

WE DARE DEFEND OUR RIGHT TO TAXPAYER ACCOUNTABILITY

The People's Trust Act

House Bill 94, sponsored by Rep. Jay Love (R-Montgomery)

Last September, when Alabamians overwhelmingly approved the transfer of \$437 million from the Alabama Trust Fund to the General Fund budget, they did so, in part, because legislators from across the state promised that repaying this loan would be their first priority for the 2013 session. Unlike past politicians and legislative leaders, House Republicans keep their promises.

The People's Trust Act will come to the floor of the House of Representatives before any other general bill. The Act mandates the repayment of every penny borrowed from the Alabama Trust Fund by the end of FY2026. The payback structure will give the governor flexibility in making the Alabama Trust Fund whole, while containing benchmarks that ensure repayment by the deadline.

Summary:

- Amendment 856 to the Constitution of Alabama of 1901 was approved by 65% of the voters in an election on September 18, 2012. This Amendment provides for the total transfer of approximately \$437 million from the Alabama Trust Fund to the State General Fund. The transfer will take place over three fiscal years, with annual transfers of approximately \$145 million in Fiscal Years 2013, 2014, and 2015.
- This bill provides for a repayment structure that would have the entire amount repaid by September 30, 2026, or ten fiscal years after the transfers to the State General Fund ended under Amendment 856.
- Beginning in Fiscal Year 2014, and continuing until Fiscal Year 2026, the Legislature would be required to meet annual repayment benchmarks. For example:
 - By the end of Fiscal Year 2014, the Legislature will have had to have repaid at least \$5,000,000
 - The Legislature will have had to have repaid at least \$105,000,000 by the end of Fiscal Year 2019
 - \$330,000,000 will have to be repaid by the end of Fiscal Year 2024
 - And by the end of Fiscal Year 2026, the Legislature will have had to have repaid the entire amount borrowed, or \$437,390,829.

