



**House County and Municipal Government Reported
Substitute for HB273**

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5 A BILL

6 TO BE ENTITLED

7 AN ACT

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9 Relating to municipal employees; to amend Section
10 11-43-12, Code of Alabama 1975, to provide that a municipal
11 employee may be the recipient of a grant program, even though
12 funds flow through the municipal treasury, if certain
13 conditions are met.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. Section 11-43-12, Code of Alabama 1975, is
16 amended to read as follows:

17 "§11-43-12

18 (a) No ~~alderman or~~ officer or employee of the
19 municipality shall ~~be~~ have, directly or indirectly, interested a financial interest in any work, business, or
20 contract, the expense, price, or consideration of which is
21 paid from the treasury, nor shall any member of the council or
22 officer of the municipality be surety for any person having a
23 contract, work, or business with ~~such~~ the municipality for the
24 performance of which a surety may be required.

25 (b) Notwithstanding subsection (a), an employee, if
26 otherwise qualified, is not prohibited from accepting or
27 receiving funds from a community development block grant where



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29 the funds flow through the municipal treasury, provided:

30 (1) The benefit to the employee is similar and in a
31 like manner to other recipients of the grant program; and

32 (2) The employee does not play any decision-making role
33 in eligibility for receiving funds from the grant program.

34 (c) The exception in subsection (b) is not available to
35 any municipal elected official.

36 ~~(b)~~ (d) Any person individual who violates any of the
37 provisions of this section shall be guilty of a misdemeanor
38 and, on convictionthereof, shall be fined not less than
39 \$50.00 fifty dollars (\$50) nor more than \$1,000.00 one thousand
40 dollars (\$1,000), and may also be sentenced to hard labor for
41 the county for not more than six months."

42 Section 2. This act shall become effective on October
43 1, 2026.