

ALABAMA TRUST FUND

CHRONOLOGICAL ANALYSIS

Heritage Trust Fund Established-1982

Fob James - Governor

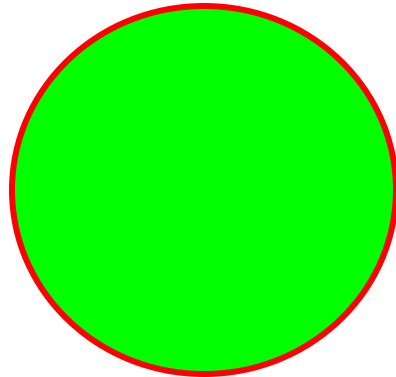
- 1981 - State receives \$449 million from oil & gas lease sale
- 1982 - \$449 million deposited into newly created Heritage Trust Fund
- Income used to finance a \$520 million bond issue for capital outlay projects

**HTF Income Includes:
+ dividends / interest**

Oil/Gas Capital Pmts

100%

**Heritage
Trust Fund**



Income

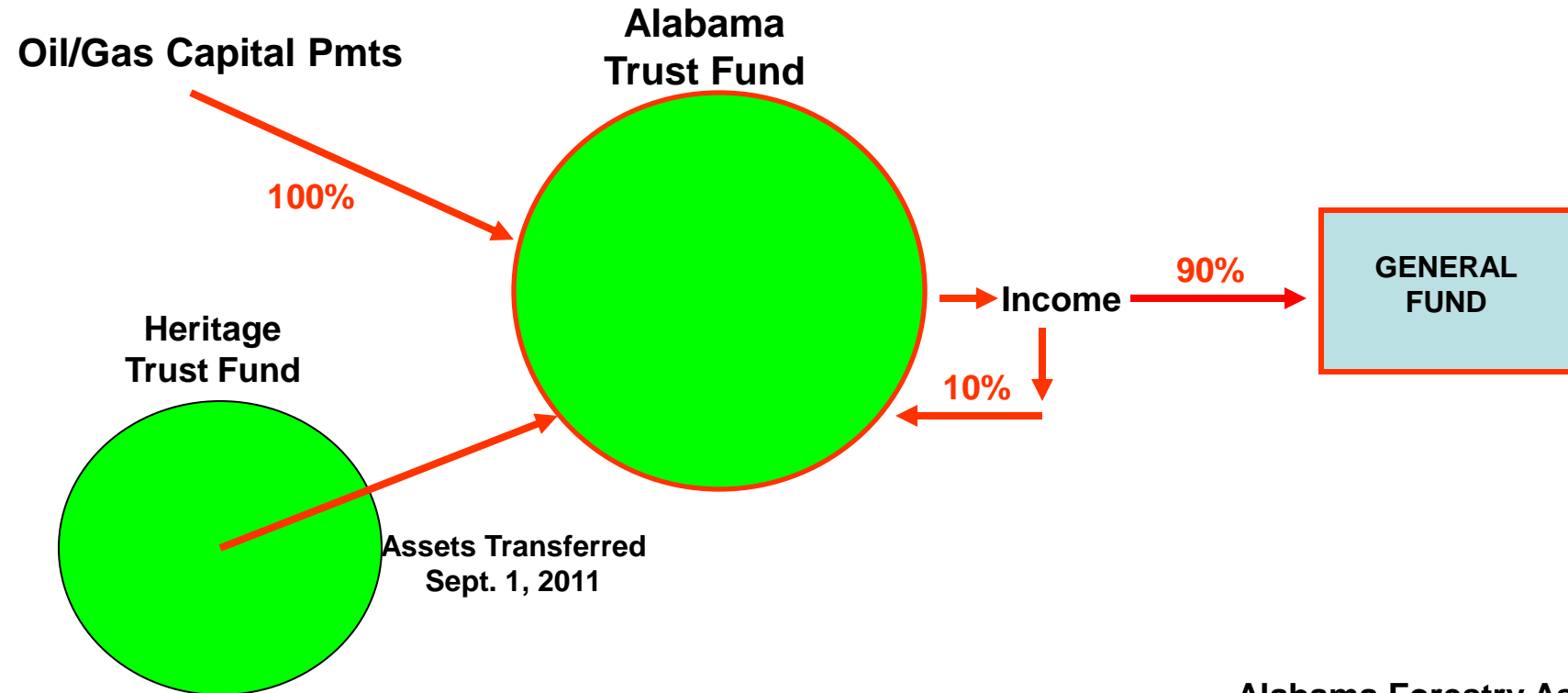
**Bond
Payments**

Amendment 450 – June 4, 1985

- Creates Alabama Trust Fund
- Oil & Gas Capital Payments deposited into fund (includes royalties)
- Transfer of Alabama Heritage Fund Assets on Sept. 1, 2001
- ATF income allocated: 90% to General Fund / 10% returned to ATF corpus

George Wallace - Governor

**ATF Income Includes:
+ dividends / interest**



Acts #1986-206 and #1986-234

George Wallace - Governor

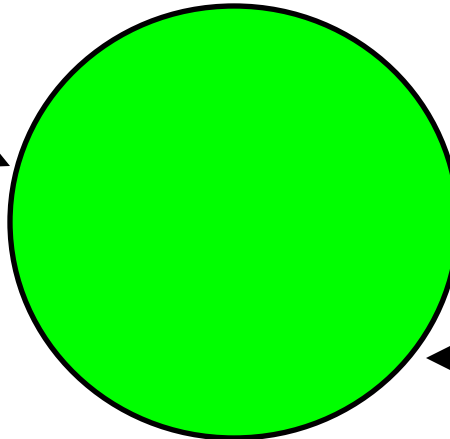
- Creates County Government Capital Improvement Fund and Municipal Government Capital Improvement Fund
- Allocates 10% of ATF Income to County Fund and 10% to Municipal Fund

**ATF Income Includes:
+ dividends / interest**

Oil/Gas Capital Pmts

100%

**Alabama
Trust Fund**



**GENERAL
FUND**

90%

10%

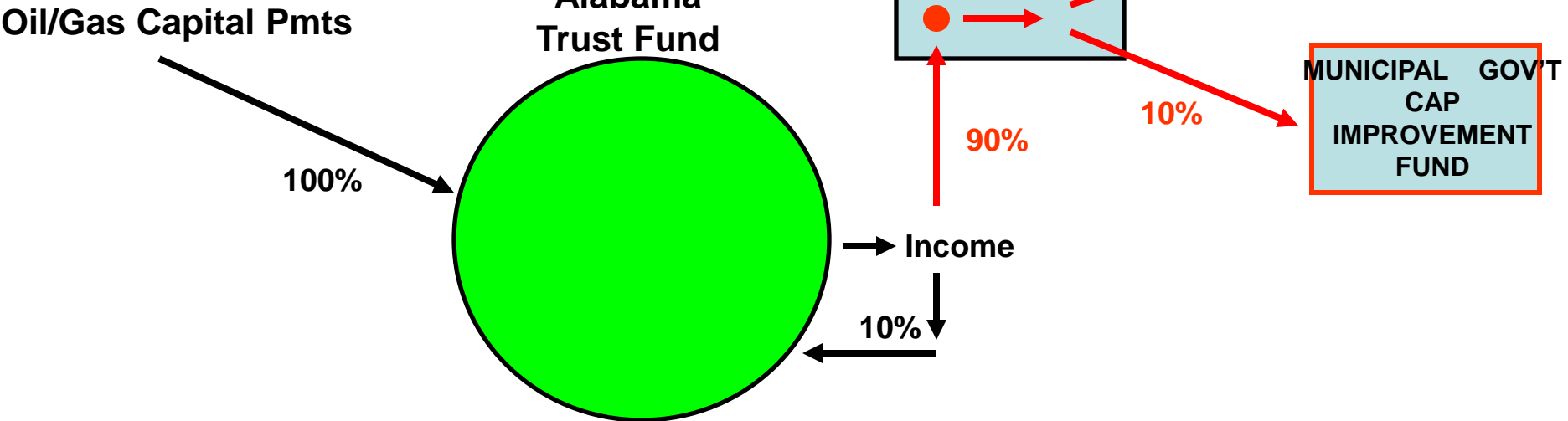
10%

**COUNTY GOV'T
CAP
IMPROVEMENT
FUND**

**MUNICIPAL GOV'T
CAP
IMPROVEMENT
FUND**

Income

10%

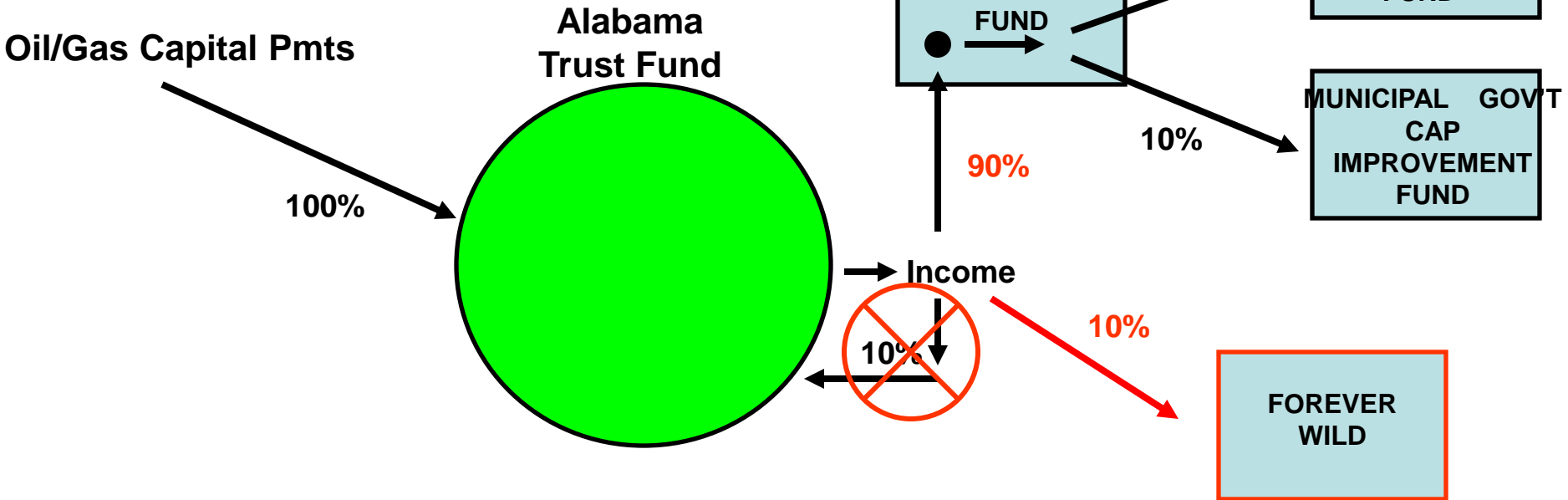


Amendment 543 - February 2, 1993

Guy Hunt - Governor

- Creates Forever Wild Land Trust
- 10% of ATF Income to Forever Wild for purchase of land
- Limited to \$15 million in any one year
- Eliminates 10% of ATF income that was returned to the corpus

**ATF Income Includes:
+ dividends / interest**

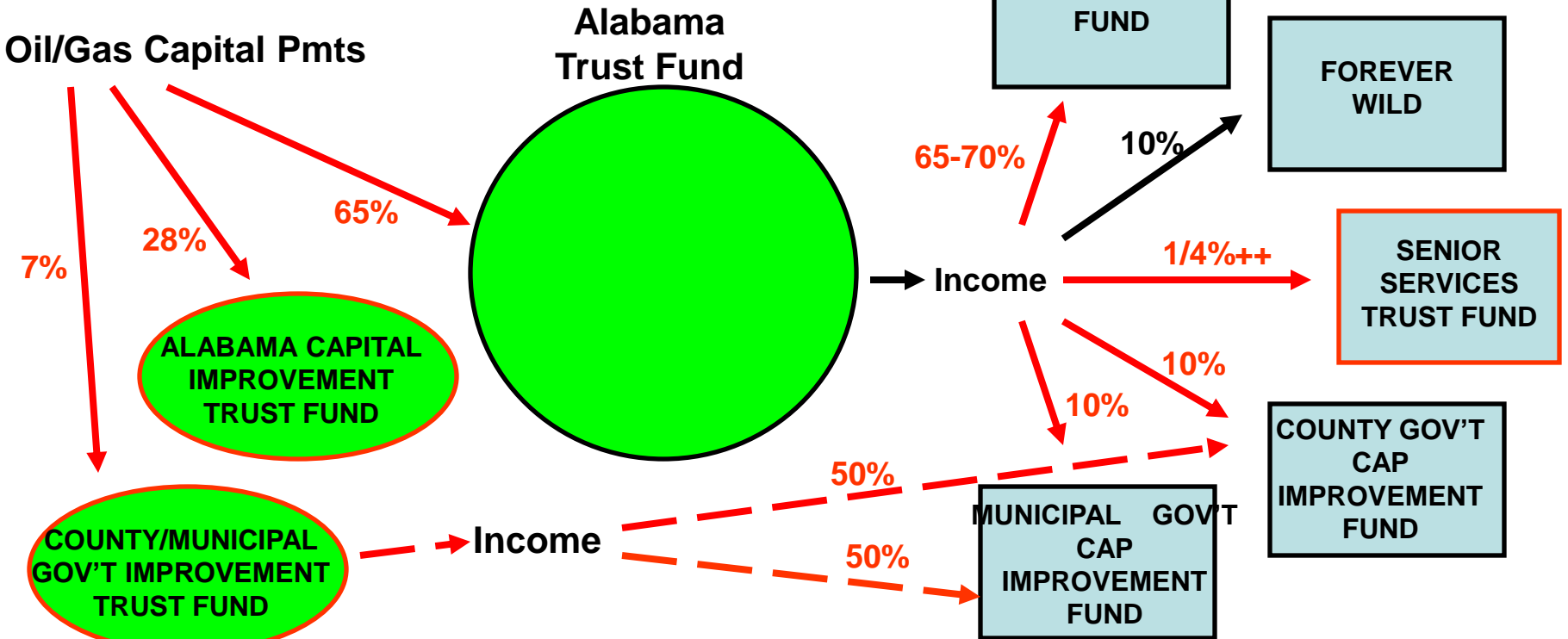


Amendment 666 - November 7, 2000

Don Siegelman - Governor

- Creates Alabama Capital Improvement Trust Fund (ACITF) / County & Municipal Government Capital Improvement Trust Fund (CMGCITF)
- Changes income distribution / Changes definition of income
- Re-directs Oil & Gas Capital Payments going into ATF
- Sets parameters for ACITF / Sets income distribution for CMGCITF
- Authorizes \$350 million bond issue

ATF Income Includes:
+ dividends / interest
+ 75% realized capital gains
+ 75% unrealized capital gains

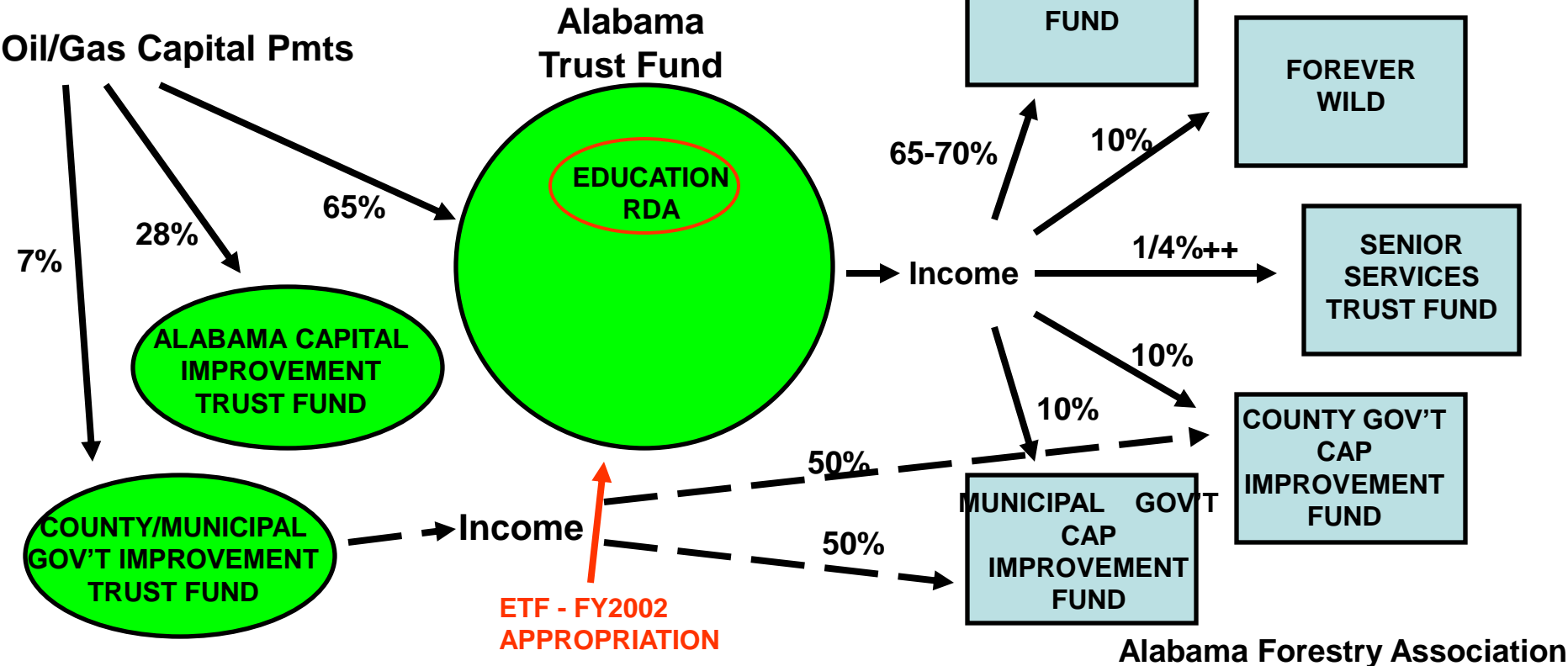


Amendment 709 - August 8, 2002

Don Siegelman - Governor

- Creates Education Trust Fund Rainy Day Account within Alabama Trust Fund (ERDA)
- Account funded initially with 6% of Education Trust Fund appropriations for FY2002
- ETF withdrawal triggers additional 25% to County / Municipal Government Capital Improvement Fund
- ETF withdrawals must be repaid in 5 years / County – Municipal withdrawals not paid back

ATF Income Includes:
 + dividends / interest
 + 75% realized capital gains
 + 75% unrealized capital gains

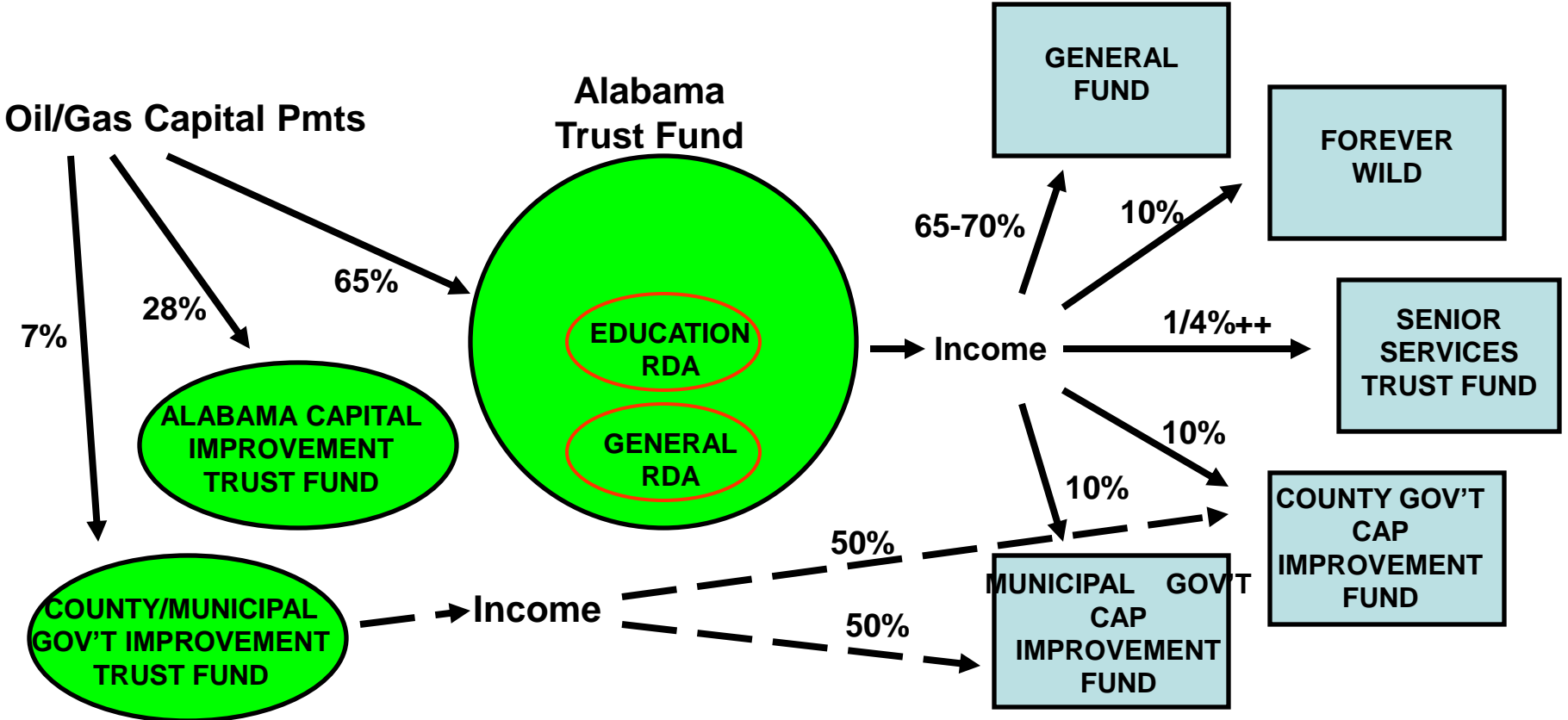


Amendment 803 - December 1, 2008

Bob Riley - Governor

- Repeals Amendment 709
- Sets up Education Trust Fund Rain Day Account (v 2)
- Sets up General Fund Rainy Day Account
- Withdrawals must be repaid-Education 6 yrs / General 10 yrs
- Withdrawals trigger additional 25% to County / Municipal Government Capital Improvement Fund

ATF Income Includes:
+ dividends / interest
+ 75% realized capital gains
+ 75% unrealized capital gains

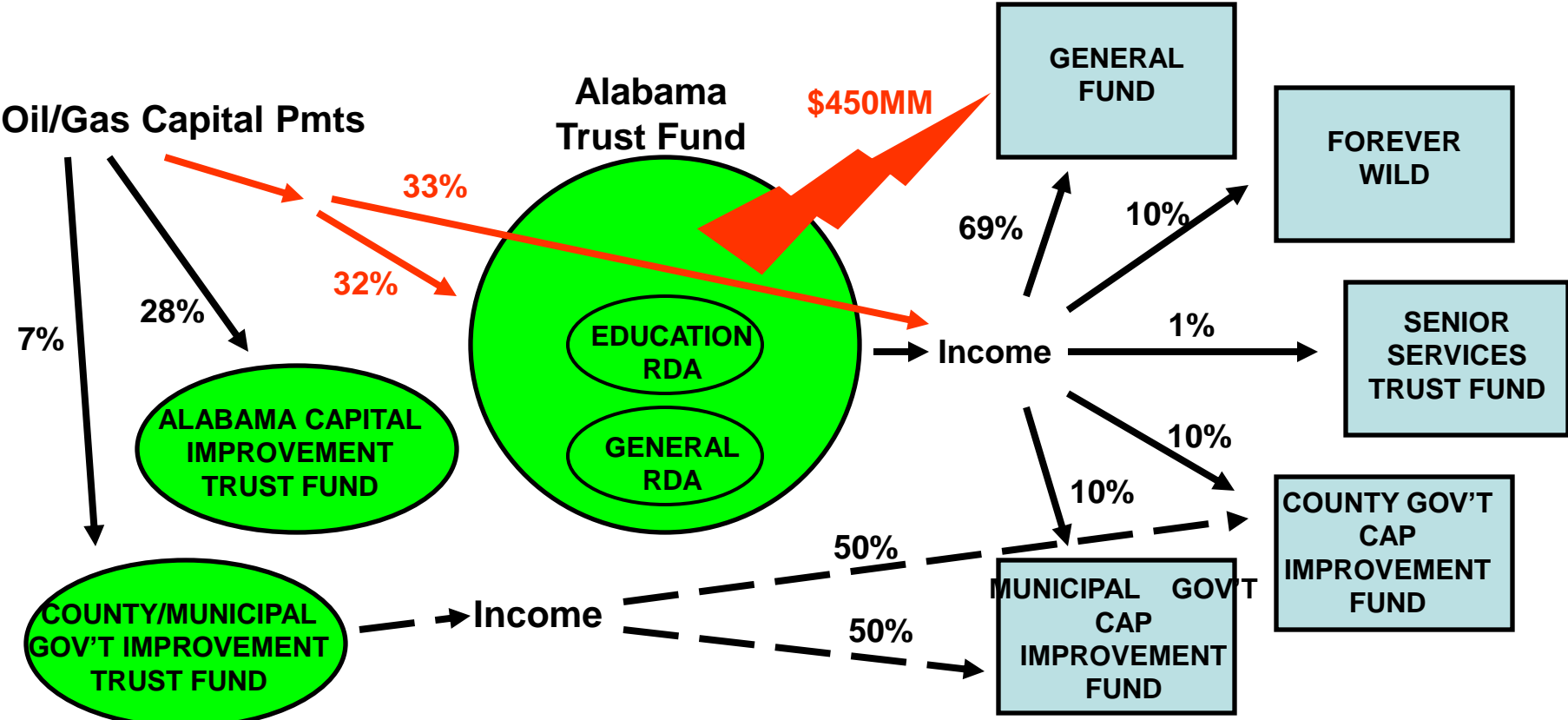


Proposed 2012 Amendment – SB147

Robert Bentley - Governor

- Removes \$145 million for next 3 years from ATF corpus – TOTAL REMOVED FROM CORPUS - \$450 MILLION
- Redirects 33% of Oil & Gas Capital Payments to be included in ATF income to be distributed
- Redefines Income to be 5% of the average market value of invested assets for prior three fiscal years

ATF Income Includes:
 + 33% of Oil/Gas Capital Pmts
 + 5% of average market value of invested assets



SEPTEMBER 18, 2012 – CA BALLOT LANGUAGE

“Proposing an amendment to the Constitution of Alabama of 1901, to provide adequate funding for the State General Fund budget, to prevent the mass release of prisoners from Alabama prisons, and to protect critical health services to Alabama children, elderly, and mothers by transferring funds from the Alabama Trust Fund to the State General Fund beginning with the state’s 2012-2013 fiscal year and concluding with the state’s 2014-2015 fiscal year; to provide a new procedure for distributions made from the Alabama Trust Fund beginning 2012-2013 fiscal year; to create a County and Municipal Government Capital Improvement Trust Fund advisory committee; and to provide further for distributions made from the County and Municipal Government Capital Improvement Trust Fund.”