



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

A BILL

TO BE ENTITLED

AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§11-43-12

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

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



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the funds flow through the municipal treasury, provided:

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

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

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

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

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