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3 SENATE GOVERNMENTAL AFFAIRS COMMITTEE SUBSTITUTE FOR SB79
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8 SYNOPSIS: Under existing law, the bonds of a county
9 housing authority may be sold at a public sale
10 after notice has been published in a newspaper
11 circulating in the county and in a financial
12 newspaper published in the City of New York, New
13 York, or in the City of New Orleans, Louisiana.

14 Under existing law, a county housing
15 authority is prohibited from entering into any
16 contract for the construction of any house or
17 building or purchase of materials for the
18 construction of any house or building costing more
19 than \$100 without three weeks' advertising for bids
20 and a public letting to the lowest responsible
21 bidder.

22 Under existing law, no bonds of any housing
23 authority may be issued or sold without prior
24 written consent of the Department of Finance.

25 This bill would authorize the electronic
26 posting of the notice of the sale of the bonds in

1 lieu of publishing in a financial newspaper
2 published in New York or New Orleans.

3 This bill would eliminate the requirement
4 for bids to be advertised for three weeks and
5 publicly let to the lowest responsible bidder.

6 This bill would also exclude municipal,
7 county, and regional housing authorities from the
8 requirement of obtaining prior written consent of
9 the Department of Finance to issue and sell bonds.

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11 A BILL
12 TO BE ENTITLED
13 AN ACT

14
15 Relating to county housing authorities, to amend
16 Sections 24-1-71, 24-1-83, and 41-4-16, Code of Alabama 1975,
17 to authorize the electronic posting of the notice of the sale
18 to potential purchasers of bonds under certain conditions; to
19 eliminate the requirement for bids to be advertised for three
20 weeks and publicly let to the lowest responsible bidder; and
21 to exclude municipal, county, and regional housing authorities
22 from the requirement of obtaining prior written consent of the
23 Department of Finance to issue and sell bonds.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. Sections 24-1-71, 24-1-83, and 41-4-16,
26 Code of Alabama 1975, are amended to read as follows:

27 "§24-1-71.

1 "The bonds of the authority shall be authorized by
2 its resolution and shall be issued in one or more series and
3 shall bear such date or dates, mature at such time or times,
4 not exceeding 60 years from their respective dates, bear
5 interest at such rate or rates, payable semiannually, be in
6 such denominations, which may be made interchangeable, be in
7 such form, either coupon or registered, carry such
8 registration privileges, be executed in such manner, be
9 payable in such medium of payment, at such place or places,
10 and be subject to such terms of redemption, with or without
11 premium, as such resolution or its trust indenture or mortgage
12 may provide. The bonds may be sold at public sale held after
13 both of the following:

14 "(1) A notice shall be published once, at least 10
15 days prior to ~~such~~ the sale, in a newspaper circulating in the
16 county.

17 "(2) In addition, a notice shall be published and at
18 least 10 days prior to the sale in a financial newspaper
19 published in the City of New York, New York, or in the City of
20 New Orleans, Louisiana, or posted electronically at least 10
21 days prior to the sale on a website or other electronic or
22 Internet service reasonably expected to be available to
23 potential purchasers of the bonds. ~~provided, however, that~~
24 ~~such~~

25 "Notwithstanding the foregoing, the bonds may be
26 sold to the federal government or to a government sponsored
27 enterprise at private sale without any public advertisement.

1 The bonds may be sold at such price or prices as the authority
2 shall determine. Pending the authorization, preparation,
3 execution or delivery of definitive bonds, the authority may
4 issue interim certificates, or other temporary obligations to
5 the purchaser of such bonds. Such interim certificates, or
6 other temporary obligations, shall be in such form, contain
7 such terms, conditions and provisions, bear such date or dates
8 and evidence such agreements relating to their discharge or
9 payment or delivery of definitive bonds as the authority may
10 by resolution, trust indenture or mortgage determine. In case
11 any of the officers whose signatures appear on any bonds or
12 coupons shall cease to be such officers before the delivery of
13 such bonds, such signatures shall, nevertheless, be valid and
14 sufficient for all purposes, the same as if they had remained
15 in office until such delivery. The authority shall have power,
16 out of any funds available therefor, to purchase any bonds
17 issued by it at a price not more than the principal amount
18 thereof and the accrued interest. All bonds so purchased shall
19 be cancelled. This section shall not apply to the redemption
20 of bonds. Any provision of any law to the contrary
21 notwithstanding, any bonds, interim certificates or other
22 obligations issued pursuant to this article are hereby
23 declared to be negotiable instruments.

24 "§24-1-83.

25 "The authority and its housing commissioners shall
26 be under a statutory duty to comply or to cause compliance
27 strictly with all provisions of this article and the laws of

1 the State of Alabama and in addition thereto, with each and
2 every term, provision, and covenant in any contract of the
3 authority on its part to be kept or performed, ~~and shall make~~
4 ~~no contract for the construction of any house or building~~
5 ~~costing more than \$100.00 or the purchase of any material~~
6 ~~therefor until after three weeks' advertising for bids and a~~
7 ~~public letting to the lowest responsible bidder.~~

8 "§41-4-16.

9 "No bonds or other evidences of indebtedness of any
10 commission or authority created to construct or reconstruct
11 highway bridges, approaches and appurtenances thereto, ~~any~~
12 ~~housing authority,~~ any state rural electrification authority,
13 any electric membership corporation, any power district or any
14 improvement authority shall be issued or sold until the
15 consent to the issuance and sale thereof shall have been given
16 by the Department of Finance, to be evidenced by the written
17 approval of the Director of Finance. Such consent shall be
18 granted only after a public hearing and after a petition
19 requesting such consent has been duly filed by the
20 corporation, authority, district, commission or other body
21 seeking such consent with the department more than five days
22 before such public hearing. Such petition shall specify the
23 plan or program of the body seeking such consent and the uses
24 to which it is proposed to put the proceeds of such issue and
25 such other matters as are necessary to fully advise such
26 department of the nature of the proposed project, and said
27 petition shall include such other information as may be

1 required by the rules of the department. The Department of
2 Finance shall grant such consent only after it finds that such
3 issue or sale serves some public need and is in the public
4 interest. It shall be unlawful for the body seeking such
5 consent or anyone to use the proceeds of any such issue or
6 sale contrary to the plan and purposes presented to the
7 department in obtaining its consent thereto. The provisions of
8 this section shall not apply to any bonds or other evidence of
9 indebtedness issued by any municipality, or any agencies,
10 bureaus or commissions thereof nor any municipal, county, or
11 regional housing authority."

12 Section 2. This act shall become effective on the
13 first day of the third month following its passage and
14 approval by the Governor, or its otherwise becoming law.