

1 HB417
2 137596-1
3 By Representatives Rogers and Moore (M)
4 RFD: County and Municipal Government
5 First Read: 23-FEB-12

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8 SYNOPSIS: This bill would provide that a county may
9 file for bankruptcy under certain financial
10 situations.

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12 A BILL
13 TO BE ENTITLED
14 AN ACT

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16 To amend Section 11-81-3, Code of Alabama 1975,
17 relating to the funding, refunding, and adjustment of the
18 public debt of any county, or any city, town, or municipal
19 authority organized under Article 9, commencing with Section
20 11-47-210, Chapter 47, Title 11, Code of Alabama 1975, to
21 specifically provide that a county may file for bankruptcy
22 under certain financial situations.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Section 11-81-3, Code of Alabama 1975, is
25 amended to read as follows:

26 "§11-81-3.

1 "(a) The governing body of any county, city or town,
2 or municipal authority organized under Article 9, Chapter 47
3 of this title, ~~which shall authorize~~ authorizes the issuance
4 of refunding or funding bonds may exercise all powers deemed
5 necessary by the governing body for the execution and
6 fulfillment of any plan or agreement for the settlement,
7 adjustment, refunding, or funding of the indebtedness of the
8 county, city or town, or municipal authority organized under
9 Article 9, Chapter 47 of this title, ~~not inconsistent with the~~
10 provisions of law relating to the issuance of refunding or
11 funding bonds.

12 "(b) Without limiting the generality of any of the
13 foregoing powers provided in subsection (a), it is expressly
14 declared that the governing body shall have the power to take
15 all steps and proceedings contemplated or permitted by any act
16 of the Congress of the United States relating to the
17 readjustment of municipal indebtedness, and the State of
18 Alabama hereby gives its assent thereto and hereby authorizes
19 each county, city ~~or~~, town, or municipal authority organized
20 under Article 9, Chapter 47 of this title, ~~in the state to~~
21 proceed under the provisions of the acts for the readjustment
22 of its debts.

23 "(c) In addition to any other authorization provided
24 to counties by this section, a county in this state that is
25 delinquent or in default on its public indebtedness, or which
26 accepts forbearance of creditors of its public indebtedness in
27 lieu of default, is specifically authorized to file for

1 bankruptcy or enter into a debt restructuring in the nature of
2 a bankruptcy."

3 Section 2. This act shall become effective
4 immediately following its passage and approval by the
5 Governor, or its otherwise becoming law.