

2
3 SUBSTITUTE FOR SB287
4

5
6
7
8 SYNOPSIS: This bill will be known as the Alabama
9 Prison Transformation Initiative Act.

10 This bill would provide for the construction
11 of four modern, efficient prison facilities to
12 reduce overcrowding, to improve safety conditions
13 for corrections officers, to allow for additional
14 inmate re-entry programs and to improve operational
15 practices and procedures.

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

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

24 This bill would also allow the Authority to
25 construct women's and regional prison facilities
26 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 require the Department of
8 Corrections to consolidate facilities for certain
9 male inmates.

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

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

21
22 A BILL

23 TO BE ENTITLED

24 AN ACT

25
26 To amend Sections 14-2-1, 14-2-6, 14-2-12,
27 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 \$550
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; and 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; to
11 require the Department of Corrections to consolidate
12 facilities for certain male inmates; to authorize the
13 Authority to dispose of property not required for Department
14 of Corrections purposes; to require reporting to the Joint
15 Legislative Prison Committee; to further provide for actions
16 to be taken upon payment of all bonds issued by the Authority;
17 to amend Section 29-2-20, Code of Alabama 1975, as last
18 amended by Act 2015-165, 2015 Regular Session, to revise the
19 membership of the Joint Legislative Prison Committee; to amend
20 Sections 28-3-201, 28-3-202, 28-3-24, and 40-8-3, Code of
21 Alabama 1975, relating to allocation of a portion of the
22 proceeds of the one mill (\$.10 on each \$100 of assessed value)
23 tax and the tax on all spirituous or vinous liquors provided
24 therein as a second and third priority security for the
25 Authority's bonds; to amend Section 38-4-12, Code of Alabama
26 1975, relating to the priority of the use of the one mill tax;
27 and to define certain terms.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

24 Section 3. (a) The Alabama Corrections Institution
25 Finance Authority shall report to the Joint Legislative Prison
26 Committee on any plans for the demolition or disposal of any
27 existing prison facilities pursuant to this act. In addition,

1 the Department of Corrections shall report to the Joint
2 Legislative Prison Committee and the Chairmen of the House
3 Ways and Means General Fund Committee and the Senate Finance
4 and Taxation General Fund Committee on the operational savings
5 directly realized as a result of the consolidation of prisons
6 pursuant to this act. This operational savings report shall be
7 made annually beginning on the date on which the first bond
8 payment is due, and continuing until all bonds authorized by
9 this act have matured, been redeemed, or are otherwise no
10 longer outstanding.

11 (b) The Department of Corrections and the Division
12 of Construction Management shall prepare a report that
13 includes, but is not limited to, cost analysis and project
14 feasibility. This report shall be provided to the authority,
15 the Joint Legislative Prison Committee, and all members of the
16 Legislature the first legislative day of the 2017 Regular
17 Session. No bonds authorized by this act shall be approved or
18 issued prior to the submission of the report on the first
19 legislative day of the 2017 Regular Session.

20 Section 4. Sections 14-2-1, 14-2-6, 14-2-12,
21 14-2-13.1, 14-2-14, 14-2-16, 14-2-19, 14-2-21, 14-2-28, and
22 14-2-34, Code of Alabama 1975, are amended to read as follows:

23 "§14-2-1.

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

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

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

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

10 (4) STATE. The State of Alabama.

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

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

15 a. Prisons;

16 b. Buildings and enclosures for housing, containing
17 or supervising prisoners; and

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

25 (7) KILBY PROPERTY. Such term includes all of the
26 real property commonly referred to as Kilby prison property,
27 embracing not only the real property owned by the state on

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

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

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

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

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

24 "§14-2-6.

25 "The applicants named in the application and their
26 respective successors in office shall constitute the members
27 of the authority. The Governor shall be the president of the

1 authority, the Commissioner of Corrections shall be the
2 vice-president of the authority and the Director of Finance
3 shall be the secretary of the authority. In addition, one
4 member of the House of Representatives appointed by the
5 Speaker of the House and one member of the Senate appointed by
6 the President Pro Tempore of the Senate shall be members of
7 the authority. The State Treasurer shall be the treasurer and
8 custodian of the funds of the authority, but shall not be a
9 member of the authority. The members of the authority shall
10 constitute all the members of the board of directors of the
11 authority, which shall be the governing body of the authority.
12 A majority of the members of the said board of directors shall
13 constitute a quorum for the transaction of business. Should
14 any person holding any state office named in this section
15 cease to hold such office by reason of death, resignation,
16 expiration of his term of office or for any other reason, then
17 his successor in office shall take his place as a member,
18 officer or director, as the case may be, of the authority. No
19 member, officer or director of the authority shall draw any
20 salary in addition to that now authorized by law for any
21 service he may render or for any duty he may perform in
22 connection with the authority. No member, officer, director or
23 employee of the authority shall be personally liable for any
24 debt, obligation or liability of the authority.

25 "§14-2-12.

26 (a) For the purpose of providing funds for the
27 acquisition of sites, for the construction, reconstruction,

1 alteration and improvement of facilities, for the procurement
2 and installation of equipment therefor and for payment of
3 obligations incurred and the principal of and interest on any
4 temporary loans made for any of the said purposes, the
5 authority is hereby authorized, from time to time, to sell and
6 issue, in addition to all bonds heretofore authorized to be
7 issued by the authority, its bonds in such aggregate principal
8 amounts as may be determined by the corporation to be
9 necessary for the said purposes but not to exceed \$25,000,000,
10 plus an additional seven million five hundred thousand dollars
11 (\$7,500,000) pursuant to Act 97-950, in aggregate principal
12 amount.

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

23 (c) In addition to any other authorization provided
24 in this chapter, the authority is hereby authorized, from time
25 to time, to sell and issue its bonds in amounts determined by
26 the authority to be necessary for the acquisition of sites,
27 construction, reconstruction, alteration, demolition, and

1 improvement of facilities owned and operated by the Department
2 of Corrections or the Alabama Corrections Institution Finance
3 Authority, including but not limited to women's prison
4 facilities and regional prison facilities and for the
5 procurement and installation of equipment therefor. The total
6 additional bonds authorized by this subsection shall not
7 exceed \$550 million. Bonds authorized by this subsection shall
8 be sold as provided in Section 14-2-16.

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

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

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

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

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

8 "§14-2-13.1.

9 It is hereby further provided that no refunding
10 bonds as provided for by Section 14-2-13 shall be issued
11 unless the present value of all debt service on the refunding
12 bonds (computed with a discount rate equal to the true
13 interest rate of the refunding bonds and taking into account
14 all underwriting discount and other issuance expenses) shall
15 not be greater than ~~95~~ 98% of the present value of all debt
16 service on the bonds to be refunded (computed using the same
17 discount rate and taking into account the underwriting
18 discount and other issuance expenses originally applicable to
19 such bonds) determined as if such bonds to be refunded were
20 paid and retired in accordance with the schedule of maturities
21 (considering mandatory redemption as a scheduled maturity)
22 provided at the time of their issuance. Provided further that
23 the average maturity of the refunding bonds, as measured from
24 the date of issuance of such refunding bonds, shall not exceed
25 by more than three years the average maturity of the bonds to
26 be refunded, as also measured from such date of issuance, with
27 the average maturity of any principal amount of bonds to be

1 determined by multiplying the principal of each maturity by
2 the number of years (including any fractional part of a year)
3 intervening between such date of issuance and each such
4 maturity, taking the sum of all such products, and then
5 dividing such sum by the aggregate principal amount of bonds
6 for which the average maturity is to be determined.

7 "§14-2-14.

8 Any bonds of the authority may be executed and
9 delivered by it at any time and from time to time, shall be in
10 such form and denominations and of such tenor and maturities,
11 shall bear such rate or rates of interest payable and
12 evidenced in such manner, may contain provisions for
13 redemption prior to maturity and may contain other provisions
14 not inconsistent with this section, all as may be provided by
15 the resolution of the board of directors whereunder such bonds
16 are authorized to be issued; provided, that no bond of the
17 authority shall have a specified maturity date later than ~~20~~
18 30 years after its date. In the event that the authority shall
19 make more than one pledge of the same revenues, such pledges
20 shall, unless otherwise provided in the resolution or
21 resolutions authorizing the earlier issued bonds, take
22 precedence in the order of the adoption of the resolutions in
23 which the pledges are made; provided, that each pledge for the
24 benefit of refunding bonds shall have the same priority as the
25 pledge for the benefit of the bonds refunded thereby.

26 "§14-2-16.

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

1 state shall be a prerequisite to the issuance or sale of bonds
2 by the authority.

3 "§14-2-19.

4 (a) All proceeds derived from the sale of any bonds,
5 except refunding bonds, sold by the authority, remaining after
6 payment of the expenses of issuance thereof, shall be turned
7 over to the State Treasurer, shall be carried in a special
8 account to the credit of the authority, and shall be subject
9 to be drawn on by the authority solely for the purposes of:

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

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

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

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

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

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

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

23 "§14-2-21.

24 (a) The principal of, premium, if any, and interest
25 on the bonds of the authority shall be secured, first, by any
26 or all of the following, as the authority may determine:

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

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

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

8 (4) Any insurance proceeds which the authority may
9 receive by reason of its ownership of any of the facilities;
10 and

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

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

17 (b) To such extent and to such extent only as the
18 revenues described in subsection (a) of this section may not
19 be sufficient to pay at their respective maturities the
20 principal of and interest on the bonds of the authority, there
21 is irrevocably pledged and appropriated, as a second priority
22 security, so much of the portion of the net proceeds of the
23 one mill tax allocated to the Department of Human Resources
24 under Section 38-4-12 as may be necessary, when added to the
25 amounts described in subsection (a) of this section, for the
26 purpose of providing funds to enable the authority to pay at
27 their respective maturities and due dates the principal of and

1 interest on the bonds that may be issued by it under this
2 article at any time. The revenues pledged by this subsection
3 shall be limited to the payment of debt service on the bonds
4 authorized by this amendatory act, including debt service on
5 any refunding bonds issued to refund the bonds authorized by
6 this amendatory act.

7 (c) To such extent and to such extent only as the
8 revenues described in subsections (a) and (b) may not be
9 sufficient to pay at their respective maturities the principal
10 of and interest on the bonds of the authority, there is
11 irrevocably pledged and appropriated, as a third priority
12 security, so much of the net proceeds of the net proceeds of
13 the tax levied on spirituous or vinous liquors allocated to
14 the Public Welfare Trust Fund under Sections 28-3-201,
15 28-3-202, and 28-3-204, as may be necessary, when added to the
16 amounts described in subsections (a) and (b), for the purpose
17 of providing funds to enable the authority to pay at their
18 respective maturities and due dates the principal of and
19 interest on the bonds that may be issued by it under this
20 article at any time. The revenues pledged by this subsection
21 shall be limited to the payment of debt service on the bonds
22 authorized by this amendatory act, including debt service on
23 any refunding bonds issued to refund the bonds authorized by
24 this amendatory act.

25 (d) In the event that revenues pledged by subsection
26 (b) or (c) are used to pay debt service on bonds authorized by
27 this amendatory act, including debt service on refunding bonds

1 issued to refund the bonds authorized by this amendatory act,
2 the Legislature shall provide for the reimbursement of the
3 amount used for those debt service payments to the Department
4 of Human Resources.

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

1 property and the application of the receipts which it is
2 authorized in this chapter to pledge.

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

12 "§14-2-28.

13 (a) Except as provided in subsection (b), all ~~All~~
14 facilities constructed by the authority shall be constructed
15 according to plans and specifications of architects or
16 engineers, or both, selected by the department. Such plans and
17 specifications shall be approved by the department and by the
18 commission. All work in the construction of facilities, or any
19 part thereof, which is determined by the commission to be
20 suitable and proper for construction by prison labor under
21 force account shall be performed by such prison labor under
22 such supervision and directions as shall be ordered by the
23 department. All construction of facilities or any part thereof
24 which the commission shall determine not to be suitable and
25 proper for construction by prison labor shall be done under
26 the supervision and direction of the commission following
27 award for each part of the work to the lowest responsible

1 bidder after advertising for, receipt and public opening of
2 sealed bids. Each such invitation for bids and the bidding
3 documents applicable thereto shall be so arranged that any
4 alternates shall constitute cumulative deductions from the
5 base bid rather than additions thereto. In determining the
6 lowest bidder if funds are insufficient to construct the
7 facility on the lowest base bid, then the commission may
8 proceed to consider the bids upon the basis of the base bids
9 of all bidders minus the respective reductions stated for the
10 first alternate. If the lowest bid so determined is not then
11 within the funds available, the commission shall proceed to
12 consider the base bid minus the first and second alternates
13 together to determine the lowest bid and in like manner
14 throughout all alternates, if need be, so that in no event
15 shall there be any discretion as to which alternate or
16 alternates will be used in determining the lowest responsible
17 bidder. If no bid deemed acceptable by the commission and the
18 authority is received, all bids may be rejected, in which
19 event bids may again from time to time be invited and acted on
20 as provided in this section. All such contracts shall be lump
21 sum contracts. All contracts for the entire work on a facility
22 shall be awarded at the same time, but notice to proceed may
23 be withheld until prior work under another contract has
24 progressed to a point where the joint or following work can
25 best be coordinated for the earliest completion of the entire
26 project in a sound and workmanlike manner. Each contract shall
27 be executed by the authority upon the determination of the

1 commission as to the lowest bidder. Payments made by the
2 authority under the construction contracts shall be upon the
3 contractor's written sworn request only if endorsed as
4 approved by the commission or in any lesser amount the
5 commission shall endorse as having been then earned on said
6 contract. After the contracts for a facility have been
7 awarded, such construction cost estimate shall be revised and
8 all extras on the contracts shall be awarded within the funds
9 available. The authority shall pay to the commission as a part
10 of the cost of constructing the facility such sums for the
11 services of its employees as may be mutually agreed between
12 the department and the commission.

13 (b) All projects awarded using bond proceeds
14 authorized by this act shall comply with the provisions of
15 Title 39, except for the construction of regional prison
16 facilities. In constructing, reconstructing, or renovating
17 regional prison facilities, the authority may enter into
18 contracts or agreements with private parties using alternative
19 project delivery methods, including but not limited to
20 design-build, design-build-finance, construction management at
21 risk or public-private partnerships, pursuant to which the
22 design, construction, financing, leasing, and maintenance, or
23 any combination thereof, is accomplished on behalf of the
24 authority by the private party. Regional prison facilities may
25 be individually or jointly awarded using alternative delivery
26 methods if determined by the authority that doing so is in the
27 best interest of the state, and the authority shall report its

1 findings to the Joint Legislative Prison Committee. Before
2 construction proposals are developed and evaluated, project
3 requirements shall be established by expert professionals
4 selected by and working directly for the authority. The
5 Division of Construction Management of the Department of
6 Finance shall establish a project management team that
7 includes, but is not limited to, in-house staff, design
8 professionals, consulting firms, and other experts, and shall
9 develop competitive qualification-based selection policies and
10 procedures for the procurement of contracts or agreements
11 through alternative project delivery methods, including, but
12 not limited to, proposal content, selection criteria,
13 prequalification, applicant interview, proposal evaluation,
14 proposal negotiation, selection and award which will be
15 outlined in each request for proposal. Notwithstanding any
16 provision of law to the contrary, proposals under this section
17 with respect to regional prison facilities that the Authority
18 determines can be more efficiently accomplished by alternative
19 project delivery methods may be evaluated and awarded by the
20 Authority based on the qualifications of participants or best
21 value, or both, as evaluated by the procedures of the Division
22 of Construction Management and taking into consideration the
23 best interest of the State of Alabama. Selection for design
24 and construction contracts shall be based on the bidder's
25 qualifications and best value offered in each bidder's
26 response to project requirements, as established by the
27 authority. The authority is strongly encouraged to award

1 contracts or agreements under the provisions of this
2 subsection that reflect the racial and ethnic diversity of the
3 state. In evaluating and awarding contracts, the authority
4 shall develop and utilize selection criteria giving preference
5 to proposals that include participation by resident
6 contractors and subcontractors and participation by minority
7 contractors, in addition to other quality and performance
8 criteria. All architects and engineers who prepare plans and
9 specifications for these prison facilities shall be duly
10 licensed in the State of Alabama.

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

20 "§14-2-34.

21 When all bonds and securities issued by the
22 authority and all obligations assumed by it under the
23 provisions of this chapter shall have been paid in full, the
24 then president of the authority shall thereupon execute and
25 deliver in the name of, and in behalf of, the authority an
26 appropriate deed or deeds, to which the seal of the authority
27 shall be affixed and attested by the secretary of the

1 authority, conveying all facilities and other assets then
2 owned by the authority to the state, except that no such
3 conveyance shall be required if the president of the authority
4 determines that the issuance of additional bonds to finance
5 additional facilities or improvements to existing facilities
6 is contemplated.. The then officers and directors of the
7 authority may, in their discretion, at such time file with the
8 Secretary of State a written statement, subscribed and sworn
9 to by each of them, reciting the payment in full of all bonds
10 theretofore issued by the authority and the execution and
11 delivery of such deed or deeds, which statement shall be filed
12 by the Secretary of State and recorded with the certificate of
13 incorporation of the authority, and thereupon the authority
14 shall stand dissolved.

15 Section 5. (a) Separate and apart from the power
16 granted to the authority in regard to the Kilby property in
17 Section 14-2-26 and 14-2-27, and in addition to those powers,
18 the authority shall have the power to sell, convey and lease
19 all or any part of any real and personal property now or
20 hereafter owned by it, together with the improvements thereon
21 and ancillary thereto, that is not being used by the
22 department as a facility, and the sale of which will not
23 impair the outstanding obligations of the authority, and as an
24 aid to the sale or lease, to cause to be prepared by competent
25 real estate experts a land use map and plan. The authority may
26 lease or sell lands and property owned by it without going
27 through the Lands Division or in any other way complying with

1 the provisions of Title 9, Chapter 15, Article 3, Code of
2 Alabama, 1975. The authority must have duly adopted written
3 policies and procedures governing the sale or lease of the
4 property which invoke open competition and produce the best
5 price, to include obtaining an appraisal, advertising the sale
6 or lease and conducting the sale by public auction or publicly
7 sought sealed bid. No such sale or lease shall be made except
8 at public offering, on sealed bids or at auction, and upon
9 such published notice as the authority shall determine to be
10 necessary or desirable in order to attract the greatest
11 interest from prospective bidders.

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

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

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

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

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

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

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

1 Section 6. Upon the two regional prison facilities
2 for male inmates becoming operational, the department shall
3 consolidate all operations housing medium or higher custody
4 level male inmates into not more than 10 independent
5 facilities. This limitation shall not apply if the future male
6 inmate population increases above one hundred twenty-five
7 percent (125%) of design capacity.

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

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

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

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

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

1 "§29-2-20.

2 "(a) A permanent legislative committee which shall
3 be composed of ~~eight~~ 12 members, two of whom shall be ex
4 officio members and ~~six~~ 10 of whom shall be appointed members,
5 ~~three~~ five each to be appointed by the President of the Senate
6 and Speaker of the House, who shall both serve as the ex
7 officio members, shall be formed to assist in realizing the
8 recommendations of the Legislative Prison Task Force and
9 examine all aspects of the operations of the Department of
10 Corrections. The four additional members appointed on or after
11 the effective date of the act adding this amendatory language
12 shall include two members from the majority party and two
13 members from the minority party. The chairman of the committee
14 shall be selected by and from among the membership. The
15 committee shall make diligent inquiry and a full examination
16 of Alabama's present and long term prison needs and they shall
17 file reports of their findings and recommendations to the
18 Alabama Legislature not later than the fifteenth legislative
19 day of each regular session that the committee continues to
20 exist.

21 (b) The committee shall study and address mental
22 health issues for prisoners reentering the community after a
23 term of imprisonment in order to streamline the sharing of
24 critical mental health information and in order to address
25 barriers to accessing mental health treatment for such
26 prisoners. The committee shall report such findings to the
27 Legislature no later than April 20, 2016, and shall work in

1 conjunction with the following in studying and addressing such
2 issues:

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

20 committee.

21 (c) The committee shall study and address issues
22 related to felony restitution collection in order to improve
23 rates of collection for restitution obligations in felony
24 cases and establish best practices relating to a defendant's
25 ability to pay obligations owed. The committee shall report
26 such findings to the Legislature no later than April 20, 2016,

1 and shall work in conjunction with the following in studying
2 and addressing such issues:

- 3 (1) Department of Corrections;
- 4 (2) Board of Pardons and Paroles;
- 5 (3) Administrative Office of Courts;
- 6 (4) Office of Prosecution Services;
- 7 (5) Office of the Attorney General;
- 8 (6) Alabama Law Enforcement Agency;
- 9 (7) Alabama Criminal Defense Lawyers Association;
- 10 (8) Alabama Circuit Judges' Association;
- 11 (9) Association of County Commissions of Alabama;
- 12 (10) Alabama Sheriffs' Association;
- 13 (11) Alabama Crime Victims Compensation Commission;
- 14 (12) The Alabama Circuit Clerk's Association;
- 15 (13) Two crime victims' rights advocates designated

16 by the Attorney General;

17 (14) Two members from the Alabama District Attorneys
18 Association, of which one shall be from a largely populated
19 metropolitan judicial circuit and the other shall be from a
20 small, rurally populated judicial circuit; and

21 (15) Any other advocacy groups as determined by the
22 committee.

23 (d) The committee shall study and address capacity
24 issues within the Department of Corrections to include, but
25 not limited to, the issue of design capacity and operational
26 or functional capacity, as well as the construction of new
27 prison facilities and the renovation of current correctional

1 facilities as they relate to prison overcrowding and public
2 safety. The committee shall report such findings to the
3 Legislature no later than April 20, 2016, and shall work in
4 conjunction with the following in studying and addressing such
5 issues:

- 6 (1) Department of Corrections;
- 7 (2) Board of Pardons and Paroles;
- 8 (3) Department of Mental Health;
- 9 (4) Department of Public Health;
- 10 (5) Administrative Office of Courts;
- 11 (6) Office of Prosecution Services;
- 12 (7) Office of the Attorney General;
- 13 (8) Alabama Law Enforcement Agency;
- 14 (9) Alabama Drug Abuse Task Force;
- 15 (10) Alabama Criminal Defense Lawyers Association;
- 16 (11) Alabama Circuit Judges' Association;
- 17 (12) Association of County Commissions of Alabama;
- 18 (13) Two members from the Alabama Sheriffs'

19 Association, of which one shall be from a largely populated
20 metropolitan judicial circuit and the other shall be from a
21 small, rurally populated judicial circuit; and

22 (14) Two members from the Alabama District Attorneys
23 Association, of which one shall be from a largely populated
24 metropolitan judicial circuit and the other shall be from a
25 small, rurally populated judicial circuit.

1 (e) The studies and collaborating partners provided
2 for in this section shall reflect the racial, gender,
3 geographic, urban/rural, and economic diversity of the state."

4 Section 10. Section 40-8-3, Code of Alabama 1975, is
5 amended to read as follows:

6 "§40-8-3.

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

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

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

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

25 Section 11. Sections 28-3-201, 28-3-202, and
26 28-3-204, Code of Alabama 1975, are amended to read as
27 follows:

1 "§28-3-201.

2 In addition to all other taxes of every kind now
3 imposed by law and in addition to any marked-up price
4 authorized or required by law, there is hereby levied and
5 shall be collected a tax at the rate of 10 percent upon the
6 selling price of all spirituous or vinous liquors sold by the
7 Alabama Alcoholic Beverage Control Board. The tax hereby
8 imposed shall be collected by the board from the purchaser at
9 the time the purchase price is paid. In computing the proceeds
10 of this tax, the board shall divide the total sales of
11 spirituous and vinous liquors made by it by a factor of 110
12 and multiply the quotient by 100 and by 10. An amount equal to
13 the quotient multiplied by 100 shall be deposited in the State
14 Treasury to the credit of the Alcoholic Beverage Control Board
15 Store Fund and an amount equal to the quotient multiplied by
16 10 shall be deposited in the State Treasury to ~~the credit of~~
17 ~~the Public Welfare Trust Fund and shall be used for general~~
18 ~~welfare purposes and is hereby appropriated therefor.~~ to be
19 distributed as follows:

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

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

27 "§28-3-202.

1 (a) Repealed by Acts 1986, No. 86-212, p. 264, §3.

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

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

6 "§28-3-204.

7 (a) Repealed by Acts 1986, No. 86-212, p. 264, §3.

8 (b) Levy and collection. In addition to all other
9 taxes of every kind now imposed by law and in addition to any
10 marked-up price authorized or required by law, there is hereby
11 levied and shall be collected a tax at the rate of three
12 percent upon the selling price of all spirituous or vinous
13 liquors sold by the board.

14 The board shall have the authority to examine the
15 books and records of any wine wholesaler to determine the
16 accuracy of any return required to be filed with the board.

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

22 (c) Distribution of proceeds. One half of the
23 proceeds derived from the tax shall be deposited in the State
24 Treasury to the credit of the Public Welfare Trust Fund and
25 shall be used for general welfare purposes and is hereby
26 appropriated therefor. The remainder of such proceeds from the
27 tax levied by this section shall be deposited in the State

1 Treasury to be distributed as follows: (1) a sum equal to the
2 amount necessary to pay the principal of and interest on bonds
3 issued by the Alabama Corrections Institution Finance
4 Authority as and to the extent provided in Section 14-2-21,
5 shall be distributed to the authority; and (2) the remainder
6 shall be distributed to the credit of a special fund which
7 shall be designated the Special Mental Health Fund and shall
8 be used only for mental health purposes, including the
9 prevention of mental illness, the care and treatment of the
10 mentally ill and the mentally deficient and the acquisition,
11 equipment, operation and maintenance of facilities for mental
12 health purposes.

13 Section 12. Section 38-4-12, Code of Alabama 1975,
14 is 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 pay the principal of and interest on bonds issued
25 by the Alabama Corrections Institution Finance Authority as
26 and to the extent provided in Section 14-2-21, and then to the
27 State Department, for old-age pension purposes, other charges

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

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

1 of Veterans' Affairs, including expenditures for emergencies
2 and needs in the state's veterans' nursing homes.

3 Section 13. (a) Beginning January 3, 2017, and every
4 six months thereafter until the annual reports begin on the
5 date on which the first bond issue payment is due, the
6 Commissioner of the Department of Corrections shall prepare a
7 report on the progress of prison construction activities in
8 the state during the previous six-month period. The report
9 shall include, but not be limited to, expenditures, savings,
10 cost-analyses, and the number of agreements entered into,
11 including design-build, construction, architectural, and legal
12 agreements.

13 (b) The Commissioner of the Department of
14 Corrections shall report his or her findings to the Joint
15 Legislative Prison Committee, the House Ways and Means General
16 Fund Committee, the Senate Committee on Finance and Taxation
17 General Fund, and any other appropriate House and Senate
18 Standing Committee.

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

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