

# HB407 INTRODUCED



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



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SYNOPSIS:

Under current law, a local redevelopment authority is authorized to require payments in lieu of tax, to be administered in a parallel manner to state ad valorem, income, sales, and use taxes, and authorizes such authorities to enter into any agreements requiring the payment and enforcement of payment in lieu of taxes due to the governing body establishing the authority.

This bill authorizes the local redevelopment authority to require transient occupancy tax as a payment in lieu of tax and authorizes its payment and enforcement.

This bill would also require these authorities to report certain payments in lieu of taxes to the Department of Revenue.

A BILL  
TO BE ENTITLED  
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



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29 to require a payment in lieu of tax for transient occupancy  
30 tax; and to require these authorities to report certain  
31 payments in lieu of taxes to the Department of  
32 Revenue.

33 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

36 "§11-92C-8

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

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

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

50 (3) To adopt and make use of a corporate seal and to  
51 alter the seal at its pleasure.

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

54 (5) To acquire, whether by purchase, construction,  
55 exchange, gift, lease, or otherwise, and to refinance existing  
56 indebtedness on, improve, maintain, equip, and furnish one or



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57 more projects, including all real and personal properties  
58 which the board of the authority may deem necessary in  
59 connection therewith, regardless of whether or not the  
60 projects shall then be in existence.

61 (6) To lease to others any or all of its projects and  
62 to share and collect rent thereof, and to terminate any lease  
63 upon the failure of the lessee to comply with any of the  
64 obligations thereof.

65 (7) To sell, exchange, donate, or convey and to grant  
66 options to any lessee to acquire any of its projects and any  
67 or all of its properties if the board finds that action is in  
68 furtherance of the purposes for which the authority was  
69 organized.

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

72 (9) To mortgage and pledge any or all of its projects,  
73 or any part or parts thereof, as security for the payment of  
74 the principal of and interest on any bonds so issued and any  
75 agreements made in connection therewith, whether then owned or  
76 thereafter acquired, and to pledge the revenues and receipts  
77 therefrom or from any thereof.

78 (10) To execute and deliver, in accordance with this  
79 section and Section 11-92C-9, mortgages and deeds of trust and  
80 trust indentures, or either.

81 (11) To finance, by loan, bond, grant, lease, or  
82 otherwise, construct, erect, assemble, purchase, acquire, own,  
83 repair, remodel, renovate, rehabilitate, modify, maintain,  
84 extend, improve, install, sell, equip, expand, add to,





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113 services of the state or any state institution, city, town,  
114 municipality, or county, or for the use by any state  
115 institution or any city, town, municipality, or county of any  
116 facilities or services of the authority, provided the  
117 contracts deal with activities and transactions as the  
118 authority and any political subdivision with which the  
119 authority contracts are by law authorized to undertake.

120 (16) To extend credit or make loans to any person,  
121 corporation, partnership, either general or limited, or other  
122 entity for the costs of any project or any part of the costs  
123 of any project, which credit or loans may be evidenced or  
124 secured by loan agreements, notes, mortgages, deeds to secure  
125 debt, trust deeds, security agreements, assignments, or other  
126 instruments, or by rentals, revenues, fees, or charges, upon  
127 the terms and conditions as the authority shall determine to  
128 be reasonable in connection with the extension of credit or  
129 loans, including provision for the establishment and  
130 maintenance of reserve funds, and, in the exercise of powers  
131 granted hereby in connection with any project, the authority  
132 may require the inclusion in any loan agreement, note,  
133 mortgage, deed to secure debt, trust deed, security agreement,  
134 assignment, or other instrument of the provisions or  
135 requirements for guaranty of any obligations, insurance,  
136 construction, use, operation, maintenance, and financing of a  
137 project, and other terms and conditions, as the authority may  
138 deem necessary or desirable.

139 (17) To acquire, accept, or retain equitable interests,  
140 security interests, or other interests in any real property,



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141 personal property, or fixtures by loan agreement, note,  
142 mortgage, deed to secure debt, trust deed, security agreement,  
143 assignment, pledge, conveyance, contract, lien, loan  
144 agreement, or other consensual transfer in order to secure the  
145 repayment of any ~~moneys~~monies loaned or credit extended by the  
146 authority.

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

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

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

160 (21) To require payments in lieu of tax, to be  
161 administered in a parallel manner to state transient  
162 occupancy, ad valorem, ~~income,~~ sales, and use taxes, to be  
163 made by any private user of the project to the authority, a  
164 cooperative district of which the authority is a member, any  
165 municipality, or any county, as the case may be. To enter into  
166 any agreements requiring any person to make a payment in lieu  
167 of taxes and to enforce the payment in lieu of taxes with all  
168 rights of a tax assessor or tax collector within this state



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169 collecting transient occupancy, ad valorem taxes, or sales  
170 taxes, ~~or income taxes~~ due to the governing body establishing  
171 the authority.

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

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

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

188 (25) To do all things necessary or convenient to carry  
189 out the powers conferred by this chapter. Nothing in this  
190 chapter shall affect any right, title, or interest in real or  
191 personal property, whether recorded or unrecorded, that is  
192 held by any person or entity engaged in providing utility  
193 services.

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

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





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

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

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

213           (31) To assume obligations secured by a lien on or  
214 payable out of or secured by a pledge of the revenues from any  
215 project or any part of any thereof that may be acquired by the  
216 authority, any obligation so assumed to be payable by the  
217 authority solely out of the revenues derived from the  
218 operation of any project or any thereof of the authority, or  
219 any other sources of revenue, taxes, fees, or payments in lieu  
220 of tax.

221           (32) To pledge for payment of any bonds issued or  
222 obligations assumed by the authority any revenues from which  
223 those bonds or obligations are made payable as provided in  
224 this chapter.





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253 with any person for the management by the authority of any  
254 project or any part thereof upon the terms and conditions as  
255 may be mutually agreeable.

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

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

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

270 Section 2. (a) An authority, as defined in Section  
271 11-92C-2, Code of Alabama 1975, shall annually report any  
272 payments received pursuant to subdivisions (21) or (22) of  
273 Section 11-92C-8(a) to the Department of Revenue, as provided  
274 by rule of the department.

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

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

279 Section 4. This act shall become effective on October  
280 1, 2025.