

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

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.

1 This bill would allow the Authority to issue
2 additional bonds with no specified maturity date
3 later than 30 years for the purpose of financing
4 women's and regional prison facilities, for the
5 renovation of existing prison facilities, and for
6 demolition of obsolete prison facilities.

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

12 This bill would provide for the pledge of
13 the proceeds of the one mill tax levied by Section
14 40-8-3 to secure the Authority's bonds and amend
15 Section 38-4-12 relating to the application of the
16 one mill tax.

17
18 A BILL

19 TO BE ENTITLED

20 AN ACT

21
22 To amend Sections 14-2-1, 14-2-12, 14-2-13.1,
23 14-2-14, 14-2-16, 14-2-19, 14-2-21, 14-2-28, and 14-2-34,
24 relating to the Alabama Corrections Institution Finance
25 Authority, to allow the Authority to issue up to \$800 million
26 in bonds with no specified maturity date later than 30 years

1 for the purpose of financing the construction of women's and
2 regional prison facilities, renovating existing prison
3 facilities, and demolishing obsolete prison facilities; and to
4 allow the Authority to construct the women's and regional
5 prison facilities using various types of construction
6 agreements; to authorize the Authority to dispose of property
7 not required for Department of Corrections purposes; to
8 require reporting to the Joint Legislative Prison Committee;
9 to further provide for actions to be taken upon payment of all
10 bonds issued by the Authority; to amend Section 40-8-3,
11 relating to allocation of the proceeds of the one mill (\$.10
12 on each \$100 of assessed value) tax provided therein as
13 security for the Authority's bonds; to amend Section 38-4-12
14 relating to the priority of the use of the one mill tax; and
15 to define certain terms.

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

17 Section 1. This act shall be known and cited as the
18 Alabama Prison Transformation Initiative Act.

19 Section 2. The Legislature finds all of the
20 following: (1) Many of the state's current prison facilities
21 were constructed decades ago; (2) The age and design of the
22 facilities are causing many inefficiencies in the operation of
23 the prison system, including increasing costs of maintaining
24 and repairing the facilities, increasing costs of transporting
25 inmates from prisons to medical care facilities, increasing
26 correctional and support staff costs because of the geographic

1 disparity of the system and the antiquated design of the
2 prison facilities, and increasing medical costs due to
3 inefficiencies in delivering medical services to inmates; (3)
4 Many of these higher costs could be reduced by constructing
5 women's and regional prison facilities designed to house a
6 larger number of inmates; (4) The purpose of this act is to
7 allow the Alabama Corrections Institution Finance Authority to
8 issue bonds for the purpose of financing the construction of
9 women's and regional prison facilities and for other purposes;
10 and (5) In order to achieve the most advantageous interest
11 rates and borrowing costs for the bonds it is necessary to
12 secure them with an additional source of payment.

13 Section 3. The Alabama Corrections Institution
14 Finance Authority shall report to the Joint Legislative Prison
15 Committee on any plans for the demolition or disposal of any
16 existing prison facilities pursuant to this act.

17 Section 4. Sections 14-2-1, 14-2-12, 14-2-13.1,
18 14-2-14, 14-2-16, 14-2-19, 14-2-21, 14-2-28, and 14-2-34, Code
19 of Alabama 1975, are amended to read as follows:

20 "§14-2-1.

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

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

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

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

8 (4) STATE. The State of Alabama.

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

11 (6) FACILITIES. Such term includes any one or more
12 of the following:

13 a. Prisons;

14 b. Buildings and enclosures for housing, containing
15 or supervising prisoners; and

16 c. Any facilities necessary or useful in connection
17 with prisons, buildings or enclosures, including, without
18 limiting the generality of the foregoing, hospitals, offices,
19 correctional officers' quarters and residences, warehouses,
20 garages, storage facilities, abattoirs, cold storage plants,
21 canning plants, laundries and manufacturing plants for the
22 employment of prison labor.

23 (7) KILBY PROPERTY. Such term includes all of the
24 real property commonly referred to as Kilby prison property,
25 embracing not only the real property owned by the state on
26 which Kilby prison is located, but also all real property

1 owned by the state used in connection with Kilby prison and
2 adjacent thereto, all located in sections 2, 3, 10, 11, 21,
3 22, 26, 27, 28, 29, 30, 33, 34, and 35 in township 17, range
4 18 in Montgomery County, Alabama, together with all personal
5 property owned by the state and used in connection with Kilby
6 prison and the real property adjacent thereto.

7 (8) PERRY COUNTY FACILITY. The Perry County
8 Correctional Center, including all real property, buildings
9 and improvements located at the facility in Perry County.

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

16 (10) REGIONAL PRISON FACILITY. A prison facility
17 designed to house at least 3,500 inmates with a construction
18 project cost of at least \$100 million dollars.

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

22 "§14-2-12.

23 (a) For the purpose of providing funds for the
24 acquisition of sites, for the construction, reconstruction,
25 alteration and improvement of facilities, for the procurement
26 and installation of equipment therefor and for payment of

1 obligations incurred and the principal of and interest on any
2 temporary loans made for any of the said purposes, the
3 authority is hereby authorized, from time to time, to sell and
4 issue, in addition to all bonds heretofore authorized to be
5 issued by the authority, its bonds in such aggregate principal
6 amounts as may be determined by the corporation to be
7 necessary for the said purposes but not to exceed \$25,000,000,
8 plus an additional seven million five hundred thousand dollars
9 (\$7,500,000) pursuant to Act 97-950, in aggregate principal
10 amount.

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

21 (c) In addition to any other authorization provided
22 in this chapter, the authority is hereby authorized, from time
23 to time, to sell and issue its bonds in amounts determined by
24 the authority to be necessary for the acquisition of sites,
25 construction, reconstruction, alteration, demolition, and
26 improvement of facilities, including but not limited to

1 women's prison facilities and regional prison facilities and
2 for the procurement and installation of equipment therefor.
3 The total additional bonds authorized by this subsection shall
4 not exceed \$800 million. Bonds authorized by this subsection
5 shall be sold as provided in Section 14-2-16.

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

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

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

15 "§14-2-13.1.

16 It is hereby further provided that no refunding
17 bonds as provided for by Section 14-2-13 shall be issued
18 unless the present value of all debt service on the refunding
19 bonds (computed with a discount rate equal to the true
20 interest rate of the refunding bonds and taking into account
21 all underwriting discount and other issuance expenses) shall
22 not be greater than ~~95~~ 98% of the present value of all debt
23 service on the bonds to be refunded (computed using the same
24 discount rate and taking into account the underwriting
25 discount and other issuance expenses originally applicable to
26 such bonds) determined as if such bonds to be refunded were

1 paid and retired in accordance with the schedule of maturities
2 (considering mandatory redemption as a scheduled maturity)
3 provided at the time of their issuance. Provided further that
4 the average maturity of the refunding bonds, as measured from
5 the date of issuance of such refunding bonds, shall not exceed
6 by more than three years the average maturity of the bonds to
7 be refunded, as also measured from such date of issuance, with
8 the average maturity of any principal amount of bonds to be
9 determined by multiplying the principal of each maturity by
10 the number of years (including any fractional part of a year)
11 intervening between such date of issuance and each such
12 maturity, taking the sum of all such products, and then
13 dividing such sum by the aggregate principal amount of bonds
14 for which the average maturity is to be determined.

15 "§14-2-14.

16 Any bonds of the authority may be executed and
17 delivered by it at any time and from time to time, shall be in
18 such form and denominations and of such tenor and maturities,
19 shall bear such rate or rates of interest payable and
20 evidenced in such manner, may contain provisions for
21 redemption prior to maturity and may contain other provisions
22 not inconsistent with this section, all as may be provided by
23 the resolution of the board of directors whereunder such bonds
24 are authorized to be issued; provided, that no bond of the
25 authority shall have a specified maturity date later than ~~20~~
26 30 years after its date. In the event that the authority shall

1 make more than one pledge of the same revenues, such pledges
2 shall, unless otherwise provided in the resolution or
3 resolutions authorizing the earlier issued bonds, take
4 precedence in the order of the adoption of the resolutions in
5 which the pledges are made; provided, that each pledge for the
6 benefit of refunding bonds shall have the same priority as the
7 pledge for the benefit of the bonds refunded thereby.

8 "§14-2-16.

9 Bonds of the authority may be sold at such price or
10 prices and at such time or times as the board of directors of
11 the authority may consider advantageous, either at public sale
12 or private sale. Bonds of the authority sold by competitive
13 bid must be sold, whether on sealed bids or at public auction,
14 to the bidder whose bid reflects the lowest effective
15 borrowing cost to the authority for the bonds being sold;
16 provided, that if no bid acceptable to the authority is
17 received, it may reject all bids. Notice of each such sale by
18 competitive bids shall be given by publication in either a
19 financial journal or a financial newspaper published in the
20 City of New York, New York, and also by publication in a
21 newspaper published in the State of Alabama, each of which
22 notices must be published at least one time not less than 10
23 days before the date for the sale. The board of directors may
24 fix the terms and conditions under which such sale may be
25 held; provided, that such terms and conditions shall not
26 conflict with any of the requirements of this chapter. The

1 authority may pay out of the proceeds of the sale of its bonds
2 all expenses, including capitalized interest during a period
3 not to exceed ~~one~~ three years from the date of issuance of
4 such bonds, publication and printing charges, attorneys' fees
5 and other expenses which said board of directors may deem
6 necessary and advantageous in connection with the
7 authorization, advertisement, sale, execution and issuance of
8 such bonds. Neither a public hearing nor consent of the State
9 Department of Finance or any other department or agency of the
10 state shall be a prerequisite to the issuance or sale of bonds
11 by the authority.

12 "§14-2-19.

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

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

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

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

4 (4) Paying the interest which will accrue on the
5 said bonds during the period required for the construction and
6 ~~equipment~~ equipping of the said facilities and for a period
7 not exceeding six months after the completion thereof; and

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

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

25 (b) All proceeds from the sale of refunding bonds
26 issued by the authority that remain after paying the expenses

1 of their issuance may be used only for the purpose of
2 refunding the principal of and any unpaid and accrued interest
3 on the outstanding bonds of the authority for the refunding of
4 which the refunding bonds are authorized to be issued,
5 together with any premium that may be necessary to be paid in
6 order to redeem or retire such outstanding bonds.

7 "§14-2-21.

8 (a) The principal of, premium, if any, and interest
9 on the bonds of the authority shall be secured by any or all
10 of the following, as the authority may determine:

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

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

15 (3) Any bond proceeds remaining unexpended upon
16 completion of all facilities to be constructed with such bond
17 proceeds and the payment of the cost thereof;

18 (4) Any insurance proceeds which the authority may
19 receive by reason of its ownership of any of the facilities;
20 and

21 (5) Any mortgage upon or security interest in one or
22 more facilities of the authority, granted in connection with
23 the issuance of such bonds.

24 (b) The authority shall have authority to transfer
25 and assign any lease of any of the facilities and any lease or
26 mortgage of the Kilby property as security for the payment of

1 such principal, premium, if any, and interest. The bonds may
2 be issued under, and secured by, a resolution which may, but
3 need not, provide for an indenture of trust covering one or
4 more facilities of the authority. Such resolution or such
5 indenture of trust may contain any provision or agreement
6 customarily contained in instruments securing evidences of
7 indebtedness, including, without limiting the generality of
8 the foregoing, provisions respecting the collection and
9 application of any receipts pledged to the payment of bonds,
10 the terms to be incorporated in lease agreements respecting
11 the facilities, the maintenance and insurance thereof, the
12 creation and maintenance of reserve and other special funds
13 from such receipts and the rights and remedies available in
14 the event of default to the holders of the bonds or to the
15 trustee for the holders of the bonds or under any indenture of
16 trust, all as the authority may deem advisable and as shall
17 not be in conflict with the provisions of this chapter;
18 provided, however, that in making such agreements or
19 provisions the authority shall not have the power to obligate
20 itself except with respect to its facilities, the Kilby
21 property and the application of the receipts which it is
22 authorized in this chapter to pledge.

23 (c) In addition to the security described in
24 subsections (a) and (b) above, for the purpose of providing
25 funds to enable the authority to pay at their respective
26 maturities and due dates the principal of and interest on the

1 bonds that may be issued by it under this article at any time,
2 there is irrevocably pledged and appropriated so much as shall
3 be necessary of the net proceeds of the one mill tax for that
4 purpose.

5 "§14-2-28.

6 (a) Except as provided in subsection (b), all All
7 facilities constructed by the authority shall be constructed
8 according to plans and specifications of architects or
9 engineers, or both, selected by the department. Such plans and
10 specifications shall be approved by the department and by the
11 commission. All work in the construction of facilities, or any
12 part thereof, which is determined by the commission to be
13 suitable and proper for construction by prison labor under
14 force account shall be performed by such prison labor under
15 such supervision and directions as shall be ordered by the
16 department. All construction of facilities or any part thereof
17 which the commission shall determine not to be suitable and
18 proper for construction by prison labor shall be done under
19 the supervision and direction of the commission following
20 award for each part of the work to the lowest responsible
21 bidder after advertising for, receipt and public opening of
22 sealed bids. Each such invitation for bids and the bidding
23 documents applicable thereto shall be so arranged that any
24 alternates shall constitute cumulative deductions from the
25 base bid rather than additions thereto. In determining the
26 lowest bidder if funds are insufficient to construct the

1 facility on the lowest base bid, then the commission may
2 proceed to consider the bids upon the basis of the base bids
3 of all bidders minus the respective reductions stated for the
4 first alternate. If the lowest bid so determined is not then
5 within the funds available, the commission shall proceed to
6 consider the base bid minus the first and second alternates
7 together to determine the lowest bid and in like manner
8 throughout all alternates, if need be, so that in no event
9 shall there be any discretion as to which alternate or
10 alternates will be used in determining the lowest responsible
11 bidder. If no bid deemed acceptable by the commission and the
12 authority is received, all bids may be rejected, in which
13 event bids may again from time to time be invited and acted on
14 as provided in this section. All such contracts shall be lump
15 sum contracts. All contracts for the entire work on a facility
16 shall be awarded at the same time, but notice to proceed may
17 be withheld until prior work under another contract has
18 progressed to a point where the joint or following work can
19 best be coordinated for the earliest completion of the entire
20 project in a sound and workmanlike manner. Each contract shall
21 be executed by the authority upon the determination of the
22 commission as to the lowest bidder. Payments made by the
23 authority under the construction contracts shall be upon the
24 contractor's written sworn request only if endorsed as
25 approved by the commission or in any lesser amount the
26 commission shall endorse as having been then earned on said

1 contract. After the contracts for a facility have been
2 awarded, such construction cost estimate shall be revised and
3 all extras on the contracts shall be awarded within the funds
4 available. The authority shall pay to the commission as a part
5 of the cost of constructing the facility such sums for the
6 services of its employees as may be mutually agreed between
7 the department and the commission.

8 (b) In constructing, reconstructing, or renovating
9 women's and regional prison facilities, the authority may
10 enter into contracts or agreements with private parties using
11 alternative project delivery methods, including but not
12 limited to design-build, construction management at risk or
13 public-private partnerships, pursuant to which the design,
14 construction, financing, and maintenance, or any combination
15 thereof, is accomplished on behalf of the authority by the
16 private party. The Division of Construction Management of the
17 Department of Finance shall develop procedures for the
18 procurement of contracts or agreements through alternative
19 project delivery methods, including, but not limited to,
20 proposal content, selection criteria, prequalification,
21 applicant interview, proposal evaluation, proposal
22 negotiation, selection and award which will be outlined in
23 each request for proposal. Notwithstanding any provision of
24 law to the contrary, proposals under this section with respect
25 to women's and regional prison facilities that the Authority
26 determines can be more efficiently accomplished by alternative

1 project delivery methods may be evaluated and awarded by the
2 Authority based on the qualifications of participants or best
3 value, or both, as evaluated by the procedures of the Division
4 of Construction Management and taking into consideration the
5 best interest of the State of Alabama. All architects and
6 engineers who prepare plans and specifications for these
7 prison facilities shall be duly licensed in the State of
8 Alabama.

9 "§14-2-34.

10 When all bonds and securities issued by the
11 authority and all obligations assumed by it under the
12 provisions of this chapter shall have been paid in full, the
13 then president of the authority shall thereupon execute and
14 deliver in the name of, and in behalf of, the authority an
15 appropriate deed or deeds, to which the seal of the authority
16 shall be affixed and attested by the secretary of the
17 authority, conveying all facilities and other assets then
18 owned by the authority to the state, except that no such
19 conveyance shall be required if the president of the authority
20 determines that the issuance of additional bonds to finance
21 additional facilities or improvements to existing facilities
22 is contemplated. The then officers and directors of the
23 authority may, in their discretion, at such time file with the
24 Secretary of State a written statement, subscribed and sworn
25 to by each of them, reciting the payment in full of all bonds
26 theretofore issued by the authority and the execution and

1 delivery of such deed or deeds, which statement shall be filed
2 by the Secretary of State and recorded with the certificate of
3 incorporation of the authority, and thereupon the authority
4 shall stand dissolved.

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

1 necessary or desirable in order to attract the greatest
2 interest from prospective bidders.

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

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

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

20 (2) To pay for such services, goods, repairs,
21 renovations, construction, demolition, or other activities in
22 or about facilities as may be deemed necessary by the board of
23 the authority in the exercise of its sole discretion, to
24 further the purposes of the authority or the department,
25 including developing of a master plan for the use of the real
26 or personal property that is owned by or which may be acquired

1 by the authority for its statutory purposes, the preparation
2 for sale or lease, or the preservation of, facilities or
3 excess unimproved property owned for the authority; or

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

6 (d) The department shall continue to maintain in
7 good order all facilities not being used for one of the
8 purposes designated in Section 12-2-1(6), and designated for
9 sale, lease, demolition or other disposition, including
10 structures, lands, landscaping, streets and roads, so long as
11 title thereto is held by the authority, to enable the
12 authority to achieve the best possible price or other result
13 upon the sale, lease or other disposition thereof.

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

18 Section 6. Section 40-8-3, Code of Alabama 1975, is
19 amended to read as follows:

20 "§40-8-3.

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

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

1 (2) For the relief of needy Confederate soldiers and
2 sailors, resident citizens of Alabama and their widows, and to
3 secure the obligations of the Alabama Corrections Institution
4 Finance Authority as provided in Title 14, Chapter 2, \$.10 on
5 each \$100 of the assessed value of taxable property of which
6 one percent of the gross amount collected will be expended by
7 the Alabama Historical Commission to provide for capital
8 improvements and maintenance at the Confederate Memorial Park
9 at Mountain Creek, Chilton County, Alabama.

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

13 Section 7. Section 38-4-12, Code of Alabama 1975, is
14 amended to read as follows:

15 "§38-4-12.

16 (a) Except as provided in subsection (b), there is
17 appropriated, beginning with the fiscal year ending September
18 30, 1998, ~~to the state department, for old age pension~~
19 ~~purposes,~~ out of the proceeds from the levy of the one mill
20 tax ~~for the relief of needy Confederate soldiers and sailors~~
21 ~~and their widows,~~ a sum not to exceed \$20,773,500 annually of
22 the surplus or residue from the tax after the payment in full
23 of the pensions to the widows of Confederate soldiers and
24 sailors to the state department, for old-age pension purposes,
25 a sum equal to the amount necessary to pay the principal of
26 and interest on bonds issued by the Alabama Corrections

1 Institution Finance Authority as and to the extent provided in
2 Section 14-2-21, other charges against the fund set out in the
3 laws authorizing the payment of the pensions to the widows,
4 and annually to the Department of Revenue, as a first charge
5 against the proceeds of the one mill tax, funds for the annual
6 costs of the Department of Revenue for administering the tax.
7 In making this appropriation, it is declared to be the
8 legislative policy that the Department of Human Resources
9 shall expend its portion of the surplus or residue hereby
10 appropriated and all moneys received by it from the federal
11 government as matching funds for all funds expended for
12 Confederate pensions or as matching funds for the surplus or
13 residue hereby appropriated under this section, for old age
14 pension purposes exclusively insofar as is possible under
15 existing laws and the rules and regulations of the federal
16 government and of the Department of Human Resources in regard
17 thereto, before any part thereof may be expended for any other
18 purposes of the Department of Human Resources.

19 (b) Beginning with the fiscal year ending September
20 30, 1997, all of the remaining surplus or residue from the tax
21 provided in (a) above, after deducting the amounts
22 appropriated to the Department of Human Resources and the
23 Department of Revenue under the annual appropriations act for
24 the fiscal year ending September 30, 1997, and under
25 subsection (a) of this section for each year thereafter, is
26 hereby appropriated to the State Veterans' Assistance Fund to

1 be expended for veterans' programs approved by the State Board
2 of Veterans' Affairs, including expenditures for emergencies
3 and needs in the state's veterans' nursing homes.

4 Section 8. The provisions of this act are severable.
5 If any part of this act is declared invalid or
6 unconstitutional, that declaration shall not affect the part
7 which remains.

8 Section 9. This act shall become effective
9 immediately following its passage and approval by the
10 Governor, or its otherwise becoming law.