

ATRIP-II: Next Steps Webinar

April 10, 2017 Agenda

I. **Welcome**
Sonny Brasfield, Executive Director

II. **Overview of HB 487**
Tax Phase-In
Bonding Authority
Other Components

III. **Partnering with Municipalities**

IV. **Next Steps**

QUESTIONS?

V. **Conclusion**

ATRIP-2 ECONOMIC DEVELOPMENT AND SAFETY PROGRAM

Funding:

- The bonds are repaid with the proceeds of an increase in gasoline and diesel fuel tax and a new tag fee on alternative-fuel vehicles:
 - Gasoline and diesel tax increased by 4-cents per gallon on September 1, 2017 and two cents per gallon on September 1, 2019. This new revenue will repay the two bond issues.
 - A “conditional” increase of 3-cents per gallon will take effect on September 1, 2024 for additional projects, subject to the Legislature’s option to reject the increase during the 2024 session.

Tag fee on alternative fuel vehicles of \$100 per year for passenger vehicles and \$150 for commercial vehicles will go toward repayment of the bond issues.

Program Overview:

- Increase in state gasoline and diesel fuel tax to fund an economic development program for enhancing and improving Alabama’s transportation system at both the state and local level.
- Counties and cities will receive the proceeds from a \$1.2 billion bond issue for improving and replacing roads and bridges – with emphasis on safety, bridge replacement and the enhancement of the state’s neglected Farm-to-Market Road System. Projects will be identified and let to contract at the local level to ensure the most efficient and effective use of tax dollars.
- State-maintained highways and bridges will receive the proceeds from a separate \$1.2 billion bond issue for projects to enhance safety, improve congestion and connectivity, and to increase Alabama’s economic competitiveness.
- The new state money will also be available to match any federal infrastructure program enacted by the U.S. Congress. Local governments are also afforded the opportunity to use up to 20 percent of revenue for federal infrastructure matching should there be a local element in the new program.

Transparency & Accountability:

- Bond issue funds cannot be expended on salaries, equipment purchases, or any projects other than road and bridge projects.
- Local projects are reviewed and approved by the ATRIP committee established by Alabama law.

The Alabama Road and Bridge Rehabilitation and Improvement Authority

Initial Directors:

- Ex Officio Members – State Treasurer, State Finance Director, ALDOT Director
- Appointed Members serving 4-year terms – One (1) currently serving county commissioner, appointed by the Speaker of the House of Representatives, and One (1) currently serving municipal mayor, appointed by the President Pro Tempore of the Senate

Issuing Bonds:

--This Authority will collect annual reporting information from counties and ALDOT, and will issue the bonds each year based on how much money the counties and ALDOT need to complete projects for the upcoming year.

--The Board of Directors will adopt procedures outlining the process for the distribution of the bond issue funds.

Annual Reports:

--The annual reports will play a large role in helping the bonding authority determine how much money to make available each year.

--All local governments and ALDOT will provide annual reports on planned expenditures, will detail the expenditure of revenue at the close of each year, and will provide on-going reporting to the Legislature and the public to ensure transparency and accountability.

Monies allocated to counties under ATRIP-2 can be utilized for one or more of the following purposes:

- 1) To replace or repair county bridges which meet all of the following criteria:
 - Posted for traffic below the maximum legal weight limit
 - Have sufficiency rating of 50 or less on the current ALDOT bridge inventory
 - Have an average daily traffic count of 200 or more vehicle
- 2) To repair or improve major collectors that are not scheduled as a federal project within two years of the effective date of this legislation, and have not been resurfaced or significantly rehabilitated since 2000
- 3) To repair or improve any other county-maintained roads with an average daily traffic count of 200 or above and a grade of 75 or below (if graded by ALDOT) and, after such repairs or improvements are made, to repair and improve other county-maintained roads
- 4) To provide matching funds for federal road or bridge projects in the county; provided that no more than 20 percent of the proceeds be used for matching purposes
- 5) With the consent of the municipalities located in the county, to provide funds for the maintenance, improvement, or replacement of municipally-maintained roads and bridges
- 6) To provide funds for joint road or bridge projects with one or more municipalities in the county pursuant to any agreement executed under the authority of state law

Effective collaboration between counties and municipalities is a critical component of the ATRIP-2 program.

Municipalities will have to bid projects on their own.

Monies allocated to municipalities under ATRIP-2 can be utilized for one or more of the following purposes:

1. The maintenance, improvement, replacement and construction of roads and bridges within a municipality's jurisdictional limits.
2. Up to 20-percent as matching funds for federal road or bridge projects.
3. For the maintenance, improvement or replacement of county-maintained roads and bridges within the municipality's jurisdiction (with the consent of the county).
4. For joint road or bridge projects with the county.

NEXT STEPS:

- HB 487 in House Transportation, Utilities and Infrastructure Committee TOMORROW (4/11/17) at 3:00pm in Room 410.
- HB 487 expected to get "second reading" when the House goes into session late tomorrow (4/11/17) afternoon.
- HB 487 expected to be placed on the House work calendar on Thursday, April 13th.

ACTION ITEMS:

- Contact local mayors to discuss the ATRIP-2 proposal.
- Send them the ATRIP-2 Municipal Webinar -- contact Jeannie Gaines (jgaines@alabamacounties.org) for the link.
- Ask local mayors and city councilors to contact members of the Legislature and ask them to support HB 487.
- Contact House members directly and ask them to support HB 487. Encourage them to tell you whether they intend to vote YES or NO on HB 487.
- Contact the Association staff with any feedback related to HB 487.

1 HB487
2 184509-2
3 By Representative Poole
4 RFD: Transportation, Utilities and Infrastructure
5 First Read: 06-APR-17

8 SYNOPSIS: This bill would establish the Alabama Road
9 and Bridge Rehabilitation and Improvement Authority
10 for the purposes of establishing a local and state
11 program for financing the rehabilitation and
12 improvement of roads and bridges throughout the
13 state by the issuance of the debt obligations which
14 shall be payable solely from the proceeds from
15 additional gasoline and diesel fuel excise taxes
16 and registration fees on certain alternative fuel
17 vehicles to be levied pursuant to this act.
18

19 A BILL
20 TO BE ENTITLED
21 AN ACT
22

23 To provide for the establishment and incorporation
24 of the Alabama Road and Bridge Rehabilitation and Improvement
25 Authority; to establish the ATRIP-II Projects Special Fund; to
26 provide that the Authority may issue bonds in an aggregate
27 principal amount not exceeding \$2,400,000,000, one-half

1 thereof to finance county and municipal road and bridge
2 rehabilitation and improvement projects and one-half thereof
3 to finance state road and bridge rehabilitation and
4 improvement projects, and to provide for the use of the
5 proceeds of the net tax revenues from additional gasoline and
6 diesel fuel excise taxes and fees provided for in this act to
7 pay debt service on such bonds and other obligations issued to
8 provide funds for Alabama Transportation Infrastructure
9 (ATRIP) Projects and Alabama Department of Transportation
10 Projects (as defined herein) and to pay the costs of such
11 projects and the expenses of issuance of such bonds and other
12 obligations; to provide for additional duties of the ATRIP
13 Committee heretofore established in respect of county and
14 municipal road and bridge rehabilitation and improvement
15 projects to be financed by the Authority; to provide
16 procedures for the proposal to the Authority by the Department
17 of Transportation of road and bridge improvement projects to
18 be financed with proceeds of the bonds authorized to be issued
19 hereby; to provide that the said Authority may issue refunding
20 bonds to prepay and retire any bonds and other obligations of
21 Authority; to amend Section 40-17-325, Code of Alabama 1975,
22 as last amended by Act 2015-54, 2015 Regular Session, relating
23 to gasoline and diesel fuel taxes, to provide for an
24 additional gasoline and diesel fuel taxes; to provide for an
25 adjustment of the additional gasoline and diesel fuel tax rate
26 if certain criteria are met; to provide for additional fees
27 for private passenger alternative fuel vehicles and commercial

1 alternative fuel vehicles, the net proceeds of which
2 additional taxes and fees are to be used as provided herein
3 for payment of debt service on bonds and other obligations of
4 the authority; and to provide for the pledge of the net
5 proceeds of the additional taxes and fees for payment of debt
6 service on bonds and other obligations of the Authority,
7 including refunding bonds, and for the use of proceeds of said
8 additional taxes and fees not needed for payment of such debt
9 service.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. It is the intention of the Legislature by
12 the passage of this act to authorize the incorporation of the
13 Alabama Road and Bridge Rehabilitation and Improvement
14 Authority for the purposes of establishing a program for
15 financing the rehabilitation and improvement of roads and
16 bridges throughout the state by the issuance of the
17 obligations of such corporation, which shall not be debts of
18 the State of Alabama but shall be payable solely from the net
19 proceeds of certain new taxes and fees to be levied pursuant
20 to this act, and to provide for the use of the proceeds of
21 such taxes and fees not needed for payment of debt service on
22 such obligations for the purposes set out herein.

23 Section 2. Definitions. When used in this act, the
24 following words and phrases shall have the following
25 respective meanings unless the context clearly indicates
26 otherwise:

1 (1) ALDOT Projects. Those Road and Bridge
2 Rehabilitation and Improvement Projects submitted to the
3 Authority for funding in accordance with the provisions of
4 Section 14 hereof.

5 (2) ALDOT PROJECTS SPECIAL FUND. A special fund in
6 the State Treasury entitled the "Department of Transportation
7 Road and Bridge Rehabilitation and Improvement Program Fund"
8 which shall be held by the State Treasurer, as custodian
9 therefor, and applied solely as provided in this act.

10 (3) ATI. The Alabama Transportation Institute
11 described in Section 10 hereof.

12 (4) ATRIP Committee. The Alabama Transportation
13 Rehabilitation and Improvement Program Committee established
14 pursuant to Section 6 of Act No. 216-150 enacted at the 2016
15 Regular Session of the Legislature.

16 (5) ATRIP-II Projects. Those county and municipal
17 Road and Bridge Rehabilitation and Improvement Projects
18 submitted to and received by the ATRIP Committee pursuant to
19 the provisions of Section 10 hereof for funding in accordance
20 with the provisions of this act.

21 (6) ATRIP-II Projects Special Fund. A special fund
22 in the State Treasury entitled the "ATRIP-II Projects Special
23 Fund" which shall be held by the State Treasurer, as custodian
24 therefor, and applied solely as provided in this act.

25 (7) AUTHORITY. The Alabama Road and Bridge
26 Rehabilitation and Improvement Authority, a public corporation

1 and instrumentality of the state authorized to be organized
2 under the provisions of this act.

3 (8) BOARD OF DIRECTORS. The board of directors of
4 the Authority.

5 (9) BONDS. Those bonds, including refunding bonds
6 issued to refund outstanding obligations of the Authority,
7 that in this act are authorized to be sold and issued by the
8 Authority.

9 (10) CORPORATION. The Authority.

10 (11) COSTS. As applied to any Road and Bridge
11 Rehabilitation and Improvement Project, all costs of
12 construction or acquisition of any part thereof, including,
13 but without limitation to, the costs of supervising,
14 inspecting and constructing any such project and all costs and
15 expenses incidental thereto, the costs of locating, surveying
16 and mapping, resurfacing, restoration and rehabilitation,
17 acquisition of rights-of-way, and improvements which directly
18 facilitate and control traffic flow, including grade
19 separation of intersections, widening of lanes, channelization
20 of traffic, and traffic-control systems.

21 (12) LEGISLATURE. The Legislature of Alabama.

22 (13) NET PLEDGED TAX PROCEEDS. The entire proceeds
23 from the Pledged Taxes less the cost of collection and less
24 any refunds thereof.

25 (14) OBLIGATIONS. Any bonds, temporary bonds or
26 notes authorized to be issued by the Authority.

1 (15) PLEDGED TAXES. (a) The excise taxes levied
2 under subdivisions (1), (2) and (3) of subsection (b) of
3 Section 40-17-325, as amended hereby, with the exception of
4 those portions of those taxes levied on aviation fuel and
5 marine gasoline, and (b) the additional annual registration
6 fees imposed pursuant to Section 40-12-275, as herein
7 provided.

8 (16) ROAD AND BRIDGE REHABILITATION AND IMPROVEMENT
9 PROJECTS. Projects for the rehabilitation, repair,
10 improvement, construction or replacement of roads and bridges
11 in the state, the costs of which may be paid through the
12 issuance of Bonds by the Authority or with Net Pledged Tax
13 Proceeds as provided in this act.

14 (17) REFUNDING BONDS. Bonds issued to refund or
15 prepay outstanding bonds and other obligations of the
16 Authority.

17 (18) STATE. The State of Alabama.

18 Section 3. (a) (1) The Legislature finds that it is
19 necessary, desirable, and in the public interest to authorize
20 the creation of a public corporation to issue bonds or other
21 obligations for the purpose of providing funds to pay the
22 costs of road and bridge rehabilitation and improvement
23 projects in the State. The authority to be created as provided
24 in this section shall be authorized to pledge the proceeds of
25 the additional excise taxes imposed on gasoline and diesel
26 fuel pursuant to Section 40-17-325(b), Code of Alabama 1975,
27 as amended, and of the additional registration fees imposed

1 pursuant to Section 40-12-275, Code of Alabama 1975, as
2 amended (such taxes and fees collectively referred to herein
3 as the "Pledged Taxes"), for the payment of its bonds and
4 other obligations, such proceeds to be pledged and applied as
5 herein provided and as provided for in Section
6 40-17-325(b)(5)(i) and (ii), Code of Alabama 1975, as amended,
7 as the sole source of payment for such bonds and other debt
8 obligations, and to the extent not needed for such purpose,
9 otherwise to be used as provided for Road and Bridge
10 Rehabilitation and Improvement Projects as provided for in
11 this act.

12 (2) a. To become a public corporation and
13 instrumentality of the State of Alabama, the State Treasurer,
14 the State Finance Director, the Director of the Alabama
15 Department of Transportation, a currently-serving Alabama
16 county commissioner to be appointed by the Speaker of the
17 House of Representatives, and a currently-serving mayor of an
18 Alabama city or town to be appointed by the President Pro
19 Tempore of the Senate, shall, prior to July 1, 2017, present
20 to the Secretary of State of Alabama an application setting
21 forth all of the following:

22 1. The name, official designation, and official
23 residence of each applicant with, for elected applicants, a
24 certified copy of the commission evidencing such applicant's
25 right to office, and, for appointed applicants, a certified
26 copy of the document or instrument of appointment of such
27 applicant.

1 2. The name of the proposed public corporation which
2 shall be the Alabama Road and Bridge Rehabilitation and
3 Improvement Authority.

4 3. The location of the principal office of the
5 proposed public corporation, which shall be in the City of
6 Montgomery, Alabama.

7 4. Any other matter the applicants may choose to
8 include that is not inconsistent with this act or the other
9 laws of the State of Alabama.

10 b. The application shall be subscribed and sworn to
11 by each of the applicants before an officer authorized by the
12 laws of the State of Alabama to take acknowledgements to
13 deeds. If the Secretary of State shall find such application
14 substantially complies with this section, the Secretary shall
15 record the same in an appropriate book of records in the
16 office thereof, whereupon the applicants shall constitute a
17 public corporation and instrumentality of the State of Alabama
18 under the name stated in the application, and the Secretary of
19 State of Alabama shall issue a certificate of incorporation
20 under the Great Seal of the State of Alabama and shall record
21 such certificate with the application.

22 (3) The authority and the directors, employees,
23 members, and officers of the authority are immune from suit to
24 the same extent as the State of Alabama and the agencies,
25 instrumentalities, officers, and employees thereof, subject to
26 Section 36-1-12, Code of Alabama 1975.

1 (4) a. The applicants named in the application shall
2 constitute the initial members of the authority and the
3 initial board of directors of the authority. The respective
4 successors in office of the State Treasurer, the State Finance
5 Director and the Director of the Alabama Department of
6 Transportation, by virtue thereof, shall serve as ex officio
7 members of the Authority and directors of the Authority. The
8 appointed members and directors of the Authority shall each
9 serve for four-year terms expiring on the later of June 30
10 four years after the appointment thereof or until a successor
11 is appointed by the President Pro-Tempore of the Senate or
12 Speaker of the House, as appropriate, pursuant to the same
13 appointment method provided for in subdivision (2). Any
14 vacancy in a directorship held by an appointed director shall
15 be filled in the same manner within 60 days of such vacancy
16 for the unexpired term applicable to such vacancy. Each
17 appointed director shall reside within the State of Alabama
18 and may be reappointed for successive terms. No director shall
19 draw any salary or other compensation for any service rendered
20 or duty performed as a director. An appointed director may be
21 removed from office as a director by the official appointing
22 such director for any of the causes specified in Section 173,
23 or any successor provision, of the Constitution of Alabama of
24 1901, as amended.

25 b. The authority shall be governed by its board of
26 directors and all powers of the authority shall be exercised
27 by the board of directors or pursuant to its authorization.

1 The directors shall elect a president, vice-president and
2 secretary of the Authority, each of which officers shall be a
3 member and director of the authority, for such terms as the
4 directors shall establish. A majority of the directors shall
5 constitute a quorum for the transaction of business. All
6 proceedings and minutes of meetings of the board of directors
7 shall be reduced to writing, signed by the president or
8 vice-president of the Authority and a majority of directors
9 present at such proceedings and meetings, and recorded in the
10 office of the Secretary of State of Alabama. Such proceedings
11 and minutes, when certified by the secretary of the authority,
12 shall be received in all courts as prima facie evidence of the
13 matters therein certified.

14 (5) The Authority shall have all rights, authority
15 and powers granted thereto in this act and all rights,
16 authority and powers granted by the laws of the State of
17 Alabama to public and private corporations that are not in
18 conflict with the public purposes of this act, including,
19 without limitation, the authority and power:

20 a. To have succession by its corporate name until
21 dissolved as provided in this act.

22 b. To institute and defend legal actions, provided
23 the authority, and the directors, agents, employees and
24 members thereof, acting on behalf of the Authority, may not be
25 sued in any nisi prius court other than the courts of the
26 county in which is located the principal office of the
27 authority.

1 c. To adopt bylaws and regulations consistent with
2 this act and to adopt and use a corporate seal.

3 d. To sell and issue its bonds and other obligations
4 to finance payment of the Costs of ATRIP-II Projects and
5 payment of the Costs of ALDOT Projects, payable from the
6 sources, and on the terms, as provided in this act, and to
7 sell and issue refunding bonds as provided in this act.

8 e. To pledge the Net Tax Pledged Proceeds to be made
9 available and appropriated to the Authority as the sole source
10 of payment of, and security for, the Bonds and other
11 obligations of the Authority.

12 f. To provide for and obtain credit ratings for
13 Bonds and other obligations of the Authority as well as credit
14 enhancement and supplemental security therefor, including
15 insurance policies, guaranties, letters of credit, surety
16 bonds and similar instruments.

17 g. To enter into and perform such agreements,
18 contracts, indentures, instruments, mortgages, and security
19 agreements, as shall be necessary or desirable to provide for
20 the issuance and security of Bonds of the Authority, to
21 exercise any authority or power of the Authority, or to carry
22 out any public purpose of the Authority.

23 h. To acquire, by devise, gift, lease, purchase, or
24 otherwise, hold, and convey, with or without consideration, to
25 the State of Alabama and to any political subdivision, public
26 body, or public corporation in the State of Alabama, tangible
27 and intangible property of any description.

1 i. To appoint, contract with, employ, and provide
2 for the compensation, without competitive bid, of such
3 accountants, attorneys, architects, consultants, engineers,
4 financial advisors, investment bankers, trustees, and
5 underwriters as the authority determines to be necessary or
6 desirable for the business of the authority.

7 j. To provide for such insurance as the directors
8 determine to be necessary or desirable.

9 (6) The income and property (including the purchase
10 or use thereof) of the authority, all bonds of the authority
11 and the interest paid on such bonds, all conveyances by or to
12 the authority, and all agreements and instruments to which the
13 authority is a party, are exempt from all taxation in the
14 State of Alabama. The authority shall be exempt from all
15 license and excise taxes imposed in respect of the privilege
16 of engaging in any activity and exempt from the payment of all
17 fees, taxes or costs in the recordation of any document in a
18 county or with the Secretary of State of Alabama.

19 (7) The Authority shall be a nonprofit public
20 corporation, and no part of its net earnings remaining after
21 payment of the expenses thereof shall inure to the benefit of
22 any individual, firm, or corporation.

23 (8) At any time when no bonds or other obligations
24 of the Authority are outstanding, the Authority may be
25 dissolved upon the filing with the Secretary of State of
26 Alabama of an application for dissolution, which shall be
27 executed by each of the directors of the authority and sworn

1 to by each director before an officer authorized by the laws
2 of the State of Alabama to take acknowledgements to deeds.
3 Upon the filing of the application the authority shall cease
4 to exist. The Secretary of State shall record in the office
5 thereof the application for dissolution together with a
6 certificate, under the Great Seal of the State, that the
7 authority is dissolved. Upon dissolution of the Authority as
8 provided in this act, title to all property held in the name
9 of the authority shall be vested in the State of Alabama.

10 (9) This act is intended to aid the State of Alabama
11 through the furtherance of the purposes of this act by
12 providing an appropriate and independent public corporation
13 and instrumentality with full authority and power to effect
14 the purposes of this act as provided for herein. Therefore, no
15 approval, consent, hearing, proceeding, or notice shall be
16 required by or of any officer, agency, board, corporation or
17 department of the State of Alabama for the incorporation or
18 dissolution of the authority, for the exercise of any
19 authority or power of the authority, for the issuance of bonds
20 by the authority as provided in this act, or for the delivery
21 of any agreement by the authority.

22 (b) It is the intention of the Legislature that the
23 board of directors of the Authority, once the Authority is
24 incorporated, shall move promptly to sell and issue its bonds
25 or other obligations in accordance with this act, in such
26 series and aggregate principal amounts as the Authority shall
27 deem prudent and appropriate based on prevailing interest

1 rates and economic conditions, so as to provide as soon as
2 practicable sufficient funds to pay those Costs for the
3 financing of which the Authority is to be established,
4 especially the Costs of county and municipal road and bridge
5 rehabilitation and improvement projects reviewed by the
6 ATRIP-II Committee and certified to the Authority.

7 (c) There is hereby appropriated to the Authority,
8 in each fiscal year of the State, the Net Pledged Tax
9 Proceeds, i.e., the proceeds of the Pledged Taxes after
10 payment of costs of collection and refunds, in such amounts
11 and at such times as shall be sufficient to provide for the
12 punctual payment in full of all principal of, premium, if any,
13 and interest on all bonds and other obligations of the
14 Authority at the time outstanding (i) which shall have become
15 due and payable, and which shall not have theretofore been
16 paid in a prior fiscal year, and (ii) which shall become due
17 and payable in such fiscal year, provided that, if the said
18 net proceeds so appropriated shall be insufficient to pay in
19 full such principal, premium and interest in any fiscal year,
20 nothing in this act shall give rise to any obligation of the
21 Authority or of the State of Alabama to provide any funds or
22 moneys to make payments of debt service otherwise than from
23 proceeds of the Pledged Taxes.

24 (d) The Legislature covenants and agrees, on behalf
25 of the State, with the owners of all bonds and other
26 obligations of the Authority at any time outstanding, to
27 continue to provide for the imposition, levy and collection of

1 the Pledged Taxes until all principal of, premium, if any, and
2 interest on all such bonds and obligations shall have been
3 paid in full in accordance with the terms thereof and of the
4 proceedings pursuant to which such bonds and other obligations
5 were issued.

6 (e) The maturity of any bond or other obligation
7 issued by the Authority shall be limited to a maximum of
8 twenty years from the dated date thereof.

9 Section 4. (a) Bonds of the Authority shall:

10 1. Be solely and exclusively limited obligations of
11 the Authority payable solely from and secured by a pledge of
12 the amounts of the Net Pledged Tax Proceeds allocated and
13 appropriated to the Authority, and shall never constitute or
14 give rise to a general obligation of the Authority or an
15 indebtedness, obligation, pecuniary liability, or charge
16 against the general credit or taxing powers of the State of
17 Alabama or any political subdivision thereof or therein.

18 2. Be construed to be negotiable instruments,
19 although payable solely from a specified source.

20 3. Be signed by the president or vice-president of
21 the Authority and attested by the secretary under the seal of
22 the Authority affixed thereto, provided that facsimiles of the
23 signatures of such officers may be reproduced on such bonds in
24 lieu of manual signatures.

25 4. Be issued from time to time or at any time as the
26 Authority shall determine, in an aggregate principal amount
27 not exceeding, not including Refunding Bonds, two billion four

1 hundred million dollars (\$2,400,000,000), one-half thereof for
2 payment of Costs of ATRIP-II Projects and expenses of issuance
3 of the Bonds and the other half for payment of Costs of ALDOT
4 Projects and expenses of issuance of the Bonds, in such
5 series, forms and denominations, of such maturities as shall
6 not exceed 20 years from the dated date of each thereof,
7 bearing such fixed or variable rates of interest, being
8 subject to redemption, and containing such other terms and
9 provisions as shall be approved by the board of directors of
10 the authority.

11 5. Be sold at public or private negotiated sale.

12 6. Be a legal investment for all governmental
13 entities, political subdivisions and public corporations in
14 the State of Alabama, and administrators, executors,
15 guardians, persons, or organizations acting in a fiduciary
16 capacity unless otherwise directed by a court of competent
17 jurisdiction.

18 (b) The Authority shall be empowered:

19 (1) To receive those proceeds of the Pledged Taxes
20 appropriated to the Authority for the purpose of payment of
21 bonds and other obligations of the Authority, to pledge and
22 apply such funds to payments of bonds and other obligations
23 issued by the Authority in the manner provided in this act,
24 and to cause the net proceeds from the sale of the bonds and
25 other obligations of the authority to be used as herein
26 provided.

1 (2) To execute and deliver mortgages, security
2 agreements and trust indentures, and other forms of agreements
3 for the purpose of securing the Authority's bonds and other
4 obligations and in connection therewith, to mortgage, pledge,
5 and assign the appropriated funds from the Pledged Taxes
6 solely as permitted in this act.

7 (3) As security for the payment of the Authority's
8 bonds, to pledge those proceeds of the Pledged Taxes
9 appropriated to the Authority. The principal of and interest
10 on any bonds or other obligations issued by the Authority may
11 be secured by a trust indenture evidencing the pledge made
12 therefor. The resolutions of the Board of Directors of the
13 Authority or any trust indentures under which the Authority's
14 bonds or other obligations are authorized to be issued may
15 contain any agreements or provisions respecting the rights,
16 duties, and remedies of the parties to any such instrument and
17 the parties for the benefit for whom such instrument is made
18 and the rights and remedies available in the event of default
19 that the Authority shall deem advisable and which are not in
20 conflict with this act or the Constitution and other laws of
21 the State.

22 (c) The Authority shall be authorized to sell and
23 issue its Refunding Bonds for the purpose of refunding,
24 redeeming, paying and retiring any matured or unmatured bonds
25 or other obligations of the Authority then outstanding, which
26 Refunding Bonds may be issued at such times, and in such
27 series, forms denominations and aggregate principal amounts as

1 the Authority shall determine, the proceeds of which remaining
2 after paying the expenses of their issuance shall be used only
3 for such purposes set forth above in this subsection (c) and
4 to pay any premium that may be necessary to be paid in order
5 to redeem, pay or retire the bonds or other obligations of the
6 Authority to be refunded.

7 Section 5. For the benefit of the State of Alabama
8 and the citizens thereof, there is hereby created a special
9 fund in the State Treasury entitled the "ATRIP-II Projects
10 Special Fund" which shall be held by the State Treasurer, as
11 custodian therefor, and applied solely as provided in this
12 act. There shall be deposited in the ATRIP-II Projects Special
13 Fund, when and as received, one-half of all net proceeds of
14 the additional excise taxes and fees imposed pursuant to
15 Section 40-17-325(b) and Section 40-12-275, Code of Alabama
16 1975, as amended, and allocated as provided in Section
17 40-17-325(b) (5) (ii). No other funds from any source shall be
18 deposited in, or credited to, the ATRIP-II Projects Special
19 Fund. All amounts on deposit in, or credited to, the ATRIP-II
20 Projects Special Fund shall be invested as permitted for funds
21 of the State of Alabama, and all earnings, income and profits
22 therefrom shall be held in the ATRIP-II Projects Special Fund
23 and applied solely for the purposes thereof as provided in
24 this act. The State Treasurer, as custodian of the ATRIP-II
25 Projects Special Fund, shall apply, and there are hereby
26 annually appropriated, the amounts on deposit in the ATRIP-II

1 Projects Special Fund solely for the following purposes and in
2 the following order:

3 (1) First, transfer to or as directed by the
4 Authority in each fiscal year such amounts at such times as
5 shall be sufficient, with other funds available to the
6 Authority therefor, to provide for the due and punctual
7 payment in full of all principal of, premium, if any, and
8 interest on all bonds and other obligations of the Authority
9 at any time outstanding (i) which shall have become due and
10 payable and which shall not have theretofore been paid, in a
11 prior fiscal year, and (ii) which shall become due and payable
12 in such fiscal year.

13 (2) Second, to pay the annual costs, if any, of
14 administering the ATRIP-II Projects Special Fund.

15 (3) Thereafter, all remaining moneys in the ATRIP-II
16 Projects Special Fund shall be further distributed as provided
17 in subsection (a) of Section 15 of this act and expended only
18 as provided in that section. Thus, when all bonds and other
19 obligations of the authority shall have been paid in full in
20 accordance with the terms thereof and of the documents under
21 which those bonds and other obligations were issued, all
22 moneys remaining each year in the ATRIP-II Projects Special
23 Fund shall be applied and distributed as provided in
24 subsection (a) of Section 15 of this act.

25 Section 6. (a) Any moneys, including proceeds of the
26 Authority's Bonds, allocated to counties and municipalities
27 pursuant to this act shall be in addition to and shall not

1 diminish any other revenues allocated or distributed from any
2 other source.

3 (b) (1) The net proceeds of bonds and other
4 obligations, other than refunding bonds, issued by the
5 Authority, being the proceeds realized upon sale of such bonds
6 after payment therefrom of all expenses, ratings fees, credit
7 enhancement fees, and similar costs of issuance thereof, shall
8 be deposited in the State Treasury and disbursed as provided
9 in the proceedings under which such bonds or obligations shall
10 have been issued and as provided in this act. The State
11 Treasurer shall establish a separate fund for each county in
12 this state and deposit in each such fund the portion of the
13 net proceeds of such bonds allocated to each such county as
14 provided in this act. Each county shall obtain such proceeds
15 of bonds and other obligations of the Authority only in
16 accordance with this act and the proceedings under which such
17 bonds or obligations shall have been issued and shall apply
18 and use such proceeds only for the purposes and as provided in
19 this act.

20 (2) The Authority shall sell and issue its bonds and
21 other obligations at such times and in such aggregate
22 principal amounts so as to ensure that, when all of the bonds
23 herein authorized to be issued pursuant to Section 4(a) of
24 this act, other than refunding bonds, for the purpose of
25 paying the costs of county and municipal road and bridge
26 improvement and rehabilitation projects have been issued,

1 a. the net proceeds thereof shall have been
2 allocated for distribution as follows: 45.45 percent thereof
3 allocated for distribution for payment of the costs of road
4 and bridge improvement and rehabilitation projects equally
5 among the 67 counties of the state and the remaining 54.55
6 percent thereof allocated for distribution for payment of the
7 costs of road and bridge improvement and rehabilitation
8 projects among the 67 counties of the state on the basis of
9 the ratio of the population of each county to the total
10 population of the state according to the 2010 federal
11 decennial census, and

12 b. twenty percent (20%) of the aggregate net
13 proceeds of the Authority's aforesaid bonds allocated for
14 distribution to each county as hereinabove provided shall have
15 been allocated for distribution among the municipalities in
16 the county on the basis of the ratio of the population within
17 the county of each municipality to the total population within
18 the county of all municipalities in the applicable county
19 according to the 2010 federal decennial census.

20 Section 7. Notwithstanding any other law or
21 provision of this act to the contrary, no county or
22 municipality receiving any proceeds of bonds or other
23 obligations issued by the Authority under this act payable
24 from the Pledged Taxes shall have any obligation, direct,
25 indirect, or contingent, for the repayment of any of such
26 proceeds so received, or for payment of any interest thereon,

1 to the Authority or the State of Alabama or any agency,
2 department or instrumentality thereof.

3 Section 8. Section 40-17-325, Code of Alabama 1975,
4 is amended to read as follows:

5 "§40-17-325.

6 "(a) Subject to the exemptions provided for in this
7 article, ~~the~~ tax is imposed on net gallons of motor fuel in
8 accordance with the provisions of Section 40-17-326 at the
9 following rates:

10 "(1) Eighteen cents (\$.18) per gallon on gasoline,
11 which is comprised of a seven cents (\$.07) excise tax, a
12 supplemental five cents (\$.05) excise tax, and an additional
13 six cent (\$.06) excise tax.

14 "(2) Nineteen cents (\$.19) per gallon on diesel
15 fuel, comprised of a thirteen cents (\$.13) excise tax and an
16 additional six cents (\$.06) excise tax.

17 "(3) Nine and one-half cents per gallon (\$.095) on
18 aviation gasoline and three and one-half cents per gallon
19 (\$.035) on aviation jet fuel when the aviation fuel is sold to
20 a licensed aviation fuel purchaser. Aviation gasoline is to be
21 taxed as gasoline and aviation jet fuel is to be taxed as
22 diesel fuel when not sold to a licensed aviation fuel
23 purchaser.

24 "(b) (1) Effective September 1, 2017, and
25 thereafter, an additional four cents (\$0.04) per gallon excise
26 tax shall be imposed on gasoline and diesel fuel not exempt
27 from the tax levied by subsection (a) of this section in

1 accordance with the provisions of Section 40-17-326, the
2 proceeds of which additional tax, less the cost of collection
3 thereof and less any refunds pursuant to the provisions of
4 this article, shall be allocated and distributed as set forth
5 in paragraph (5) of this subsection (b).

6 "(2) Effective September 1, 2019, and thereafter, a
7 further additional two cents (\$0.02) per gallon excise tax
8 shall be imposed on gasoline and diesel fuel not exempt from
9 the tax levied by subsection (a) of this section in accordance
10 with the provisions of Section 40-17-326, the proceeds of
11 which additional tax, less the cost of collection thereof and
12 less any refunds pursuant to the provisions of this article,
13 shall be allocated and distributed as set forth in paragraph
14 (5) of this subsection (b).

15 "(3) Effective September 1, 2024, and thereafter,
16 subject to the provisions of paragraph (4) of this subsection
17 (b), a further additional three cents (\$0.03) per gallon
18 excise tax shall be imposed on gasoline and diesel fuel not
19 exempt from the tax levied by subsection (a) of this section
20 in accordance with the provisions of Section 40-17-326, the
21 proceeds of which additional tax, less the cost of collection
22 thereof and less any refunds pursuant to the provisions of
23 this article, shall be allocated and distributed as set forth
24 in paragraph (5) of this subsection (b).

25 "(4) The additional excise tax to be imposed
26 pursuant to paragraph (3) of this subsection (b) shall, any
27 provision hereof to the contrary notwithstanding, be imposed

1 unless, during the Regular Session of the Legislature
2 immediately preceding September 1, 2024, the House of
3 Representatives and Senate of Alabama shall, not later than
4 the conclusion of the tenth legislative day of said Regular
5 Session, adopt and approve a joint resolution finding that
6 revenues from the additional taxes then being imposed pursuant
7 to paragraphs (1) and (2) of this subsection (b) are expected
8 to be sufficient to pay the debt service then anticipated to
9 be coming due and payable in the future on bonds or other
10 obligations of the Alabama Road and Bridge Rehabilitation and
11 Improvement Authority authorized to be created under the act
12 of the Legislature pursuant to which this section shall have
13 been amended during the 2017 Regular Session of the
14 Legislature of Alabama theretofore issued or expected to be
15 thereafter issued to pay the costs of road and bridge
16 improvements for which bonds and other obligations of said
17 Authority may be issued.

18 "(5) (i) One-half of the net proceeds from the
19 additional excise taxes imposed pursuant to this subsection
20 (b) of this section, after costs of collection and refunds,
21 shall be deposited in the State Treasury and used for the
22 payment of debt service on bonds and other debt obligations
23 issued by the Alabama Road and Bridge Rehabilitation and
24 Improvement Authority authorized to be created under the act
25 of the Legislature pursuant to which this section shall have
26 been amended during the 2017 Regular Session of the
27 Legislature of Alabama, and, to the extent not needed for the

1 payment of such debt service, to retire bonds and other
2 obligations of the said Authority as the Board of Directors
3 thereof may in its discretion determine to be appropriate and,
4 to the extent not so used, to pay the costs of county and
5 municipal road and bridge rehabilitation and improvement
6 projects in the State in such manner as shall be provided for
7 in the aforesaid 2017 act of the Legislature.

8 "(ii) The remaining one-half of the net proceeds
9 from the said additional excise taxes, after costs of
10 collection and refunds, shall be deposited in the State
11 Treasury and used for the payment of debt service on bonds and
12 other debt obligations issued by the aforesaid Authority, and,
13 to the extent not needed for the payment of such debt service,
14 to retire bonds and other obligations of the said Authority as
15 the Board of Directors thereof may in its discretion determine
16 to be appropriate and, to the extent no so used, to pay the
17 costs of road and bridge rehabilitation and improvement
18 projects in this state as recommended by the Alabama
19 Department of Transportation in such manner as shall be
20 provided for in the aforesaid 2017 act of the Legislature.

21 "(c) The motor fuel subject to the excise taxes
22 ~~levied~~ imposed by this section shall not be subject to any
23 other excise tax imposed or levied by the state.

24 "However, the payment of taxes imposed ~~levied~~ by
25 this section shall not exempt sellers or importers of motor
26 fuel, as described in Section 40-17-174, from the license fees
27 payable pursuant thereto."

1 Section 9. Section 40-12-275 is added to the Code of
2 Alabama 1975, to read as follows:

3 "§40-12-275.

4 "(a) (1) Effective January 1, 2018, in addition to
5 any other license tax or registration fee levied or imposed
6 pursuant to Chapter 6 of Title 32 or pursuant to this chapter,
7 or otherwise, in respect of motor vehicles operated upon any
8 city street or other public highway of or in this state, there
9 shall be imposed an additional annual registration fee of one
10 hundred dollars (\$100) for each private passenger alternative
11 fuel vehicle and an additional annual registration fee of one
12 hundred fifty dollars (\$150) for each commercial alternative
13 fuel vehicle. The additional annual registration fee imposed
14 by this section for each commercial alternative fuel vehicle
15 registered pursuant to Section 32-6-56 shall be prorated on an
16 apportionment or allocation basis as provided for in Section
17 32-6-56 pursuant to rules and regulations of the Department of
18 Revenue. Any other provisions hereof to the contrary
19 notwithstanding, the additional annual registration fee
20 imposed by this section shall not be imposed with respect to
21 Alternative Fuel Vehicles or Commercial Alternative Fuel
22 Vehicles that are propelled and operated solely through the
23 combustion of natural gas, provided that the excise taxes on
24 compressed natural gas and liquefied natural gas imposed
25 pursuant to Section 40-17-168.2(a) shall then be imposed at a
26 rate or rates aggregating respectively not less than the

1 excise taxes on gasoline and diesel fuel provided for in
2 Section 40-17-325(a) and (b).

3 "(2) The additional registration fees imposed
4 pursuant hereto shall be collected pursuant to the applicable
5 provisions of this chapter and deposited in the State Treasury
6 and allocated and used in the same manner for the same
7 purposes and at the same times as proceeds of the excise taxes
8 imposed by subsection (b) of Section 40-17-325 are required to
9 be allocated and used pursuant to Section 40-17-325(b) (5).

10 "(b) For the purposes of this section, the following
11 terms shall have the following respective meanings:

12 "(1) ALTERNATIVE FUEL VEHICLE. A motor vehicle that
13 is propelled and operates solely through the combustion of
14 natural gas or solely utilizing any energy source other than
15 gasoline or diesel fuel, which includes, but is not limited
16 to, a battery-powered electric vehicle or solar-powered
17 vehicle. The term does not include any motor vehicle that is
18 not registered for operation on public roads or highways in
19 the State.

20 "(2) COMMERCIAL ALTERNATIVE FUEL VEHICLE. A
21 commercial motor vehicle as defined in Section 32-6-49.3, that
22 is propelled and operates utilizing one of the methods
23 described in subdivision (1) above.

24 "(3) PASSENGER ALTERNATIVE FUEL VEHICLE. A private
25 passenger automobile as defined in Section 40-12-240(18), that
26 is propelled and operates utilizing one of the methods
27 described in subdivision (1) above."

1 Section 10. (a) In order to assist in the carrying
2 out of the purposes of this act and provide for the repair,
3 maintenance, improvement, replacement, and construction of
4 county and municipal roads and bridges infrastructure under
5 the procedures and requirements set forth herein, the ATRIP
6 Committee created pursuant to Section 6 of Act No. 2016-150
7 enacted at the 2016 Regular Session of the Legislature
8 (appearing as Section 23-1-435, Code of Alabama 1975), is
9 hereby permanently established, any provision of said Act No.
10 2016-150 to the contrary notwithstanding. The ATRIP Committee
11 is hereby charged with reviewing ATRIP-II Projects for funding
12 through the issuance of bonds and other debt obligations
13 issued by the Authority, applications to the ATRIP Committee
14 for review of which are made by counties and municipalities in
15 the State pursuant to procedures developed and adopted by the
16 ATRIP Committee and that meet the criteria for funding as set
17 forth in Section 11(a)(1)-(6) or Section 12(a)(1)-(4) of this
18 act. ATRIP-II Projects, applications for the review of which
19 are made to the ATRIP Committee and that fall within the
20 aforesaid criteria, shall be certified to the Authority from
21 time to time by the Chair of the ATRIP Committee, and
22 thereafter the costs of such certified ATRIP-II projects shall
23 be eligible for financing through the issuance by the
24 Authority of its bonds or other obligations allocated by the
25 Authority for such ATRIP-II projects as authorized hereby.

26 (b) (1) Reports and studies of the Alabama
27 Transportation Institute (the "ATI"), so long as ATI shall be

1 funded in whole or in part with state funds, shall be provided
2 to the ATRIP Committee and the Alabama Department of
3 Transportation, which may from time to time request of the
4 said Institute such additional reports and studies as the
5 ATRIP Committee or the Alabama Department of Transportation
6 may deem appropriate to assist the Committee in carrying out
7 its responsibilities under this act. Such reports and
8 studies, as well as those to be provided pursuant to
9 subparagraphs (2) and (3) of this subsection (b), shall be
10 reviewed by the members of the ATRIP Committee, and any
11 recommendations contained therein considered for
12 implementation and for the purpose of assisting the ATRIP
13 Committee in carrying out its duties as provided herein and in
14 Section 23-1-435, Code of Alabama 1975.

15 (2) Additionally, commencing not later than on the
16 second Wednesday of November in 2017 and annually not later
17 than on the second Wednesday of November of each year
18 thereafter, ATI shall provide the Governor, the Legislature,
19 the ATRIP Committee, the Alabama Department of Transportation,
20 and the public (via posting on a public website) the following
21 reports:

22 (i) A summary of key indicators related to the
23 condition and performance of the state's transportation
24 system, with indicators including but not limited to:

25 (A) A list of the 25 most significant roadway
26 sections or groups of sections in the State based on the
27 following roadway attributes and divided by rural and urban:

1 safety; infrastructure condition (roadway and bridges); delays
2 and congestion; travel time reliability; and freight movement.

3 (B) For each roadway section or group of sections
4 listed above there shall also be provided a listing of the
5 solution strategies that may then be used to address the
6 relevant problems, and a quantification (where possible) or
7 description of elements with respect thereto such as: impact
8 on economic and industrial activity and development;
9 financial, operations, policy or technology; strategy
10 innovation elements; and local government investment in
11 projects.

12 (ii) A summary of the following: Emerging trends and
13 opportunities related to transportation systems in the state;
14 significant initiatives in other neighboring states in the
15 Southeast that could impact demands on Alabama's
16 transportation system or approaches; and key transportation
17 infrastructure revenue trends at the national level and in
18 neighboring states.

19 (iii) An assessment of the state's then current
20 transportation funding needs, actual revenues and expenditures
21 in the State for bridges and highways, and policy options that
22 can be considered in order to achieve desirable goals for the
23 state's road and bridge system, its condition and performance.

24 (3) In addition to the annual reports referenced
25 above, not later than February 1, 2018, and not later than
26 February 1 of every fifth year thereafter, ATI shall submit to
27 the Governor, the Legislature, the Alabama Department of

1 Transportation, the ATRIP Committee, and to the public (via
2 public website) a status assessment report regarding Alabama's
3 transportation system generally, addressing urban mobility and
4 rural connectivity problems, infrastructure quality measures,
5 highway and traffic safety, anticipated future funding for
6 roads and bridges and other transportation infrastructure, and
7 estimated benefits, monetary and otherwise, anticipated to be
8 derived from new and additional transportation system
9 investments in Alabama.

10 Section 11. (a) Not more than one billion two
11 hundred million dollars (\$1,200,000,000) of the proceeds of
12 the aggregate principal amount of Bonds that the Authority is
13 hereby authorized in this act to sell and issue shall be
14 utilized for the purpose of paying costs of ATRIP-II Projects
15 certified to the Authority as provided in Section 10 of this
16 act and to pay the costs of issuance of said Bonds. Net
17 proceeds of the sale by the Authority of its bonds and other
18 obligations of the Authority authorized hereby and issued to
19 pay the costs of county ATRIP-II Projects shall be deposited,
20 once allocated for distribution, into separate funds in the
21 State Treasury to be maintained for the respective benefit of
22 each distributee county and disbursed therefrom only in
23 accordance with procedures therefor adopted by the Board of
24 Directors of the Authority, and pursuant to the proceedings
25 under which such bonds and obligations are issued, and shall
26 be utilized to for any or all of the following purposes:

1 (1) To replace or repair county bridges which meet
2 all of the following criteria:

3 a. Are posted for traffic below the maximum legal
4 weight limit.

5 b. Have a sufficiency rating of 50 or less on the
6 then current ALDOT bridge inventory.

7 c. Have an average daily traffic count of 200 or
8 more vehicles.

9 (2) To repair or improve any major collectors that
10 are not scheduled as a federal project within two years of the
11 effective date of this act and have not been resurfaced or
12 otherwise significantly rehabilitated since 2000.

13 (3) To repair or improve any other county-maintained
14 roads with an average daily traffic count of 200 or above and
15 a grade, if graded by the Alabama Department of
16 Transportation, of 75 or below and, after such repairs or
17 improvements are made, to repair and improve other
18 county-maintained roads.

19 (4) To provide matching funds for federal road or
20 bridge projects in the county; provided, however, that no more
21 than 20 percent of such proceeds allocated to a county shall
22 be used for matching purposes.

23 (5) With the consent of the municipalities located
24 in the county, to provide funds for the maintenance,
25 improvement, or replacement of municipally-maintained roads
26 and bridges.

1 (6) To provide funds for joint road or bridge
2 projects with one or more municipalities in the county
3 pursuant to any agreement executed under the authority of
4 state law.

5 (b) Any county ATRIP-II Project utilizing proceeds
6 of bonds and other obligations of the Authority for road or
7 bridge maintenance, improvement, replacement, or construction,
8 on roads or bridges shall be designed in a manner consistent
9 with the standards for low volume roads as established in the
10 County Road Design Policy for Low Volume Roads as recommended
11 by the Association of County Commissions of Alabama and
12 adopted by the Alabama Department of Transportation.

13 (c) Counties may not utilize any allocated proceeds
14 of bonds and other obligations of the Authority for any of the
15 following purposes except in accordance with generally
16 accepted accounting principles for job cost accounting or
17 federal cost allocation regulations:

18 (1) Salaries, benefits, or any other form of
19 compensation for county or contract employees or for county or
20 municipal officials.

21 (2) The purchase, lease, or maintenance of
22 equipment.

23 (3) The maintenance or construction of public
24 buildings or other structures that are not roads or bridges.

25 (d) All proceeds of bonds and other obligations of
26 the Authority allocated and distributed to or for the benefit
27 of counties pursuant to this act shall be audited by the

1 Examiners of Public Accounts in the same manner as all other
2 county funds.

3 Section 12. (a) Net proceeds of the sale by the
4 Authority of its bonds and other obligations authorized hereby
5 and issued to pay the costs of municipal ATRIP-II Projects
6 shall be deposited, once allocated for distribution, into
7 separate funds in the State Treasury to be maintained for the
8 respective benefit of each distributee municipality and
9 disbursed therefrom only in accordance with procedures
10 therefor adopted by the Board of Directors of the Authority,
11 and pursuant to the proceedings under which such bonds and
12 obligations are issued, and shall be utilized for any or all
13 of the for any or all of the following purposes:

14 (1) The maintenance, improvement, replacement, and
15 construction of roads and bridges within a municipality's
16 jurisdictional limits.

17 (2) As matching funds for federal road or bridge
18 projects; provided, however, that no more than 20 percent of
19 such proceeds allocated to a municipality may be used for
20 matching purposes.

21 (3) With the consent of the county in which the
22 municipality is located, for the maintenance, improvement, or
23 replacement of county-maintained roads and bridges within the
24 municipality's jurisdictional limits.

25 (4) For a joint road or bridge project with the
26 county in which the municipality is located pursuant to any
27 agreement executed under the authority of state law.

1 (b) Municipalities may not utilize any allocated
2 proceeds of bonds and other obligations of the Authority for
3 any of the following purposes except in accordance with
4 generally accepted accounting principles for job cost
5 accounting or federal cost allocation regulations:

6 (1) Salaries, benefits, or any other form of
7 compensation for municipal or contract employees or for
8 municipal or county officials.

9 (2) The purchase, lease, or maintenance of
10 equipment.

11 (3) The maintenance or construction of public
12 buildings or other structures that are not roads or bridges.

13 (c) All proceeds of bonds and other obligations of
14 the Authority allocated and distributed to or for the benefit
15 of municipalities pursuant to this act shall be audited by the
16 Examiners of Public Accounts in the same manner as all other
17 municipal funds.

18 (d) Any municipal project utilizing bond proceeds
19 for road or bridge maintenance, improvement, replacement, or
20 construction of roads or bridges shall be designed in a manner
21 consistent with the standards adopted by the Alabama
22 Department of Transportation.

23 Section 13. (a) All ATRIP-II Projects shall be let
24 to contract by each county or municipality, as the case may
25 be, utilizing contractors and material suppliers listed on the
26 Alabama Department of Transportation's list of approved
27 contractors and suppliers rather than be performed by county

1 or municipal forces and shall be subject to the reporting
2 requirements contained in Section 23-1-433 and Section
3 23-1-434 respectively. Each county and municipality shall
4 provide on October 1 of every other year, beginning on October
5 1, 2018, a list of all contractors who have been awarded
6 projects under this section to the Senate President Pro
7 Tempore and the Speaker of the House.

8 (b) The Department of Transportation's list of
9 approved contractors and material suppliers shall include the
10 Department's Certified Disadvantaged Business Enterprise List.
11 Each county and municipality shall provide a list of all
12 contractors who have been awarded projects under this section
13 to the Senate President Pro Tempore and the Speaker of the
14 House of Representatives every other year, beginning on
15 October 1, 2018.

16 (c) All contracts awarded under this section shall
17 be bid in accordance with the provisions of Title 39, Code of
18 Alabama 1975, except as provided in this section. Provisions
19 of Chapter 2, Title 39, Code of Alabama 1975 notwithstanding,
20 bids for projects funded with proceeds of bonds or other
21 obligations of the Authority may only be opened at 10:00 a.m.
22 central time on the second Wednesday of each month. For all
23 county ATRIP-II Projects, the appropriate plans and bid
24 opening date shall be published in electronic form no later
25 than the tenth day of the month preceding the bid opening on a
26 website maintained for that purpose by the Association of
27 County Commissions of Alabama. Notwithstanding any provision

1 of law to the contrary, no bidding shall be required by the
2 county for asphalt or other road construction or repair
3 materials if the county has an annual contract for providing
4 such materials in effect on the effective date of this act.
5 Any such materials shall be bid for any project let for
6 contract on or after the expiration of asphalt or road
7 construction or repair materials contract in place on the
8 effective date of this act. For all municipal ATRIP-II
9 Projects, the appropriate plans and bid opening date shall be
10 published in electronic form no later than the tenth day of
11 the month preceding the bid opening on a website maintained
12 for that purpose by the Alabama League of Municipalities. Bids
13 for county and municipal contracts awarded under this section
14 shall only be awarded in accordance with Section 39-2-6, Code
15 of Alabama 1975, during a regularly-scheduled meeting of the
16 governmental body of the county or city, as the case may be.
17 Immediately after the completion of each project, the
18 publication notifications required by Section 39-1-1(f), Code
19 of Alabama 1975, shall be satisfied by posting on the same
20 website utilized for the posting of specifications and notice
21 of bid openings.

22 (d) The State Treasurer shall disburse or pay
23 moneys from the proceeds derived from the sale of bonds and
24 other obligations of the Authority and on deposit in each of
25 the special funds maintained in the State Treasury for the
26 benefit of each distributee county and municipality only
27 against vouchers or other evidence satisfactory to the State

1 Treasurer submitted by such distributee counties and
2 municipalities for satisfaction of amounts currently due and
3 payable under contracts awarded under this section to carry
4 out ATRIP-II Projects with respect to which the Authority has
5 allocated proceeds of its bonds or other obligations. The
6 Authority may provide by resolution of its Board of Directors
7 for the time, form, manner and methods pursuant to which such
8 submissions may be made by counties or municipalities and
9 disbursements or payments responsive thereto shall be made by
10 the State Treasurer.

11 Section 14. (a) Effective September 1, 2017, and
12 until such time as any and all bonds or other obligations of
13 the Authority have been paid in full pursuant to the terms
14 thereof, one-half of the net proceeds from the Pledged Taxes
15 deposited in the State Treasury shall be transferred into a
16 special fund in the State Treasury entitled the "Department of
17 Transportation Road and Bridge Rehabilitation and Improvement
18 Program Fund", (the "ALDOT Projects Special Fund") and applied
19 solely as provided in this act.

20 (b) The State Treasurer, as custodian of the ALDOT
21 Projects Special Fund, shall apply, and there are hereby
22 appropriated, the amounts on deposit in the ALDOT Projects
23 Special Fund solely for the following purposes and in the
24 following order:

25 (1) First, transfer to or as directed by the
26 Authority in each fiscal year such amounts at such times as
27 shall be sufficient, with other funds available to the

1 Authority therefor, to provide for the due and punctual
2 payment in full of all principal of, premium, if any, ad
3 interest on all bonds and other obligations of the Authority
4 at any time outstanding (i) which shall have become due and
5 payable and which shall not have theretofore been paid, in a
6 prior fiscal year, and (ii) which shall become due and payable
7 in such fiscal year.

8 (2) Second, to pay the annual costs, if any, of
9 administering the ALDOT Projects Special Fund.

10 (3) Thereafter, all remaining moneys in the ALDOT
11 Projects Special Fund shall be further distributed as provided
12 in subsection (b) of Section 15 of this act and expended only
13 as provided in that section. Thus, when all bonds and other
14 obligations of the authority shall have been paid in full in
15 accordance with the terms thereof and of the documents under
16 which those bonds and other obligations were issued, all
17 moneys remaining each year in the ALDOT Projects Special Fund
18 shall be applied and distributed as provided in subsection (b)
19 of Section 15 of this act.

20 (c) Not more than one billion two hundred million
21 dollars (\$1,200,000,000) of the proceeds of the aggregate
22 principal amount of bonds authorized in this act to be issued
23 by the Authority shall be utilized to pay the costs of ALDOT
24 Projects submitted to the Authority by the Department of
25 Transportation as provided for in and in accordance with this
26 section and to pay the expenses of issuance of said Bonds. Net
27 proceeds of such bonds or obligations may also be used as

1 matching funds for any federal projects approved for the State
2 pursuant to such federally-created infrastructure program
3 relating to roads, bridges and highways, as may be established
4 after the effective date of this act pursuant to a
5 presidential executive order, act of Congress, or other
6 legally-approved federal action.

7 (d) The proceeds of bonds and other obligations of
8 the Authority and other funds made available to the Department
9 of Transportation pursuant to this section shall not be
10 utilized for any of the following purposes except in
11 accordance with generally accepted accounting principles for
12 job cost accounting or federal cost allocation regulations:

13 (1) Salaries, benefits, or any other form of
14 compensation for state or contract employees.

15 (2) The purchase, lease, or maintenance of
16 equipment.

17 (3) The maintenance or construction of public
18 buildings or other structures that are not roads and bridges.

19 (e) No later than September 1, 2017, and no later
20 than September 1 of each year thereafter until all of the
21 bonds and other obligations authorized to be issued by the
22 Authority shall have been sold and issued, the director of the
23 Alabama Department of Transportation shall annually identify
24 the road and bridge infrastructure projects he shall recommend
25 be conducted or undertaken by the said Department and funded
26 in whole or in part with moneys available from proceeds of
27 bonds or other obligations of the Authority pursuant to this

1 section, and shall submit the recommended list of projects to
2 the Authority for consideration and allocation of proceeds of
3 the Authority's bonds and other obligations. The director of
4 the Department in making such recommendations shall consider
5 and give priority to the following infrastructure needs:
6 safety, congestion, economic and industrial impact,
7 educational impact, connectivity, innovation, local government
8 investment in projects, and public-private partnerships.

9 Section 15. To the extent in each fiscal year of the
10 State the net proceeds from the additional excise taxes on
11 gasoline and diesel fuel imposed pursuant to Section
12 40-17-325(b), Code of Alabama 1975, and the additional license
13 fees imposed pursuant to Section 40-12-275, Code of Alabama
14 1975, and allocated pursuant to Section 40-17-325(b)(5)(i) are
15 not needed for payment of debt service on bonds or other
16 obligations of the Authority and are not otherwise restricted
17 as to use by Section 5 of the act or by agreement of the
18 Authority with the holders of said bonds or other obligations,
19 or if all such bonds and obligations, including refunding
20 bonds, have been retired or are deemed paid in full pursuant
21 to the terms thereof,

22 (a) one-half of the net proceeds from the additional
23 excise taxes on gasoline and diesel fuel imposed pursuant to
24 Section 40-17-325(b), Code of Alabama 1975, and the additional
25 license fees imposed pursuant to Section 40-12-275, Code of
26 Alabama 1975, and allocated pursuant to Section
27 40-17-325(b)(5)(i), Code of Alabama 1975, shall be divided and

1 are hereby appropriated as follows: a total of 45.45 percent
2 of the proceeds shall be divided equally among the 67 counties
3 of the state and the remaining 54.55 percent of the proceeds
4 shall be allocated among the 67 counties of the state on the
5 basis of the ratio of the population of each county to the
6 total population of the state according to the then

7 immediately preceding federal decennial census, provided that

8 (i) thirty percent (30%) of the amount hereby
9 allocated and appropriated to each county shall be distributed
10 by the county commission among the municipalities in the
11 county on the basis of the ratio of the population in the
12 county of each municipality to the total population in the
13 county of all municipalities in the applicable county
14 according to the then immediately preceding federal decennial
15 census, and

16 (ii) following such time as the Authority shall have
17 issued all of the bonds and other obligations herein
18 authorized to be issued for county and municipal road and
19 bridge projects there shall be allocated and appropriated, on
20 a pro-rata basis to each of the 67 counties in the State that
21 shall not have theretofore had allocated to it pursuant to the
22 provisions of this act bond proceeds for Costs of ATRIP-II
23 Projects aggregating at least ten million dollars
24 (\$10,000,000) pursuant to Sections 10 and 11 of this act, such
25 additional amount of net proceeds of the additional excise
26 taxes on gasoline and diesel fuel imposed pursuant to Section
27 40-17-325(b), Code of Alabama 1975, and the additional license

1 fees imposed pursuant to Section 40-12-275, Code of Alabama
2 1975, as shall bring the county's final cumulative allocation
3 for ATRIP-II projects pursuant to this act to ten million
4 dollars (\$10,000,000).

5 The net tax proceeds so appropriated in this
6 subsection (a) shall be expended only for payment of costs of
7 road and bridge construction, rehabilitation and improvement
8 subject to the restrictions on use of proceeds of bonds and
9 other obligations of the Authority allocated to counties and
10 municipalities set out in Sections 11 and 12 of the act, and

11 (b) the remaining one-half of the net proceeds from
12 the additional excise taxes on gasoline and diesel fuel
13 imposed pursuant to Section 40-17-325(b) and the additional
14 license fees imposed pursuant to Section 40-12-275, Code of
15 Alabama 1975, and allocated pursuant to Section
16 40-17-325(b) (5) (ii), Code of Alabama 1975, shall be deposited
17 in the State Highway Fund and are hereby appropriated and
18 shall be expended annually for road and bridge construction,
19 improvement, rehabilitation, repair and related infrastructure
20 projects in the state as determined by the director of the
21 Alabama Department of Transportation.

22 Section 16. This act shall become effective
23 immediately following its passage and approval by the
24 Governor, or its otherwise becoming law.