

Proposed Resolution
Alabama Trust Fund Board of Trustees

Topic: Legislation Negatively Impacting Alabama Trust Fund

Whereas, the Alabama Trust Fund was created in 1985 by Amendment 450 to the Constitution of the State of Alabama as an irrevocable, permanent trust fund, “for the continuing benefit of the State of Alabama and the citizens thereof;” and,

Whereas, the Alabama Trust Fund is under the management and control of its Board of Trustees who are empowered to take such actions as necessary, “to accomplish any purpose for which the trust fund was created;” and,

Whereas, income earned on the principal assets of the Alabama Trust Fund is a critical source of monies paid into the State’s General Fund to support the essential services of the State, and other entities; and,

Whereas, studies of offshore Alabama waters natural gas reserves and resources conducted by the State Oil and Gas Board project an 8.34% annual decline rate of oil and gas capital payments into the Alabama Trust Fund until production is depleted in approximately 2026, effectively eliminating the source of funding for the Alabama Trust Fund; and,

Whereas, since 1986, eight amendments and acts have been passed by the Legislature to reduce the principal of the Alabama Trust Fund, to reduce the income earning potential of the Alabama Trust Fund, and to divert trust income from the State’s General Fund; and,

Whereas, proposed legislation withdrawing monies from the Alabama Trust Fund would cause further damage to the Alabama Trust Fund, and subsequently to the State’s General Fund, due to decreased income earnings in the current year and for every year thereafter in perpetuity; now therefore,

Be it resolved, that at the meeting of the Alabama Trust Fund Board of Trustees held on November 16, 2017, the present members unanimously expressed objection to any proposed legislation that negatively impacts the Alabama Trust Fund and disavows the original stated purpose of the Alabama Trust Fund; and,

Be it further resolved, that the Trustees request that this resolution be distributed to the members of the Alabama Legislature on or before January 9, 2018.