SB512

140705-1

By Senator Holley

RFD: Finance and Taxation Education

First Read: 12-APR-12
SYNOPSIS: This bill would authorize the Alabama Public School and College Authority to sell and assume fifty million dollars ($50,000,000) aggregate principal amount of bonds to provide funds to pay the cost of capital improvements for training workers for new or existing industries.

A BILL
TO BE ENTITLED
AN ACT

To authorize the Alabama Public School and College Authority to sell and issue fifty million dollars ($50,000,000) in aggregate principal amount of additional bonds for capital improvements for the support of public education; to provide funds for capital improvements for training workers for new and existing industries; to authorize the authority to reimburse the Department of Finance, and the State Treasurer's office for costs incurred in providing
services for the authority; to authorize the authority to
provide for the details of the bonds and the sale and issuance
thereof; to make an appropriation and pledge for payment of
the principal and interest on the bonds from specific taxes
necessary to pay the principal and interest at their
respective maturities and authorize the authority to pledge
for payment of the principal and interest on the bonds the
funds that are appropriated and pledged; to provide for the
investment of funds by the State Treasurer; to provide that
the bonds shall not constitute a debt of the state but shall
be limited obligations payable out of the funds appropriated
and pledged therefor; to provide that the bonds and income
therefrom shall be exempt from all taxation in this state and
that the bonds may be used to secure deposits of funds of this
state and its political subdivisions, instrumentalities, and
agencies and for investment of fiduciary funds; to authorize
the authority to establish procedures and requirements to
ensure compliance with the tax covenants with which the
authority must comply; to exempt the bonds from the usury laws
of the state; to authorize the authority to issue refunding
bonds and give the details of such refunding; to provide for
the employment of attorneys, fiscal advisors, trustees, paying
agents, investment bankers, banks, and underwriters and for
the payment of all expenses incurred in the issuance of the
bonds; to provide that after payment of the expenses of the
issuance of the bonds the proceeds from the sale thereof shall
be disbursed on order or warrants issued by or under the
direction of the authority for the purposes for which the
bonds are authorized to be issued; to provide for the timely
expenditure of the proceeds from the sale of the bonds; to
provide for use of amounts repaid to the authority by local
boards of education and to provide that if any portion of this
act should be held invalid such holding shall not affect the
validity of any other portion thereof; and to require all
projects using bond proceeds to have all equipping of building
to be supervised by the State Building Commission and to
provide for the payments of its reasonable cost in reviewing
contract documents and supervising and inspecting the work.
BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Short Title. This act shall be known and
may be cited as the Education Training Act of 2012.

Section 2. Wherever used in this Act, the following
terms shall have the following meanings, respectively, unless
the context clearly indicates otherwise:

(1) "1965 Act " means Act 243 enacted at the 1965
First Special Session of the Legislature, codified as Title

(2) "1971 Acts" means Act 94 enacted at the 1971
First Special Session of the Legislature, Act 2428 enacted at
the 1971 Regular Session of the Legislature, and Act 56
enacted at the 1971 Second Special Session of the Legislature.


(14) AUTHORITY. Alabama Public School and College Authority.

(15) BONDS. Except where that word is used with reference to bonds issued under another act means those bonds, other than refunding bonds, issued under the provisions of this act.

(16) CAPITAL IMPROVEMENT. Capital outlay projects that include the planning, designing, inspection, purchasing, construction, reconstruction, enlargement, improvement, repair, or renovation of permanent buildings containing classrooms, offices, libraries, laboratories, clinical or teaching facilities, dormitories, vocational and professional and industrial training facilities, cafeterias, alternative schools, physical education facilities, research facilities, academic structures to reduce portable classrooms or substandard classroom facilities, related improvements and land as sites therefore, together with furnishings and equipment required for the operation of the facilities and the programs provided therein.

(17) COMMISSION. The Building Commission created by Section 41-9-140, Code of Alabama 1975, and its successors as the state agency for awarding construction contracts and supervising construction.
(18) GOVERNMENT SECURITIES. Any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any federal agency to the extent such obligations are unconditionally guaranteed by the United States of America and any certificates or any other evidences of an ownership interest in such obligations of, or unconditionally guaranteed by, the United States of America or in specified portions thereof, which may consist of the principal thereof or the interest thereon.

(19) LEGISLATURE. The Legislature of Alabama.

(20) PERMITTED INVESTMENTS. (i) Government Securities; (ii) bonds, debentures, notes, or other evidences of indebtedness issued by any of the following agencies: Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Banks; Federal Farm Credit Bank; Export-Import Bank of the United States; Federal Land Banks; or Farmers Home Administration or any other agency or corporation which has been or may hereafter be created by or pursuant to an act of the Congress of the United States as an agency or instrumentally thereof; (iii) bonds, notes, pass through securities; or other evidences of indebtedness of Government National Mortgage association and participation certificates of Federal Home Loan Mortgage Corporation; (iv) full faith and credit obligations of any state, provided that
at the time of purchase such obligations are rated at least "AA" by Standard & Poor's Ratings Group and at least "Aa" by Moody's Investors Service; (v) public housing bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by contracts with the United States of America, or temporary notes, preliminary notes, or project notes issued by public agencies or municipalities, in each case fully secured as to the payment to both principal and interest by a requisition or payment agreement with the United States of America; (vi) time deposits evidenced by certificates of deposit issued by banks or savings and loan associations which are members of the Federal Deposit Insurance Corporation, provided that, to the extent such time deposits are not covered by federal deposit insurance, such time deposits (including interest thereon) are fully secured by a pledge of obligations described in clauses (i), (ii), (iii), and (v) above, which at all times have a market value not less than the amount of such bank time deposits required to be so secured and which meet the greater of 100 percent collateralization or the "AA" collateral levels established by Standard & Poor's Rating Group for structured financings; (vii) repurchase agreements for obligations of the type specified in clauses (i), (ii), (iii), and (v) above, provided such repurchase agreements are fully collateralized and secured by such obligations which have a market value at least equal to the purchase price of such repurchase agreements.
which are held by a depository satisfactory to the State Treasurer in such manner as may be required to provide a perfected security interest in such obligations, and which meet the greater of 100 percent collateralization or the "AA" collateral levels established by Standard & Poor's Ratings Group for structured financings; and (viii) uncollateralized investment agreements with, or certificates of deposit issued by, banks or bank holding companies, the senior long-term securities of which are rated at least "AA" by Standard & Poor's Ratings Group and at least "Aa" by Moody's Investors Service.

(21) REFUNDING BONDS. Those refunding bonds issued under the provisions of this act.

(22) STATE. The State of Alabama.

(23) TRUST FUND. The Education Trust Fund, formerly designated as the Alabama Special Educational Trust Fund, the name of which was changed to the Education Trust Fund, effective October 1, 1996, pursuant to Act 95-264 enacted at the 1995 Regular Session of the Legislature.

Section 3. Authorization to Issue Additional Bonds and Purposes Thereof.

(a) The authority is hereby authorized to sell and issue its bonds in the aggregate principal amount of fifty million dollars ($50,000,000) and to apply the proceeds as provided in this act, to include the following purposes:

Paying the costs of workforce training for certain industries
of the state and capital investments in furtherance of economic development to create new jobs.

(b) The bonds authorized by this act to be issued by the authority shall be in addition to all other bonds previously authorized to be issued by it, and the powers conferred on the authority by this act are in addition to all other powers heretofore conferred on the authority by acts heretofore enacted by the Legislature.

Section 4. Execution and Other Detail of the Bonds.
The bonds shall be signed by the president or vice president of the authority, and the seal of the authority affixed thereto, or a facsimile thereof imprinted thereon, and attested by its secretary. All signatures of the president, vice president, and secretary may be facsimile signatures if the authority, in its proceedings with respect to issuance, provides for manual authentication, which may be in the form of a certificate as to registration, of the bonds by a trustee, registrar, or paying agent or by named individuals who are employees of the state and who are assigned to the Finance Department or State Treasurer's office of the state. All bonds bearing signatures or facsimiles of the signatures of officers of the authority in office on the date of signing thereof shall be valid and binding notwithstanding that before the delivery thereof and payment therefor, any officer whose signature appears thereon shall have ceased to be an officer of the authority. The bonds and the income therefrom shall be
exempt from all taxation in the State of Alabama, may be used
as security for deposits, and shall be eligible for
investments of fiduciary funds, as provided in the 1965 Act.
The bonds shall be construed to have all the qualities and
incidents of negotiable instruments subject to any
registration provisions pertaining to transfers. The authority
and the bonds shall be exempt from all laws of the state
governing usury including, without limitation, the provisions
of Title 8, Chapter 8, Code of Alabama 1975, or any subsequent
statute of similar import. The bonds shall be in such form or
forms and denomination or denominations and of such tenor and
maturities, shall bear such rate or rates of interest payable
and evidenced in such manner, may be made subject to
redemption prior to their maturities, and may contain
provisions not inconsistent with this act, all as may be
provided by the resolution of the authority under which the
bonds may be issued; provided, that no bonds shall have a
specified maturity date later than 20 years after their date;
and provided further, that those bonds having maturities more
than 10 years after their date shall be subject to redemption
at the option of the authority on any date on and after the
tenth anniversary after their date at such redemption price or
prices and under such conditions as may be prescribed in the
proceedings of the authority under which they are issued. For
the purpose of paying the principal of, premium, if any, and
interest on the bonds or any refunding bonds, the authority
shall designate the State Treasurer or such bank or banks as
the authority, in its discretion, determines to be appropriate
and desirable. Funds for the payment of debt service shall be
transferred by the authority or the State Treasurer on behalf
of the authority to the designated paying agent on the actual
due date of such principal, premium, if any, or interest.

Section 5. Sale of the Bonds. The bonds may be sold
by the authority from time to time in series, and if sold in
more than one series, may all be authorized in one initial
resolution of the authority with the pledges therefore made by
the authority in such initial resolution although some of the
details applicable to each series may be specified in the
respective resolutions under which the different series are
issued. The authority, in the course of establishing, by
resolution, a principal amount of bonds to be authorized for
sale at any given time, or to be sold in any series, may take
into account the existence of any unexpended proceeds of prior
issues of bonds of the authority, and of any other issuer, if
such should be deemed by the authority to be relevant, and may
structure the portions of the allocations provided for in
Section 9 of this act to be distributed from the proceeds of a
particular series, constituting less than all the bonds
authorized by this act, as the authority deems necessary or
prudent in order to enable the authority to comply with any
one tax covenants that may be required of it, or that may be
deemed by it to be prudent to be given by it, in connection
with the sale of any series of the bonds. Each series of the
bonds shall be sold competitively only at public sale, on
sealed bids which may be submitted either electronically or in
writing, after such advertisement as shall be prescribed by
the authority and at such time or times as the authority may
consider advantageous, to the bidder whose bid reflects the
lowest true interest cost to the authority computed to the
respective maturities of the bonds being sold, considering
mandatory redemption as scheduled maturity; provided, that if
no bid deemed acceptable by the authority is received it may
reject all bids. The authority may fix the method and the
terms and conditions under which the sale of any series of the
bonds may otherwise be held; provided that such terms and
conditions shall not conflict with any requirement of this
act. Approval by the Governor of Alabama of the terms and
conditions under which any of the bonds may be issued shall be
requisite to their validity. Before any series of the bonds
shall be offered for sale by the authority, the Governor shall
first determine that the issuance of that series of bonds and
the application of the taxes pledged to the payment of the
principal of the bonds as they mature and the interest thereon
as the same shall come due will not impair the adequacy of the
Trust Fund to pay appropriations there from and to support the
public schools and institutions of higher learning during the
period over which the bonds will mature. The Governor's
determination in this regard shall be in writing signed by the
Governor and such determination shall be final and conclusive.
Neither a public hearing nor consent of the State Department
of Finance or any other department or agency shall be
prerequisite to the issuance of any of the bonds.

Section 6. Appropriation of Revenues to the
Authority; Pledge Thereof for the Benefit of the Bonds. For
the purpose of providing for payment of the principal,
premium, if any, and interest on the bonds, and to accomplish
the objectives of this act, there is hereby irrevocably
pledged to those purposes, and hereby appropriated, such
amount as may be necessary therefore from the following
sources:

(1) The residue of the receipts from the excise tax,
the utility gross receipts tax, levied by Title 40, Chapter
21, Article 3, Code of Alabama 1975, as amended, Article 3,
remaining after payment of the expenses of administration and
enforcement of Article 3, being that portion of the tax that
is required by Article 3 to be deposited in the State Treasury
to the credit of the Trust Fund, after there shall have been
taken from the residue the amount necessary to pay at their
respective maturities the principal of and interest on those
bonds issued be authority under the 1965 Act, the 1971 Acts,
the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act, the
1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the 2002
Act, the 2003 Act, the 2007 Act, or this act that may be
outstanding at the time of the delivery of the respective
series of the bonds authorized herein.

(2) The residue of the receipts from the excise tax,
the utility service use tax, levied by Title 40, Chapter 21,
Article 4, Code of Alabama 1975, Article 4 remaining after
payment of the expenses of administration and enforcement of
Article 4, being that portion of the tax that is required by
Article 4 to be deposited in the State Treasury to the credit
of the Trust Fund, after there shall have been taken from
residue the amount necessary to pay at their respective
maturities the principal of and interest on those bonds issued
by the authority under the 1965 Act, the 1971 Acts, the 1973
Act, the 1978 Act, the 1985 Act, the 1990 Act, the 1995 Act,
the 1998 Act, the 1999 Act, the 2001 Act, the 2002 Act, the
2003 Act, the 2007 Act, or this act that may be outstanding at
the time of the delivery of the respective series of the bonds
authorized herein.

(3) To the extent and to the extent only that the
revenues appropriated in the foregoing subdivisions (1) and
(2) of this section may not be sufficient to pay at their
respective maturities the principal of, premium, if any, and
interest on the bonds, the residue of the receipts from the
excise tax, the sales tax, levied by Title 40, Chapter 23,
Article 1, Division 1, Code of Alabama 1975, as amended,
Article 1, after there shall have been taken from the residue
the amounts appropriated for other educational purposes in
Section 40-23-35, Code of Alabama 1975, which residue constitutes that portion of the receipts from the sales tax that is now required by law to be paid into the Trust Fund, and after there shall have been taken from the residue amounts sufficient to meet all prior charges on the residue including such amounts as may be necessary to pay at their respective maturities the principal of and interest on those bonds issued by the authority under the 1965 Act, the 1971 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act, the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the 2002 Act, the 2003 Act, the 2007 Act, or this act that may be outstanding at the time of the delivery of the respective series of the bonds authorized herein.

(4) To the extent and to the extent only that the revenues appropriated in the foregoing subdivisions (1), (2), and (3) of this section may not be sufficient to pay at their respective maturities the principal of, premium, if any, and interest on the bonds, the residue of the receipts from the excise tax, the use tax, levied by Title 40, Chapter 23, Article 2, Code of Alabama 1975, as amended, Article 2, after there shall have been taken from the residue the amount necessary to meet the expenses of the State Department of Revenue in collecting the use tax, which residue constitutes that portion of the receipts from the use tax that is now required by law to be paid into the Trust Fund, and after there shall have been taken from the residue such amounts as
may be necessary to meet all prior charges on the use tax
including the amounts sufficient to pay at their respective
maturities the principal of and interest on those outstanding
bonds referred to in subdivision (3) of this section. All
monies hereby appropriated and pledged shall constitute a
sinking fund for the purpose of paying the principal of,
premium, if any, and interest on the bonds. The State
Treasurer is authorized and directed to pay at their
respective maturities the principal of, premium, if any, and
interest on bonds out of this fund and out of the residues of
the tax receipts herein appropriated and pledged for the
benefit of the bonds, and is further authorized and directed
to set up and maintain appropriate records pertaining thereto.

Section 7. Bonds to be payable solely out of the
revenues appropriated; authorization for authority to pledge
such revenues for the bonds. The bonds shall not be general
obligations of the authority but shall be limited obligations
payable solely out of the residues of the tax receipts
appropriated and pledged in Section 6 of this act. All bonds
issued by the authority pursuant to the provisions of this act
and shall not constitute or create an obligation or debt of
the state. As security for the payment of the principal of,
premium, if any, and interest on the bonds, the authority is
hereby authorized and empowered to pledge the residues of the
tax receipts that are appropriated and pledged in Section 6
hereof for such purposes. All such pledges made by the
authority shall take precedence in the order of the adoption of the resolutions containing the pledges. All such pledges shall be prior and superior to any pledges that may be made for any refunding bonds hereafter issued by the authority under the provisions of any of the 1965 Act, the 1971 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act, the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the 2002 Act, the 2003 Act, the 2007 Act, or any other act heretofore enacted.

Section 8. Refunding Bonds. For the purpose of refunding any bonds or refunding bonds of the authority issued under the provisions of this act, the 1965 Act, the 1971 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act, the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the 2002 Act, the 2003 Act, the 2007 Act, or any other act previously enacted, or any combination thereof, whether such refunding shall occur before, at, or after the maturity of the bonds refunded and for the purpose of paying all premiums and expenses of such refunding, including, but not limited to, attorneys' fees, costs of printing the refunding bonds, fiscal agents' fees, and accountants' fees, the authority is hereby authorized to sell and issue its refunding bonds. Such refunding bonds may be sold and issued from time to time, at public sale, on sealed bids and on such other terms and conditions as the authority shall determine to be advantageous and shall adopt and provide for in its proceedings for the
sale and issuance of such refunding bonds. Provided, however, no refunding bonds 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 percent 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 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. For the purpose of providing funds to enable the authority to pay at their respective
maturities the principal of, premium, if any, and interest on
the refunding bonds issued under this act, the authority is
hereby authorized to pledge irrevocably for such purpose, and
there is hereby appropriated for such purpose, such amount as
may be necessary of the residues of the receipts from the
excise taxes pledged and appropriated in subdivisions (1), (2),
(3), and (4) of Section 6 of this act, any reserves or sinking
funds established by the authority, as well as revenues of the
authority from any other sources specified in the proceedings
wherein the refunding bonds are authorized to be issued.
Pending the application of the proceeds of refunding bonds
issued in accordance with this section, the proceeds, together
with investment earning there from, and amounts in any sinking
fund, together with investment earnings thereon, may be held
by the State Treasurer as treasurer of the authority in trust,
or may be deposited by the State Treasurer in trust, on such
terms as the State Treasurer and the authority shall approve,
with a trustee or escrow agent, which trustee or escrow agent
shall be a banking institution or trust company authorized to
exercise trust powers in Alabama, for investment in permitted
investments. Proceeds of refunding bonds shall be so invested
and applied as to assure that the principal, interest, and
redemption premium, if any, on the bonds being refunded shall
be paid in full on the respective maturity, redemption, or
interest payment dates. Refunding bonds issued by the
authority shall not be general obligations of the authority
but shall be payable solely from the sources specified in this
act and in the proceedings whereby the refunding bonds are
authorized to be issued. All refunding bonds issued by the
authority shall be solely and exclusively obligations of the
authority and shall not create debts of the State of Alabama.
The faith and credit of the State of Alabama shall never be
pledged for the payment of any refunding bonds issued by the
authority under this act. The authority may contract with
respect to the safekeeping and application of the proceeds of
refunding bonds and other funds included therewith and the
income there from, and shall have the right and power to
appoint a trustee therefore, which may be any bank or company
authorized to exercise trust powers and located within or
without the state. All other provisions of this act shall
apply to the refunding bonds issued hereunder except (a) the
limitation contained in Section 3 of this act on the amount of
bonds that may be issued under this act and (b) the provisions
of Section 9 of this act. All pledges made by this act, or by
the authority pursuant to the provisions of this act, for the
benefit of refunding bonds issued under this act, and all such
pledges for the benefit of refunding bonds which may be issued
to refund any bonds issued under any of the 1965 Act, the 1971
Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act,
the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the
2002 Act, the 2003 Act, the 2007 Act, or this act, shall take
precedence in the order of the adoption of the resolutions
authorizing the issuance of such refunding bonds. Bonds refunded prior to their maturity with the proceeds of refunding bonds shall be deemed paid and the pledges herein and by the authority made for the payment thereof defeased if the authority, in its proceedings regarding issuance of the refunding bonds shall provide for and establish a trust or escrow fund comprised of monies or government securities, or both, sufficient to pay, when due, the entire principal of, premium, if any, and interest on the bonds to be refunded thereby; provided, that such government securities shall not be subject to redemption prior to their maturities other than at the option of the holder thereof. Upon the establishment of such a trust or escrow fund, the refunded bonds shall no longer be deemed to be outstanding, shall no longer be secured by the funds pledged therefore in Section 6 of this act, shall no longer be obligations of the authority and shall be secured solely by and payable from monies and government securities deposited in such trust or escrow fund.

Section 9. Use of Bond Proceeds. (a) The proceeds derived from each sale of the bonds issued pursuant to this act shall be deposited in the State Treasury and shall be carried in a separate fund therein for the account of the authority, which shall pay the expenses of issuance there from. The expenses of issuance of the bonds shall be prorated among the recipients of the proceeds from the sale of the bonds in proportions they receive allocations of the proceeds.
there under. These proceeds from the sale of the bonds remaining after payment of the expenses of issuance thereof shall be retained in the fund and, until they are paid out, shall be invested by the State Treasurer at the direction of the authority in permitted investments maturing at such time or times as the authority shall direct.

(b) Proceeds from the sale of the bonds and the earning thereon shall be paid out from time to time on orders or warrants issued by or at the direction of the authority for any one or more of the purposes specified in this act, to include the following allocations: (1) Fifty million dollars ($50,000,000) shall be expended for worker training for economic development and for capital improvements in furtherance of economic development.

Section 10. Notwithstanding any of the foregoing and in addition to all powers heretofore granted to the authority, the authority is hereby expressly authorized to use the proceeds derived from the sale of bonds and income on permitted investments in accordance with the provisions of this act. The preparation of all plans and specifications for any building constructed wholly or in part with any of the monies realized from the sale of any of the bonds and all work done pursuant to expenditure of the proceeds thereof in regard to the construction, reconstruction, alteration, improvement, and equipping of buildings shall be supervised by the State Building Commission, and the authority shall reimburse the
commission for its reasonable direct and administrative costs in having plans, specifications, and contract documents prepared and in supervising and inspecting the work.

Additionally, the authority is hereby expressly permitted to pay to the Department of Finance and the State Treasurer's office, from time to time and from any funds available to the authority, amounts to offset costs incurred in the administration of the business of the authority. The cost of such compensation shall be prorated among the recipients of proceeds of the bonds in the same manner as the expense of issuance of the bonds are required hereby to be prorated.

Section 11. The authority shall hire or contract with businesses or individuals, which reflect the racial and ethnic diversity of the state.

Section 12. Tax Exemption. The authority shall have the power to make such payments to the United States of America as the board of directors of the authority deems necessary to cause the interest on any bonds of the authority, including the bonds, to be and remain exempt from, or excludable from gross income for purposes of, federal income taxation. The authority shall have the power to make such agreements respecting the investment of funds of the authority as the authority shall deem necessary in order that the interest income on bonds of the authority be and remain exempt.
from, or excludable from gross income for purposes of, federal income taxation.

Section 13. Issuance Expenses; Contracts and Appointments. The authority is authorized to pay out of proceeds of any series of bonds the costs and expenses incurred in connection with the issuance of such bonds, including, without limitation, legal and accounting fees and expenses, fees and expenses of any financial or fiscal advisor employed by the authority, printing costs, rating agency fees, and premiums or charges for any credit enhancement or liquidity providers. Notwithstanding any provision of this act or the 1965 Act, in appointing, employing, or contracting with attorneys, fiscal advisors, trustees, paying agents, investment bankers, banks and underwriters, the authority may appoint, employ, or contract with firms whose principal offices are located without or within Alabama. The authority shall hire or contract with attorneys, fiscal advisors, trustees, paying agents, investment bankers, banks, and underwriters which shall reflect the racial and ethnic diversity of the state. The authority shall issue requests for proposals for attorneys, fiscal advisors, trustees, paying agents, investment bankers, banks, and underwriters. The authority shall evaluate each proposed bid publicly and award each contract publicly. Minutes of the authority's meeting shall record the reasons for awarding each contract.
Section 14. Severability. In the event any section, sentence, clause, or provision of this act shall be declared invalid by a court of competent jurisdiction, such action shall not affect the validity of the remaining sections, sentences, clauses, or provisions of this act, which shall continue effective.

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