

HB90 ENGROSSED



1 HB90
2 SLJ6Z55-2
3 By Representative Clarke
4 RFD: State Government
5 First Read: 04-Feb-25
6 PFD: 24-Jan-25



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A BILL
TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§24-1-22

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

(1) AUTHORITY or HOUSING AUTHORITY. A public body organized as a body corporate and politic in accordance with the provisions of this article for the purposes, with the



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powers, and subject to the restrictions set forth in this
article.

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

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

(4) CITY CLERK and MAYOR. The clerk, and the mayor or
president of the board of commissioners, respectively, of the
city, or the officers ~~thereof~~ charged with the duties
customarily imposed on the clerk and mayor, respectively.

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

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

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

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

~~(9)~~ (11) HOUSING PROJECT. ~~Such term shall include all~~ All
real and personal property, buildings and improvements,
stores, offices, public school buildings, lands for farming
and gardening, and community facilities acquired or
constructed or to be acquired or constructed pursuant to a
single plan of undertaking to demolish, clear, remove, alter



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or repair unsanitary or unsafe housing, or to provide dwelling accommodations at rentals within the means of persons of low income. ~~This~~The term may also be applied to the planning of the buildings and improvements~~;~~; the acquisition of property~~;~~; the demolition of existing structures~~;~~; the construction, reconstruction, alteration and repair of the improvements~~;~~; and all other work in connection therewith.

~~(10)~~(6) COMMUNITY FACILITIES. ~~Such term shall include~~
~~real~~Real and personal property and buildings and equipment for recreational or social assemblies~~;~~; for educational, health, or welfare purposes~~;~~; and necessary utilities, when designed primarily for the benefit and use of the occupants of the dwelling accommodations.

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

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

~~(13)~~ MORTGAGES. ~~Such term shall include deeds~~Deeds of trust, mortgages, building and loan contracts, or other instruments conveying real or personal property as security



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for bonds and conferring a right to foreclose and cause a sale thereof.

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

~~(15)~~ (7) CONTRACT. Any agreement of an authority with or for the benefit of an obligee whether contained in a resolution, trust indenture, mortgage, lease, bond, or other instrument.

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

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

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

"§24-1-27



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

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

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

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

(4) To prepare, carry out,~~and~~ or operate housing projects.

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

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

(7) To manage, as agent of any city located within its



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boundaries, any housing project constructed or owned by ~~such a~~
city.

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

(9) To arrange with any city located within its boundaries or with ~~a~~ any other government for the furnishing, planning, replanning, opening, ~~or closing of streets, roads, roadways, alleys, or other places,~~ or facilities, or for the acquisition by ~~such a city, or a other~~ government, ~~of~~ property, options, or property rights, ~~or for the furnishing of property or services in connection with a project.~~

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

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

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

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



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169 entity.

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

171 (15) To pay over to the city in which the authority is
172 organized all or any part of the proceeds received from the
173 sale of any real or personal property; provided, however, that
174 an authority may pay over ~~such~~ the proceeds to the city in
175 which it is organized only in ~~such~~ the manner and to ~~such~~ the
176 extent that ~~such~~ the payment will not violate the terms of any
177 then existing contract to which the authority is a party; and,
178 provided further, that an authority shall have no power to ~~so~~
179 pay over any part of the proceeds derived from the sale of any
180 real or personal property acquired in connection with a
181 redevelopment project, ~~as that term is defined in Section~~
182 ~~24-1-4~~ pursuant to Chapter 2.

183 (16) To insure or provide for the insurance of the
184 property or operations of the authority against ~~such~~ risks as
185 the authority may deem advisable.

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

190 (18) To borrow money upon its bonds, notes, warrants,
191 debentures, or other evidences of indebtedness, and to secure
192 the same by pledges of its revenues, and, subject to the
193 limitations ~~hereinafter~~ imposed by this article, by mortgages
194 upon property held or to be held by it, or in any other
195 manner.

196 (19) In connection with any loan, to agree to

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197 limitations upon its right to dispose of any housing project,
198 or part ~~thereof~~, of a housing project or to undertake
199 additional housing projects.

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

203 (21) To invest any funds held in reserves ~~or~~, sinking
204 funds, or any funds not required for immediate disbursement,
205 in property or securities in which savings banks may legally
206 invest funds subject to their control.

207 (22) To sue and be sued.

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

210 (24) To have perpetual succession.

211 (25) To make and execute contracts ~~and~~ or other
212 instruments necessary or convenient to the exercise of the
213 powers of the authority.

214 (26) To make ~~and from time to time~~, amend and, or
215 repeal bylaws, rules, ~~and~~ or regulations, not inconsistent
216 with this article, to carry into effect the powers ~~and~~ or
217 purposes of the authority.

218 (27) To conduct examinations ~~and~~ or investigations ~~and~~,
219 to hear testimony ~~and~~, or to take proof under oath, at public
220 or private hearings, on any matter material for its
221 information.

222 (28) To issue subpoenas requiring the attendance of
223 witnesses or the production of books ~~and~~ or papers ~~and~~, or to
224 issue commissions for the examination of witnesses who are out



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of the state or unable to attend before the authority or excused from attendance.

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

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

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



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(32) To make or arrange for loans, contributions to capital, or other debt or equity financing for the activities of any lawful business organization of which the authority is a member; to guarantee loans, issue bonds, or incur other forms of indebtedness on behalf of any lawful business organization of which the authority is a member; or to loan funds to other entities upon terms the authority determines are appropriate, useful, or expedient for the authority's purposes. Any determination by the board of directors shall be conclusive. A business organization, affiliate, or subsidiary not wholly owned by the authority, or a partnership entered into or created by the authority with a private business entity, shall not have the power of eminent domain.

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

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

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

(36) To enter contracts, agreements, or understandings



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with any other party, including, but not limited to, any of the following:

a. Design-build, design-build-operate, design-build-own-operate, design-build-own-operate-maintain, design-build-finance-operate-maintain, or other similar arrangements or agreements pursuant to which the design, right-of-way acquisition, relocation of structures or utilities, construction, financing, ownership, management, maintenance, or operation of a housing project or community facility is accomplished by or on behalf of the authority. To the extent that an authority is using any state or local public funds to pay for goods or services in connection with this paragraph, the authority shall comply with the provisions of Title 39, as applicable.

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

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

(b) Any of the investigations or examinations provided for in this article may be conducted by the authority~~, or;~~ by a committee appointed by ~~it,~~ the authority consisting of one or more commissioners~~, or;~~ by counsel~~;~~ or by an officer or employee ~~especially~~ specifically authorized by the authority ~~to conduct it.~~ Any commissioner, counsel ~~for the authority,~~ or ~~any other~~ person designated by ~~it~~ the authority to conduct an



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309 investigation or examination shall have the power to
310 administer oaths, take affidavits, ~~and~~ or issue subpoenas or
311 commissions.

312 (c) (1) An authority may exercise ~~any or all~~ of the
313 powers conferred upon it in this article either generally, or
314 with respect to any specific housing project or ~~projects~~
315 community facility, through or by an agent or agents which it
316 may designate, including ~~any corporation or corporations~~
317 lawful form of business organization ~~which are~~ that is or ~~shall~~
318 may be formed under the laws of this state, and for such
319 purposes an authority may cause ~~one or more corporations~~ any
320 lawful form of business organization to be formed under the
321 laws of this state or may acquire ~~the capital stock of any~~
322 ~~corporation or corporations~~ equity interest in any lawful form
323 of business organization.

324 (2) Any corporate agent, ~~all of the stock of which~~
325 ~~shall be~~ is solely owned by the authority or its nominee or
326 nominees, ~~may~~, to the extent permitted by law, may exercise
327 any of the powers conferred upon the authority in this
328 article.

329 (3) Any corporate agent established under this section
330 that satisfies each of the following criteria shall constitute
331 a governmental entity under Chapter 93 of Title 11, and any
332 suits in tort against the agent shall be subject to the
333 limitations and provisions of Chapter 93 of Title 11, as
334 applicable to each ~~such~~ corporate agent whose assets,
335 operations, and management are legally and effectively
336 controlled by the housing authority and through which the



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housing authority's functions or policies are implemented:

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

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

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

d. The sole purpose for which the corporate agent is formed and authorized is to develop, own, manage, operate, or maintain the housing authority's real property that serves as dwelling accommodations for persons of low income or as a community facility, including any real property the housing authority transfers to the corporate agent for the aforementioned purpose.

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

(e) Any previous creation, establishment, incorporation, or formation by any authority of any business entity wholly-owned by the authority, together with all



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proceedings, acts, or other things undertaken, performed, or
done by the entity prior to June 1, 2025, are validated,
ratified, confirmed, approved, and declared legal in all
respects.

(f) To the extent that an authority is using any state
or local funds, evaluation criteria for a contract procured
pursuant to this section shall be made in compliance with
Title 39."

Section 2. (a) All of the following shall be exempt
from all state taxes:

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

(2) Bonds issued by the authority.

(3) Income from bonds issued by the authority.

(4) Conveyances to or from the authority.

(5) Leases, mortgages, or deeds of trust to or from the
authority.

(b) An authority may be exempted from the taxes levied
by a county, municipality, or other political subdivision of
the state, including, but not limited to, deed taxes, mortgage
taxes, license taxes, or excise taxes. The county exemption
provided by this subsection shall only apply if approved by a
resolution pertaining to county taxes adopted by the county
commission. The municipal exemption provided by this
subsection shall only apply if approved by an ordinance
pertaining to municipal taxes adopted by the city council.

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



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393 provided, that with respect to any fees, taxes, or other costs
394 otherwise payable to a county, an authority shall only be
395 exempt if approved by a resolution adopted by the county
396 commission.

397 Section 3. This act shall become effective on June 1,
398 2025.



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House of Representatives

402 Read for the first time and referred04-Feb-25
403 to the House of Representatives
404 committee on State Government
405
406 Read for the second time and placed03-Apr-25
407 on the calendar:
408 0 amendments
409
410 Read for the third time and passed10-Apr-25
411 as amended
412 Yeas 97
413 Nays 5
414 Abstains 1
415
416
417 John Treadwell
418 Clerk
419