Sections 284
22 and 285 of the Official Recompilation of the Constitution of
23 Alabama of 1901, as amended, and the election laws of this
24 state.

25 Section 3. The appropriate election official shall
26 assign a ballot number for the proposed constitutional

1 amendment on the election ballot and shall set forth the
2 following description of the substance or subject matter of
3 the proposed constitutional amendment:

4 "Proposing an amendment to the Constitution of
5 Alabama of 1901, to amend Sections IV, VIII, and IX of
6 Amendment 666 to the Constitution of Alabama of 1901, now
7 appearing as Sections IV, VIII, and IX of Section 219.04 of
8 the Official Recompilation of the Constitution of Alabama of
9 1901, as amended, to increase the total amount of bonding
10 authority granted under the amendment; to provide for the
11 payment of debt service on the bonds by increasing the annual
12 oil and gas capital payments deposited into the Capital
13 Improvement Trust Fund; to provide for competitive bidding on
14 the bonds; to require the Bond Commission to contract with
15 businesses or individuals which reflect the racial and ethnic
16 diversity in the State; and to repeal Amendment 796 to the
17 Constitution of Alabama of 1901, now appearing as Section
18 219.041 of the Official Recompilation of the Constitution of
19 Alabama of 1901.

20 "Proposed by Act _____."

21 This description shall be followed by the following
22 language:

23 "Yes () No ()."