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SYNOPSIS:

Under existing law, a municipal housing authority has numerous powers.

This bill would further provide for a municipal housing authority's power to manage housing projects and community facilities, participate in lawful forms of business organizations, make loans, create subsidiaries or other lawful business organizations, and enter into contracts.

This bill would ratify the creation of any wholly-owned subsidiary of a municipal housing authority.

This bill would further provide for a municipal housing authority's power to evaluate and award contracts.

This bill would exempt public housing authorities from all taxes.

This bill would also make nonsubstantive, technical revisions to update the existing code language to current style.

A BILL
TO BE ENTITLED
AN ACT



29
30 Relating to municipal housing authorities; to amend
31 Sections 24-1-22 and 24-1-27, Code of Alabama 1975; to further
32 provide for the powers of a municipal housing authority; to
33 exempt public housing authorities from all taxes in certain
34 circumstances; to ratify certain previously created
35 subsidiaries of municipal housing authorities; and to make
36 nonsubstantive, technical revisions to update the existing
37 code language to current style.

38 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

41 "§24-1-22

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

47 (1) AUTHORITY or HOUSING AUTHORITY. A public body
48 organized as a body corporate and politic in accordance with
49 the provisions of this article for the purposes, with the
50 powers, and subject to the restrictions set forth in this
51 article.

52 ~~(2) (3)~~ CITY. Any ~~city or incorporated town~~ municipality
53 ~~in the State of Alabama~~ this state.

54 ~~(3) (8)~~ COUNCIL. The legislative body, council, board of
55 commissioners or other body charged with governing ~~the city a~~
56 municipality.



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

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

63 ~~(6)~~ (10) GOVERNMENT. Such term shall include the state
64 and federal governments and any subdivision, agency, or
65 instrumentality, corporate or otherwise, of either of them.

66 ~~(7)~~ (17) STATE. The State of Alabama.

67 ~~(8)~~ (9) FEDERAL GOVERNMENT. ~~Such term shall include~~
68 ~~the~~ The United States of America, the ~~federal Secretary~~ United
69 States Department of Housing and Urban Development, or any
70 agency, instrumentality, corporate or otherwise, of the United
71 States of America.

72 ~~(9)~~ (11) HOUSING PROJECT. ~~Such term shall include all~~ All
73 real and personal property, buildings and improvements,
74 stores, offices, public school buildings, lands for farming
75 and gardening, and community facilities acquired or
76 constructed or to be acquired or constructed pursuant to a
77 single plan of undertaking to demolish, clear, remove, alter
78 or repair unsanitary or unsafe housing, or to provide dwelling
79 accommodations at rentals within the means of persons of low
80 income. ~~This~~ The term may also be applied to the planning of
81 the buildings and improvements ~~;~~ ; the acquisition of property ~~;~~ ;
82 the demolition of existing structures ~~;~~ ; the construction,
83 reconstruction, alteration and repair of the improvements ; and
84 all other work in connection therewith.



85 ~~(10)~~ (6) COMMUNITY FACILITIES. ~~Such term shall include~~
86 ~~real~~Real and personal property and buildings and equipment for
87 recreational or social assemblies~~,~~; for educational, health,,
88 or welfare purposes~~,~~; and necessary utilities, when designed
89 primarily for the benefit and use of the occupants of the
90 dwelling accommodations.

91 ~~(11)~~ (15) PERSONS OF LOW INCOME. ~~Persons~~Individuals
92 receiving less than the income determined by the authority as
93 the amount~~persons~~ individuals must receive to enable them to
94 pay the rent necessary to secure safe, sanitary, and
95 uncongested dwelling accommodations, other than dwelling
96 accommodations provided by the authority or any cities, within
97 the boundaries of the authority. Such determinations by the
98 authority~~from time to time~~ shall be binding and conclusive
99 for all purposes of this article.

100 ~~(12)~~ (2) BONDS. Any bonds, interim certificates, notes,
101 debentures, warrants, or other obligations of the authority
102 issued pursuant to this article.

103 (13) MORTGAGES. ~~Such term shall include deeds~~Deeds of
104 trust, mortgages, building and loan contracts,, or other
105 instruments conveying real or personal property as security
106 for bonds and conferring a right to foreclose and cause a sale
107 thereof.

108 ~~(14)~~ (18) TRUST INDENTURE. ~~Such term shall include~~
109 ~~instruments~~Instruments pledging the revenues of real or
110 personal properties but not conveying such properties
111 conferring a right to foreclose and cause a sale thereof.

112 ~~(15)~~ (7) CONTRACT. Any agreement of an authority with or



113 for the benefit of an obligee whether contained in a
114 resolution, trust indenture, mortgage, lease, bond, or other
115 instrument.

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

121 ~~(17)~~(14) OBLIGEE OF THE AUTHORITY or OBLIGEE. ~~Such term~~
122 ~~shall include any~~Any bondholder, trustee or trustees for any
123 bondholders, any lessor demising property to the authority
124 used in connection with a housing project or any assignee or
125 assignees of such lessor's interest, or any part thereof, and
126 the United States of America, when it is a party to any
127 contract with the authority.

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

133 "§24-1-27

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

140 (1) To investigate ~~into~~ living, dwelling ~~and~~, or



141 housing conditions and ~~into~~ the means and methods of improving
142 ~~such~~the conditions.

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

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

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

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

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

161 (7) To manage, as agent of any city located within its
162 boundaries, any housing project constructed or owned by ~~such~~ a
163 city.

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

168 (9) To arrange with any city located within its



169 boundaries or with ~~a~~ any other government for the furnishing,
170 planning, replanning, opening, ~~r~~ or closing of streets, roads,
171 roadways, alleys, ~~or other~~ places, , or facilities, or for the
172 acquisition by ~~such~~ a city, ~~r~~ or ~~a~~ other government, ~~r~~ of
173 property, options, or property rights, , or for the furnishing
174 of property or services in connection with a project.

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

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

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

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

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

192 (15) To pay over to the city in which the authority is
193 organized all or any part of the proceeds received from the
194 sale of any real or personal property; provided, however, that
195 an authority may pay over ~~such~~ the proceeds to the city in
196 which it is organized only in ~~such~~ the manner and to ~~such~~ the



197 extent that ~~such~~ the payment will not violate the terms of any
198 then existing contract to which the authority is a party; and,
199 provided further, that an authority shall have no power to ~~so~~
200 pay over any part of the proceeds derived from the sale of any
201 real or personal property acquired in connection with a
202 redevelopment project, ~~as that term is defined in Section~~
203 ~~24-1-4~~ pursuant to Chapter 2.

204 (16) To insure or provide for the insurance of the
205 property or operations of the authority against ~~such~~ risks as
206 the authority may deem advisable.

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

211 (18) To borrow money upon its bonds, notes, warrants,
212 debentures, or other evidences of indebtedness, and to secure
213 the same by pledges of its revenues, and, subject to the
214 limitations ~~hereinafter~~ imposed by this article, by mortgages
215 upon property held or to be held by it, or in any other
216 manner.

217 (19) In connection with any loan, to agree to
218 limitations upon its right to dispose of any housing project,
219 or part ~~thereof~~, of a housing project or to undertake
220 additional housing projects.

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

224 (21) To invest any funds held in reserves ~~or~~, sinking



225 funds, or any funds not required for immediate disbursement,
226 in property or securities in which savings banks may legally
227 invest funds subject to their control.

228 (22) To sue and be sued.

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

231 (24) To have perpetual succession.

232 (25) To make and execute contracts ~~and or~~ other
233 instruments necessary or convenient to the exercise of the
234 powers of the authority.

235 (26) To make ~~and from time to time,~~ amend ~~and,~~ or
236 repeal bylaws, rules, ~~and or~~ regulations, not inconsistent
237 with this article, to carry into effect the powers ~~and or~~
238 purposes of the authority.

239 (27) To conduct examinations ~~and or~~ investigations ~~and,~~
240 to hear testimony ~~and,~~ or to take proof under oath, at public
241 or private hearings, on any matter material for its
242 information.

243 (28) To issue subpoenas requiring the attendance of
244 witnesses or the production of books ~~and or~~ papers ~~and,~~ or to
245 issue commissions for the examination of witnesses who are out
246 of the state or unable to attend before the authority or
247 excused from attendance.

248 (29) To make available to ~~such any~~ agencies, boards, or
249 commissions ~~as are~~ charged with the duty of abating nuisances
250 or demolishing unsafe or unsanitary structures within ~~its the~~
251 authority's territorial limits, its findings and
252 recommendations with regard to any building or property where



253 conditions exist which are dangerous to the public health,
254 morals, safety, or welfare.

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

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

274 (32) To make or arrange for loans, contributions to
275 capital, or other debt or equity financing for the activities
276 of any lawful business organization of which the authority is
277 a member; to guarantee loans, issue bonds, or incur other
278 forms of indebtedness on behalf of any lawful business
279 organization of which the authority is a member; or to loan
280 funds to other entities upon terms the authority determines



281 are appropriate, useful, or expedient for the authority's
282 purposes. Any determination by the board of directors shall be
283 conclusive. A business organization, affiliate, or subsidiary
284 not wholly owned by the authority, or a partnership entered
285 into or created by the authority with a private business
286 entity, shall not have the power of eminent domain.

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

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

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

301 (36) To enter contracts, agreements, or understandings
302 with any other party, including, but not limited to, any of
303 the following:

304 a. Design-build, design-build-operate,
305 design-build-own-operate, design-build-own-operate-maintain,
306 design-build-finance-operate-maintain, or other similar
307 arrangements or agreements pursuant to which the design,
308 right-of-way acquisition, relocation of structures or



309 utilities, construction, financing, ownership, management,
310 maintenance, or operation of a housing project or community
311 facility is accomplished by or on behalf of the authority. To
312 the extent that an authority is using any state or local
313 public funds to pay for goods or services in connection with
314 this paragraph, the authority shall comply with the provisions
315 of Title 39, as applicable.

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

321 ~~(30)~~ (37) To do all things necessary or convenient to
322 carry out the powers given in this article.

323 (b) Any of the investigations or examinations provided
324 for in this article may be conducted by the authority, ~~or;~~ by
325 a committee appointed by ~~it,~~ the authority consisting of one
326 or more commissioners, ~~or;~~ by counsel, ~~;~~ or by an officer or
327 employee ~~especially specifically~~ authorized by the authority
328 ~~to conduct it~~. Any commissioner, counsel ~~for the authority,~~ or
329 ~~any other~~ person designated by ~~it~~ the authority to conduct an
330 investigation or examination shall have the power to
331 administer oaths, take affidavits, ~~and~~ or issue subpoenas or
332 commissions.

333 (c) (1) An authority may exercise ~~any or~~ all of the
334 powers conferred upon it in this article either generally, or
335 with respect to any specific housing project or ~~projects~~
336 community facility, through or by an agent or agents which it



337 may designate, including any ~~corporation or corporations~~
338 lawful form of business organization ~~which are~~ that is or ~~shall~~
339 may be formed under the laws of this state, and for such
340 purposes an authority may cause ~~one or more corporations~~ any
341 lawful form of business organization to be formed under the
342 laws of this state or may acquire ~~the capital stock of any~~
343 ~~corporation or corporations~~ equity interest in any lawful form
344 of business organization.

345 (2) Any corporate agent, ~~all of the stock of which~~
346 ~~shall be~~ is solely owned by the authority or its nominee or
347 nominees, ~~may~~, to the extent permitted by law, may exercise
348 any of the powers conferred upon the authority in this
349 article.

350 (3) Any corporate agent established under this section
351 that satisfies each of the following criteria shall constitute
352 a governmental entity under Chapter 93 of Title 11, and any
353 suits in tort against the agent shall be subject to the
354 limitations and provisions of Chapter 93 of Title 11, as
355 applicable to each ~~such~~ corporate agent whose assets,
356 operations, and management are legally and effectively
357 controlled by the housing authority and through which the
358 housing authority's functions or policies are implemented:

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

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

364 c. The organizational documents of the corporate agent



365 contain provisions that in the event of a change in the
366 controlling interest of the corporate agent, all public
367 housing assets of the corporate agent are returned to the
368 housing authority.

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

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

383 (e) Any previous creation, establishment,
384 incorporation, or formation by any authority of any business
385 entity wholly-owned by the authority, together with all
386 proceedings, acts, or other things undertaken, performed, or
387 done by the entity prior to June 1, 2025, are validated,
388 ratified, confirmed, approved, and declared legal in all
389 respects.

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



393 Title 39."

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

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

398 (2) Bonds issued by the authority.

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

400 (4) Conveyances to or from the authority.

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

403 (b) An authority may be exempted from the taxes levied
404 by a county, municipality, or other political subdivision of
405 the state, including, but not limited to, deed taxes, mortgage
406 taxes, license taxes, or excise taxes. The exemption provided
407 by this subsection shall only apply if approved by a
408 resolution pertaining to county taxes adopted by the county
409 commission.

410 (c) A municipal housing authority shall be exempt from
411 all fees, taxes, or other costs imposed by a judge of probate;
412 provided, that with respect to any fees, taxes, or other costs
413 otherwise payable to a county, an authority shall only be
414 exempt if approved by a resolution adopted by the county
415 commission.

416 Section 3. This act shall become effective on June 1,
417 2025.