

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

31 ~~(2)~~ (3) CITY. Any ~~city or incorporated town~~ municipality  
32 ~~in the State of Alabama~~ this state.

33 ~~(3)~~ (8) COUNCIL. The legislative body, council, board of  
34 commissioners or other body charged with governing ~~the city a~~  
35 municipality.

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

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

42 ~~(6)~~ (10) GOVERNMENT. Such term shall include the state  
43 and federal governments and any subdivision, agency, or  
44 instrumentality, corporate or otherwise, of either of them.

45 ~~(7)~~ (17) STATE. The State of Alabama.

46 ~~(8)~~ (9) FEDERAL GOVERNMENT. ~~Such term shall include~~  
47 ~~the~~ The United States of America, ~~the federal Secretary United~~  
48 States Department of Housing and Urban Development, or any  
49 agency, instrumentality, corporate or otherwise, of the United  
50 States of America.

51 ~~(9)~~ (11) HOUSING PROJECT. ~~Such term shall include all~~ All  
52 real and personal property, buildings and improvements,  
53 stores, offices, public school buildings, lands for farming  
54 and gardening, and community facilities acquired or  
55 constructed or to be acquired or constructed pursuant to a  
56 single plan of undertaking to demolish, clear, remove, alter



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

64 ~~(10)~~ (6) COMMUNITY FACILITIES. ~~Such term shall include~~  
65 ~~real~~Real and personal property and buildings and equipment for  
66 recreational or social assemblies, r; for educational, health, l  
67 or welfare purposes, r; and necessary utilities, when designed  
68 primarily for the benefit and use of the occupants of the  
69 dwelling accommodations.

70 ~~(11)~~ (15) PERSONS OF LOW INCOME. ~~Persons~~ Individuals  
71 receiving less than the income determined by the authority as  
72 the amount ~~persons~~ individuals must receive to enable them to  
73 pay the rent necessary to secure safe, sanitary, and  
74 uncongested dwelling accommodations, other than dwelling  
75 accommodations provided by the authority or any cities, within  
76 the boundaries of the authority. Such determinations by the  
77 authority ~~from time to time~~ shall be binding and conclusive  
78 for all purposes of this article.

79 ~~(12)~~ (2) BONDS. Any bonds, interim certificates, notes,  
80 debentures, warrants, or other obligations of the authority  
81 issued pursuant to this article.

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



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

87 ~~(14)~~(18) TRUST INDENTURE. ~~Such term shall include~~  
88 ~~instruments~~Instruments pledging the revenues of real or  
89 personal properties but not conveying such properties  
90 conferring a right to foreclose and cause a sale thereof.

91 ~~(15)~~(7) CONTRACT. Any agreement of an authority with or  
92 for the benefit of an obligee whether contained in a  
93 resolution, trust indenture, mortgage, lease, bond, or other  
94 instrument.

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

100 ~~(17)~~(14) OBLIGEE OF THE AUTHORITY or OBLIGEE. ~~Such term~~  
101 ~~shall include any~~Any bondholder, trustee or trustees for any  
102 bondholders, any lessor demising property to the authority  
103 used in connection with a housing project or any assignee or  
104 assignees of such lessor's interest, or any part thereof, and  
105 the United States of America, when it is a party to any  
106 contract with the authority.

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

112 "§24-1-27



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

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

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

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

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

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

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

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



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

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

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

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

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

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

166 (13) To sell, exchange, transfer, assign, or pledge any  
167 property, real or personal, or any interest ~~therein~~ in  
168 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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225 of the state or unable to attend before the authority or  
226 excused from attendance.

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

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

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



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

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

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

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

280           (36) To enter contracts, agreements, or understandings



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

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

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

300 ~~(30)~~ (37) To do all things necessary or convenient to  
301 carry out the powers given in this article.

302 (b) Any of the investigations or examinations provided  
303 for in this article may be conducted by the authority, ~~or;~~ by  
304 a committee appointed by ~~it,~~ the authority consisting of one  
305 or more commissioners, ~~or;~~ by counsel, ~~;~~ or by an officer or  
306 employee ~~especially~~ specifically authorized by the authority  
307 ~~to conduct it.~~ Any commissioner, counsel ~~for the authority,~~ or  
308 ~~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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337 housing authority's functions or policies are implemented:

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

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

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

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

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

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



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

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

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

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

377 (2) Bonds issued by the authority.

378 (3) Income from bonds issued by the authority.

379 (4) Conveyances to or from the authority.

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

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

391 (c) A municipal housing authority shall be exempt from  
392 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 referred .....04-Feb-25  
403 to the House of Representatives  
404 committee on State Government  
405  
406 Read for the second time and placed .....03-Apr-25  
407 on the calendar:  
408 0 amendments  
409  
410 Read for the third time and passed .....10-Apr-25  
411 as amended  
412 Yeas 97  
413 Nays 5  
414 Abstains 1  
415  
416

John Treadwell  
Clerk

417  
418  
419