

HB90 INTRODUCED



1 HB90
2 HEMD388-1
3 By Representative Clarke
4 RFD: State Government
5 First Read: 04-Feb-25
6 PFD: 24-Jan-25



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SYNOPSIS:

Under existing law, a municipal housing authority has numerous powers.

This bill would further provide for a municipal housing authority's power to manage housing projects and community facilities, participate in lawful forms of business organizations, make loans, create subsidiaries or other lawful business organizations, and enter into contracts.

This bill would ratify the creation of any wholly-owned subsidiary of a municipal housing authority.

This bill would further provide for a municipal housing authority's power to evaluate and award contracts.

This bill would exempt public housing authorities from all taxes.

This bill would also make nonsubstantive, technical revisions to update the existing code language to current style.

A BILL
TO BE ENTITLED
AN ACT



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29
30 Relating to municipal housing authorities; to amend
31 Sections 24-1-22 and 24-1-27, Code of Alabama 1975; to further
32 provide for the powers of a municipal housing authority; to
33 exempt public housing authorities from all taxes; to ratify
34 certain previously created subsidiaries of municipal housing
35 authorities; and to make nonsubstantive, technical revisions
36 to update the existing code language to current style.

37 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

38 Section 1. Sections 24-1-22 and 24-1-27, Code of
39 Alabama 1975, are amended to read as follows:

40 "§24-1-22

41 ~~The following terms, wherever used or referred to in~~
42 For the purposes of this article, ~~shall have the following~~
43 ~~respective meanings, unless a different meaning clearly~~
44 ~~appears from the context~~ the following terms have the
45 following meanings:

46 (1) AUTHORITY or HOUSING AUTHORITY. A public body
47 organized as a body corporate and politic in accordance with
48 the provisions of this article for the purposes, with the
49 powers, and subject to the restrictions set forth in this
50 article.

51 ~~(2)~~ (3) CITY. Any ~~city or incorporated town~~ municipality
52 ~~in the State of Alabama~~ this state.

53 ~~(3)~~ (8) COUNCIL. The legislative body, council, board of
54 commissioners or other body charged with governing ~~the city a~~
55 municipality.

56 (4) CITY CLERK and MAYOR. The clerk, and the mayor or



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57 president of the board of commissioners, respectively, of the
58 city, or the officers ~~thereof~~ charged with the duties
59 customarily imposed on the clerk and mayor, respectively.

60 (5) COMMISSIONER. One of the members of an authority
61 appointed in accordance with the provisions of this article.

62 ~~(6)~~ (10) GOVERNMENT. Such term shall include the state
63 and federal governments and any subdivision, agency, or
64 instrumentality, corporate or otherwise, of either of them.

65 ~~(7)~~ (17) STATE. The State of Alabama.

66 ~~(8)~~ (9) FEDERAL GOVERNMENT. ~~Such term shall include~~
67 ~~the~~The United States of America, the ~~federal Secretary~~ United
68 States Department of Housing and Urban Development, or any
69 agency, instrumentality, corporate or otherwise, of the United
70 States of America.

71 ~~(9)~~ (11) HOUSING PROJECT. ~~Such term shall include all~~ All
72 real and personal property, buildings and improvements,
73 stores, offices, public school buildings, lands for farming
74 and gardening, and community facilities acquired or
75 constructed or to be acquired or constructed pursuant to a
76 single plan of undertaking to demolish, clear, remove, alter
77 or repair unsanitary or unsafe housing, or to provide dwelling
78 accommodations at rentals within the means of persons of low
79 income. ~~This~~ The term may also be applied to the planning of
80 the buildings and improvements ; the acquisition of property ;
81 the demolition of existing structures ; the construction,
82 reconstruction, alteration and repair of the improvements ; and
83 all other work in connection therewith.

84 ~~(10)~~ (6) COMMUNITY FACILITIES. ~~Such term shall include~~



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85 ~~real~~Real and personal property and buildings and equipment for
86 recreational or social assemblies~~;~~; for educational, health,
87 or welfare purposes~~;~~; and necessary utilities, when designed
88 primarily for the benefit and use of the occupants of the
89 dwelling accommodations.

90 ~~(11)~~(15) PERSONS OF LOW INCOME. ~~Persons~~Individuals
91 receiving less than the income determined by the authority as
92 the amount~~persons~~ individuals must receive to enable them to
93 pay the rent necessary to secure safe, sanitary, and
94 uncongested dwelling accommodations, other than dwelling
95 accommodations provided by the authority or any cities, within
96 the boundaries of the authority. Such determinations by the
97 authority~~from time to time~~ shall be binding and conclusive
98 for all purposes of this article.

99 ~~(12)~~(2) BONDS. Any bonds, interim certificates, notes,
100 debentures, warrants, or other obligations of the authority
101 issued pursuant to this article.

102 (13) MORTGAGES. ~~Such term shall include deeds~~Deeds of
103 trust, mortgages, building and loan contracts~~,~~, or other
104 instruments conveying real or personal property as security
105 for bonds and conferring a right to foreclose and cause a sale
106 thereof.

107 ~~(14)~~(18) TRUST INDENTURE. ~~Such term shall include~~
108 ~~instruments~~Instruments pledging the revenues of real or
109 personal properties but not conveying such properties
110 conferring a right to foreclose and cause a sale thereof.

111 ~~(15)~~(7) CONTRACT. Any agreement of an authority with or
112 for the benefit of an obligee whether contained in a



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113 resolution, trust indenture, mortgage, lease, bond, or other
114 instrument.

115 (16) REAL PROPERTY. ~~Such term shall include lands~~Lands,
116 lands under water, structures and any and all easements,
117 franchises and incorporeal hereditaments and every estate and
118 right therein, legal and equitable, including terms for years
119 and liens by way of judgment, mortgage, or otherwise.

120 ~~(17)~~(14) OBLIGEE OF THE AUTHORITY or OBLIGEE. ~~Such term~~
121 ~~shall include any~~Any bondholder, trustee or trustees for any
122 bondholders, any lessor demising property to the authority
123 used in connection with a housing project or any assignee or
124 assignees of such lessor's interest, or any part thereof, and
125 the United States of America, when it is a party to any
126 contract with the authority.

127 (12) MIXED-USE PROJECT. Any development project that
128 provides more than one use or purpose within a shared building
129 or development and which may include any combination of
130 housing, lodging, office, retail, medical, recreational,
131 commercial, governmental, industrial, or other components."

132 "§24-1-27

133 (a) An authority shall constitute a public body and a
134 body corporate and politic exercising public powers, ~~and~~
135 having all the powers necessary or convenient to carry out and
136 effectuate the purposes and provisions of this article,
137 including the following powers in addition to others granted
138 in this article:

139 (1) To investigate ~~into~~ living, dwelling ~~and~~, or
140 housing conditions and ~~into~~ the means and methods of improving



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141 ~~such~~the conditions.

142 (2) To determine where unsafe or unsanitary dwelling,
143 public school,, or housing conditions exist.

144 (3) To study and make recommendations concerning the
145 plan of any city located within its boundaries~~in relation~~
146 related to the problem of clearing, replanning, and
147 reconstruction of areas in which unsafe or unsanitary
148 dwelling, public school, or housing conditions exist~~, and;~~ the
149 provision of dwelling accommodations for persons of low
150 income~~,; and to cooperate~~ or cooperation with any city or
151 regional planning agency.

152 (4) To prepare, carry out,~~and~~ of operate housing
153 projects.

154 (5) To provide for the construction, reconstruction,
155 improvement, alteration, or repair of any housing project or
156 any part~~thereof~~ of a housing project.

157 (6) To take over by purchase, lease, or otherwise any
158 housing project undertaken by any government or by any city
159 located within its boundaries.

160 (7) To manage, as agent of any city located within its
161 boundaries, any housing project constructed or owned by~~such~~ a
162 city.

163 (8) To act as agent for the federal government in
164 connection with the acquisition, construction, operation, or
165 management of a housing project~~, or any part thereof~~ of a
166 housing project.

167 (9) To arrange with any city located within its
168 boundaries or with~~a~~ any other government for the furnishing,



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169 planning, replanning, opening~~r~~ or closing of streets, roads,
170 roadways, alleys, ~~or other~~ places, or facilities, or for the
171 acquisition by ~~such a~~ city~~r~~ or ~~a~~ other government~~r~~, of
172 property, options, or property rights, or for the furnishing
173 of property or services in connection with a project.

174 (10) To lease or rent any of the ~~dwelling or~~ dwellings,
175 other accommodations ~~or any of the~~, lands, buildings,
176 structures, or facilities embraced in any housing project or
177 community facility and to establish ~~and~~ or revise ~~the~~ rents or
178 charges ~~therefor~~.

179 (11) To enter ~~upon~~ any building or property in order to
180 conduct investigations or to make surveys or soundings.

181 (12) To purchase, lease, obtain options upon, acquire
182 by eminent domain, gift, grant, bequest, or devise~~r~~ ~~or~~
183 ~~otherwise~~, any property, real or personal, or any interest
184 ~~therein in~~ property from any ~~person, firm, corporation, city,~~
185 ~~or government~~ entity.

186 (13) To sell, exchange, transfer, assign, or pledge any
187 property, real or personal, or any interest ~~therein in~~
188 property to any ~~person, firm, corporation, city, or government~~
189 entity.

190 (14) To own, hold, clear, ~~and~~ or improve property.

191 (15) To pay over to the city in which the authority is
192 organized all or any part of the proceeds received from the
193 sale of any real or personal property; provided, however, that
194 an authority may pay over ~~such the~~ proceeds to the city in
195 which it is organized only in ~~such the~~ manner and to ~~such the~~
196 extent that ~~such the~~ payment will not violate the terms of any



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197 then existing contract to which the authority is a party; and,
198 provided further, that an authority shall have no power to ~~so~~
199 pay over any part of the proceeds derived from the sale of any
200 real or personal property acquired in connection with a
201 redevelopment project, ~~as that term is defined in Section~~
202 ~~24-1-4~~ pursuant to Chapter 2.

203 (16) To insure or provide for the insurance of the
204 property or operations of the authority against ~~such~~ risks as
205 the authority may deem advisable.

206 (17) To procure insurance or guarantees from the
207 federal government of the payment of any debts, or parts
208 ~~thereof~~ of debts, secured by mortgages made or held by the
209 authority on any property included in any housing project.

210 (18) To borrow money upon its bonds, notes, warrants,
211 debentures, or other evidences of indebtedness, and to secure
212 the same by pledges of its revenues, and, subject to the
213 limitations ~~hereinafter~~ imposed by this article, by mortgages
214 upon property held or to be held by it, or in any other
215 manner.

216 (19) In connection with any loan, to agree to
217 limitations upon its right to dispose of any housing project, ~~r~~
218 or part ~~thereof~~, of a housing project or to undertake
219 additional housing projects.

220 (20) In connection with any loan by a government, to
221 agree to limitations upon the exercise of any powers conferred
222 upon the authority by this article.

223 (21) To invest any funds held in reserves ~~or~~, sinking
224 funds, or any funds not required for immediate disbursement, ~~r~~



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225 in property or securities in which savings banks may legally
226 invest funds subject to their control.

227 (22) To sue and be sued.

228 (23) To have a seal and to alter the ~~same at pleasure~~
229 seal.

230 (24) To have perpetual succession.

231 (25) To make and execute contracts ~~and~~ or other
232 instruments necessary or convenient to the exercise of the
233 powers of the authority.

234 (26) To make ~~and from time to time,~~ amend ~~and,~~ or
235 repeal bylaws, rules, ~~and~~ or regulations, not inconsistent
236 with this article, to carry into effect the powers ~~and~~ or
237 purposes of the authority.

238 (27) To conduct examinations ~~and~~ or investigations ~~and,~~
239 to hear testimony ~~and,~~ or to take proof under oath, at public
240 or private hearings, on any matter material for its
241 information.

242 (28) To issue subpoenas requiring the attendance of
243 witnesses or the production of books ~~and~~ or papers ~~and,~~ or to
244 issue commissions for the examination of witnesses who are out
245 of the state or unable to attend before the authority or
246 excused from attendance.

247 (29) To make available to ~~such~~ any agencies, boards, or
248 commissions ~~as are~~ charged with the duty of abating nuisances
249 or demolishing unsafe or unsanitary structures within ~~its~~ the
250 authority's territorial limits, its findings and
251 recommendations with regard to any building or property where
252 conditions exist which are dangerous to the public health,



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253 morals, safety, or welfare.

254 (30) To operate, lease, convey, or otherwise manage any
255 housing project or community facility upon terms the authority
256 deems appropriate, useful, or expedient, regardless of who
257 owns or who will own or acquire the project or facility.

258 (31) To participate in any lawful form of business
259 organization that is involved in the development or
260 operational activities of any buildings, structures,
261 facilities, or other improvements constituting a housing
262 project, community facility, or mixed-use project which the
263 board of directors of the authority determines are
264 appropriate, useful, or expedient to the authority's purposes.
265 An authority may appoint an individual to a governing body or
266 to enter into a contract or other agreement with another party
267 for the development, operation, design, marketing,
268 maintenance, financing, leasing, or use of any housing
269 project, community facility, or mixed-use project upon terms
270 the authority's board of directors determines are appropriate,
271 useful, or expedient to the authority's purposes. Any
272 determination by the board of directors shall be conclusive.

273 (32) To make or arrange for loans, contributions to
274 capital, or other debt or equity financing for the activities
275 of any lawful business organization of which the authority is
276 a member; to guarantee loans, issue bonds, or incur other
277 forms of indebtedness on behalf of any lawful business
278 organization of which the authority is a member; or to loan
279 funds to other entities upon terms the authority determines
280 are appropriate, useful, or expedient for the authority's



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281 purposes. Any determination by the board of directors shall be
282 conclusive. Any agreements or contracts entered into by an
283 authority shall be subject to Section 24-1-40.

284 (33) To create, establish, acquire, operate, or support
285 for-profit or nonprofit subsidiaries or affiliates to assist
286 the authority in fulfilling its purposes.

287 (34) To create, establish, or support other
288 nonaffiliated lawful business organizations that further the
289 authority's purposes.

290 (35) To accomplish or facilitate the creation,
291 establishment, acquisition, development, operation, or support
292 of any subsidiary, affiliate, or other nonaffiliated lawful
293 business organization by means of loans of funds, leases of
294 real or personal property, gifts or grants of funds, or
295 guarantees of indebtedness or contractual performance of
296 subsidiaries, affiliates, or nonaffiliated public or private
297 parties.

298 (36) To enter contracts, agreements, or understandings
299 with any other party, including, but not limited to, any of
300 the following:

301 a. Design-build, design-build-operate,
302 design-build-own-operate, design-build-own-operate-maintain,
303 design-build-finance-operate-maintain, or other similar
304 arrangements or agreements pursuant to which the design,
305 right-of-way acquisition, relocation of structures or
306 utilities, construction, financing, ownership, management,
307 maintenance, or operation of a housing project or community
308 facility is accomplished by or on behalf of the authority.



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309 b. Leases, licenses, franchises, concessions, or other
310 agreements for the development, operation, management,
311 financing, or undertaking of all or any part of a housing
312 project or community facility of or on behalf of the
313 authority.

314 ~~(30)~~ (37) To do all things necessary or convenient to
315 carry out the powers given in this article.

316 (b) Any of the investigations or examinations provided
317 for in this article may be conducted by the authority, ~~or;~~ by
318 a committee appointed by ~~it,~~ the authority consisting of one
319 or more commissioners, ~~or;~~ by counsel, ~~;~~ or by an officer or
320 employee ~~especially~~ specifically authorized by the authority
321 ~~to conduct it~~. Any commissioner, counsel ~~for the authority,~~ or
322 ~~any other~~ person designated by ~~it~~ the authority to conduct an
323 investigation or examination shall have the power to
324 administer oaths, take affidavits, ~~and~~ or issue subpoenas or
325 commissions.

326 (c) (1) An authority may exercise ~~any or~~ all of the
327 powers conferred upon it in this article either generally, or
328 with respect to any specific housing project or ~~projects~~
329 community facility, through or by an agent or agents which it
330 may designate, including any ~~corporation or corporations~~
331 lawful form of business organization ~~which are that is~~ or ~~shall~~
332 may be formed under the laws of this state, and for such
333 purposes an authority may cause ~~one or more corporations~~ any
334 lawful form of business organization to be formed under the
335 laws of this state or may acquire ~~the capital stock of any~~
336 ~~corporation or corporations~~ equity interest in any lawful form



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337 of business organization.

338 (2) Any corporate agent, ~~all of the stock of which~~
339 ~~shall be~~ is solely owned by the authority or its nominee or
340 nominees, ~~may~~, to the extent permitted by law, may exercise
341 any of the powers conferred upon the authority in this
342 article.

343 (3) Any corporate agent established under this section
344 that satisfies each of the following criteria shall constitute
345 a governmental entity under Chapter 93 of Title 11, and any
346 suits in tort against the agent shall be subject to the
347 limitations and provisions of Chapter 93 of Title 11, as
348 applicable to each ~~such~~ corporate agent whose assets,
349 operations, and management are legally and effectively
350 controlled by the housing authority and through which the
351 housing authority's functions or policies are implemented:

352 a. The housing authority's board of commissioners
353 constitutes all of the board of directors of the corporate
354 agent.

355 b. The housing authority's executive director serves as
356 the president of the corporate agent.

357 c. The organizational documents of the corporate agent
358 contain provisions that in the event of a change in the
359 controlling interest of the corporate agent, all public
360 housing assets of the corporate agent are returned to the
361 housing authority.

362 d. The sole purpose for which the corporate agent is
363 formed and authorized is to develop, own, manage, operate, or
364 maintain the housing authority's real property that serves as



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365 dwelling accommodations for persons of low income or as a
366 community facility, including any real property the housing
367 authority transfers to the corporate agent for the
368 aforementioned purpose.

369 (d) In addition to all of the other powers conferred
370 upon it in this section, an authority may do all things
371 necessary and convenient to carry out the power expressly
372 given in this article. No provisions with respect to the
373 acquisition, operation, or disposition of property by other
374 public bodies shall be applicable to an authority, unless ~~the~~
375 ~~Legislature shall~~ specifically ~~so state~~ provided by law.

376 (e) Any previous creation, establishment,
377 incorporation, or formation by any authority of any business
378 entity wholly-owned by the authority, together with all
379 proceedings, acts, or other things undertaken, performed, or
380 done by the entity prior to June 1, 2025, are validated,
381 ratified, confirmed, approved, and declared legal in all
382 respects.

383 (f) Notwithstanding any provision of law to the
384 contrary, proposals under this section may be evaluated or
385 awarded by the authority based on the qualifications of
386 participants or the best value, or both, as evaluated by the
387 procedures of the authority and taking into consideration the
388 best interests of the authority. Evaluation criteria for a
389 contract procured pursuant to this subsection shall be set
390 forth in the contract's request for proposal. A contract may
391 also be awarded through any existing procurement authority,
392 proposal, or any other means of procurement available to the



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393 [authority.](#)"

394 Section 2. (a) For the purposes of this section, the
395 term "municipal housing authority" has the same meaning as in
396 Section 21-1-22, Code of Alabama 1975.

397 (b) All of the following shall be exempt from all
398 taxation in this state, including, but not limited to, deed
399 taxes, mortgage taxes, license taxes, or excise taxes:

400 (1) A municipal housing authority and the authority's
401 property and income.

402 (2) Bonds issued by the authority.

403 (3) Income from bonds issued by the authority.

404 (4) Conveyances to or from the authority.

405 (5) Leases, mortgages, or deeds of trust to or from the
406 authority shall be exempt from all taxation in this state.

407 (c) A municipal housing authority shall be exempt from
408 all fees, taxes, or other costs imposed by a judge of probate.

409 (d) The exemptions created pursuant to this section
410 shall apply to any wholly-owned subsidiary of a municipal
411 housing authority.

412 Section 3. This act shall become effective on June 1,
413 2025.