

HB407 ENROLLED



1 HB407
2 KHMHR5U-2
3 By Representative Ingram
4 RFD: County and Municipal Government
5 First Read: 06-Mar-25



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Enrolled, An Act,

Related to local redevelopment authorities; to amend Section 11-92C-8, Code of Alabama 1975, regarding the powers of a local redevelopment authority; to authorize the authority to require a payment in lieu of tax for transient occupancy tax; and to require these authorities to report certain payments in lieu of taxes to the Department of Revenue.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 11-92C-8, Code of Alabama 1975, is amended as follows:

"§11-92C-8

(a) The authority shall have the following powers, together with all powers incidental thereto or necessary to the discharge thereof in corporate form:

(1) To have succession by its corporate name for the duration of time, which may be in perpetuity, subject to Section 11-92C-20, specified in its certificate of incorporation.

(2) To sue and be sued in its own name and to prosecute and defend civil actions in any court having jurisdiction of the subject matter and of the parties; provided, that the authority shall be deemed to be a governmental entity as defined in Chapter 93 of this title for the purpose of limiting the damages for which the authority may be liable.

(3) To adopt and make use of a corporate seal and to



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29 alter the seal at its pleasure.

30 (4) To adopt and alter bylaws for the regulation and
31 conduct of its affairs and business.

32 (5) To acquire, whether by purchase, construction,
33 exchange, gift, lease, or otherwise, and to refinance existing
34 indebtedness on, improve, maintain, equip, and furnish one or
35 more projects, including all real and personal properties
36 which the board of the authority may deem necessary in
37 connection therewith, regardless of whether or not the
38 projects shall then be in existence.

39 (6) To lease to others any or all of its projects and
40 to share and collect rent thereof, and to terminate any lease
41 upon the failure of the lessee to comply with any of the
42 obligations thereof.

43 (7) To sell, exchange, donate, or convey and to grant
44 options to any lessee to acquire any of its projects and any
45 or all of its properties if the board finds that action is in
46 furtherance of the purposes for which the authority was
47 organized.

48 (8) To issue its bonds for the purpose of carrying out
49 any of its powers.

50 (9) To mortgage and pledge any or all of its projects,
51 or any part or parts thereof, as security for the payment of
52 the principal of and interest on any bonds so issued and any
53 agreements made in connection therewith, whether then owned or
54 thereafter acquired, and to pledge the revenues and receipts
55 therefrom or from any thereof.

56 (10) To execute and deliver, in accordance with this



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57 section and Section 11-92C-9, mortgages and deeds of trust and
58 trust indentures, or either.

59 (11) To finance, by loan, bond, grant, lease, or
60 otherwise, construct, erect, assemble, purchase, acquire, own,
61 repair, remodel, renovate, rehabilitate, modify, maintain,
62 extend, improve, install, sell, equip, expand, add to,
63 operate, or manage projects and to pay the costs of any
64 project from the proceeds of bonds, or any other funds of the
65 authority, or from any contributions or loans by persons,
66 corporations, partnerships, either general or limited, or
67 other entities, all of which the authority is hereby
68 authorized to receive, accept, and use.

69 (12) To issue and use the proceeds of any bonds or
70 other indebtedness thereof for the purpose of paying or
71 loaning the proceeds thereof to pay all or any part of the
72 cost of any project and otherwise to further or carry out the
73 public purpose of the authority and to pay all costs of the
74 authority incident to, or necessary and appropriate to,
75 furthering or carrying out such purpose.

76 (13) To make application directly or indirectly to any
77 federal, state, county, or municipal government or agency or
78 to any other source, public or private, for loans, grants,
79 guarantees, or other financial assistance in furtherance of
80 the authority's public purpose and to accept and use the same
81 upon the terms and conditions as are prescribed by the
82 federal, state, county, or municipal government or agency or
83 other source.

84 (14) To enter into agreements with the federal



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85 government or any agency thereof to use facilities or the
86 services of the federal government or any agency thereof in
87 order to further carry out the purposes of the authority.

88 (15) To contract for any period with this state, state
89 institutions, or any city, town, municipality, or county of
90 the state for the use by the authority of any facilities or
91 services of the state or any state institution, city, town,
92 municipality, or county, or for the use by any state
93 institution or any city, town, municipality, or county of any
94 facilities or services of the authority, provided the
95 contracts deal with activities and transactions as the
96 authority and any political subdivision with which the
97 authority contracts are by law authorized to undertake.

98 (16) To extend credit or make loans to any person,
99 corporation, partnership, either general or limited, or other
100 entity for the costs of any project or any part of the costs
101 of any project, which credit or loans may be evidenced or
102 secured by loan agreements, notes, mortgages, deeds to secure
103 debt, trust deeds, security agreements, assignments, or other
104 instruments, or by rentals, revenues, fees, or charges, upon
105 the terms and conditions as the authority shall determine to
106 be reasonable in connection with the extension of credit or
107 loans, including provision for the establishment and
108 maintenance of reserve funds, and, in the exercise of powers
109 granted hereby in connection with any project, the authority
110 may require the inclusion in any loan agreement, note,
111 mortgage, deed to secure debt, trust deed, security agreement,
112 assignment, or other instrument of the provisions or



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requirements for guaranty of any obligations, insurance, construction, use, operation, maintenance, and financing of a project, and other terms and conditions, as the authority may deem necessary or desirable.

(17) To acquire, accept, or retain equitable interests, security interests, or other interests in any real property, personal property, or fixtures by loan agreement, note, mortgage, deed to secure debt, trust deed, security agreement, assignment, pledge, conveyance, contract, lien, loan agreement, or other consensual transfer in order to secure the repayment of any ~~moneys~~ monies loaned or credit extended by the authority.

(18) To appoint, employ, contract with, and provide for the compensation of officers, employees, and agents, including, without limitation, engineers, attorneys, contractors, consultants, and fiscal advisors, as the board shall deem necessary for the conduct of the business of the authority.

(19) To provide the insurance as the board may deem advisable.

(20) To make, enter into, and execute contracts, agreements, leases, and other instruments and to take other actions as may be necessary or convenient to accomplish any purpose for which the authority was organized or to exercise any power expressly granted in this chapter.

(21) To require payments in lieu of tax, to be administered in a parallel manner to state transient occupancy, ad valorem, ~~income~~, sales, and use taxes, to be



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made by any private user of the project to the authority, a cooperative district of which the authority is a member, any municipality, or any county, as the case may be. To enter into any agreements requiring any person to make a payment in lieu of taxes and to enforce the payment in lieu of taxes with all rights of a tax assessor or tax collector within this state collecting transient occupancy, ad valorem taxes, or sales taxes, ~~or income taxes~~ due to the governing body establishing the authority.

(22) To receive and use, or cause any cooperative district of which the authority is a member to receive and use, the proceeds of any tax, fee, charge, or payment in lieu of tax to pay the costs of any project or for any other purpose for which the authority may use its own funds pursuant to this chapter.

(23) To encourage and promote the retention, development, and redevelopment of any military installation or the improvement and revitalization of the local redevelopment area and to make, contract for, or otherwise cause to be made long-range plans or proposals for the local redevelopment area in cooperation with the authorizing subdivision.

(24) To exercise any power granted by the laws of this state to public or private corporations, not to include the power of eminent domain, which is not in conflict with the public purpose of the authority.

(25) To do all things necessary or convenient to carry out the powers conferred by this chapter. Nothing in this chapter shall affect any right, title, or interest in real or



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personal property, whether recorded or unrecorded, that is held by any person or entity engaged in providing utility services.

(26) To enter into agreements with a private user.

(27) To pursue any tax liens relating to the failure of any person to make any payments in lieu of tax.

(28) To acquire, receive, and take, by purchase, gift, lease, devise, or otherwise, and to hold property of every description, whether located in one or more counties or municipalities.

(29) To make, enter into, and execute licenses, contracts, agreements, leases, and other instruments and to take other actions as may be necessary or convenient to accomplish any purpose for which the authority was organized or to exercise any power expressly granted under this section.

(30) To plan, establish, develop, acquire, purchase, lease, construct, reconstruct, enlarge, improve, maintain, equip, and operate a project or projects or any part or combination of any thereof, whether located in one or more counties or municipalities, and to acquire franchises and easements deemed necessary or desirable in connection therewith.

(31) To assume obligations secured by a lien on or payable out of or secured by a pledge of the revenues from any project or any part of any thereof that may be acquired by the authority, any obligation so assumed to be payable by the authority solely out of the revenues derived from the operation of any project or any thereof of the authority, or



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197 any other sources of revenue, taxes, fees, or payments in lieu
198 of tax.

199 (32) To pledge for payment of any bonds issued or
200 obligations assumed by the authority any revenues from which
201 those bonds or obligations are made payable as provided in
202 this chapter.

203 (33) To execute and deliver trust indentures in
204 accordance with this chapter.

205 (34) To appoint, employ, contract with, and provide for
206 the compensation of officers, employees, and agents,
207 including, but ~~without limitation~~ not limited to, engineers,
208 attorneys, accountants, architects, management consultants,
209 and fiscal advisers as the business of the authority may
210 require.

211 (35) To make and enforce reasonable rules governing the
212 use of any project managed, leased, owned, or controlled by
213 the authority, a cooperative district of which the authority
214 is a member, or any private users.

215 (36) To cooperate with the United States of America,
216 any agency or instrumentality thereof, this state, any county,
217 municipality, or other political subdivision of the state and
218 any public corporation, and to make contracts with them or any
219 of them, as the board may deem advisable to accomplish the
220 purpose for which the authority was established.

221 (37) To sell and convey any of its properties that may
222 have become obsolete or worn out or that may no longer be
223 needed or useful as a part of any project of the authority.

224 (38) To sell and convey, with or without valuable



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consideration, any of its projects or any portion thereof to any one or more counties, municipalities, or public corporations which have the corporate power to operate the project or portions thereof so conveyed and the property and income of which are not subject to taxation.

(39) To enter into a management agreement or agreements with any person for the management by the authority of any project or any part thereof upon the terms and conditions as may be mutually agreeable.

(40) To fix and revise from time to time reasonable rentals, licenses, rates, fees, and other charges for the use of any project or portion thereof owned, managed, leased, or operated by the authority, a cooperative district of which the authority is a member, or any private users, and to collect all charges imposed by the foregoing.

(41) To require any users of any of its projects or any part thereof to make a reasonable deposit with the authority in advance to ~~insure~~ensure the payment of rentals, licenses, rates, fees or charges, or costs of repair to any damage to the project and to be subject to the application to the payment thereof if and when delinquent.

(b) All projects of the authority shall be located wholly within the local redevelopment area."

Section 2. (a) An authority, as defined in Section 11-92C-2, Code of Alabama 1975, shall annually report any payments received pursuant to subdivisions (21) or (22) of Section 11-92C-8(a) to the Department of Revenue, as provided by rule of the department.



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253 (b) The Department of Revenue shall compile and publish
254 a summary of this information each year on its website.

255 Section 3. The Department of Revenue may adopt rules
256 for the implementation and administration of this act.

257 Section 4. This act shall become effective on October
258 1, 2025.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and
was passed by the House 08-Apr-25.

John Treadwell
Clerk

Senate

06-May-25

Passed