

1 HB63
2 198011-6
3 By Representative McMillan
4 RFD: County and Municipal Government
5 First Read: 05-MAR-19
6 PFD: 03/04/2019

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ENGROSSED

A BILL
TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§24-1-71.

"The bonds of the authority shall be authorized by its resolution and shall be issued in one or more series and shall bear such date or dates, mature at such time or times, not exceeding 60 years from their respective dates, bear interest at such rate or rates, payable semiannually, be in such denominations, which may be made interchangeable, be in such form, either coupon or registered, carry such

1 registration privileges, be executed in such manner, be
2 payable in such medium of payment, at such place or places,
3 and be subject to such terms of redemption, with or without
4 premium, as such resolution or its trust indenture or mortgage
5 may provide. The bonds may be sold at public sale held after
6 both of the following:

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

10 "(2) In addition, a notice shall be published and at
11 least 10 days prior to the sale in a financial newspaper
12 published in the City of New York, New York, or in the City of
13 New Orleans, Louisiana, or posted electronically at least 10
14 days prior to the sale on a website or other electronic or
15 Internet service reasonably expected to be available to
16 potential purchasers of the bonds. ~~; provided, however, that~~
17 ~~such~~

18 "Notwithstanding the foregoing, the bonds may be
19 sold to the federal government or to a government sponsored
20 enterprise at private sale without any public advertisement.
21 The bonds may be sold at such price or prices as the authority
22 shall determine. Pending the authorization, preparation,
23 execution or delivery of definitive bonds, the authority may
24 issue interim certificates, or other temporary obligations to
25 the purchaser of such bonds. Such interim certificates, or
26 other temporary obligations, shall be in such form, contain
27 such terms, conditions and provisions, bear such date or dates

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

17 "§24-1-83.

18 "The authority and its housing commissioners shall
19 be under a statutory duty to comply or to cause compliance
20 strictly with all provisions of this article and the laws of
21 the State of Alabama and in addition thereto, with each and
22 every term, provision, and covenant in any contract of the
23 authority on its part to be kept or performed, ~~and shall make~~
24 ~~no contract for the construction of any house or building~~
25 ~~costing more than \$100.00 or the purchase of any material~~
26 ~~therefor until after three weeks' advertising for bids and a~~
27 ~~public letting to the lowest responsible bidder.~~

1 "§41-4-16.

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

1 this section shall not apply to any bonds or other evidence of
2 indebtedness issued by any municipality, or any agencies,
3 bureaus or commissions thereof nor any municipal, county, or
4 regional housing authority."

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

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on County and Mu-
nicipal Government..... 05-MAR-19

Read for the second time and placed
on the calendar with 1 substitute
and..... 20-MAR-19

Read for the third time and passed
as amended..... 04-APR-19

Yeas 100, Nays 0, Abstains 0

Jeff Woodard
Clerk