

1 SB79
2 197997-4
3 By Senator Holley
4 RFD: Governmental Affairs
5 First Read: 05-MAR-19

1 SB79

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4 ENROLLED, An Act,

5 Relating to county housing authorities, to amend
6 Sections 24-1-71, 24-1-83, and 41-4-16, Code of Alabama 1975,
7 to authorize the electronic posting of the notice of the sale
8 to potential purchasers of bonds under certain conditions; to
9 eliminate the requirement for bids to be advertised for three
10 weeks and publicly let to the lowest responsible bidder; and
11 to exclude municipal, county, and regional housing authorities
12 from the requirement of obtaining prior written consent of the
13 Department of Finance to issue and sell bonds.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. Sections 24-1-71, 24-1-83, and 41-4-16,
16 Code of Alabama 1975, are amended to read as follows:

17 "§24-1-71.

18 "The bonds of the authority shall be authorized by
19 its resolution and shall be issued in one or more series and
20 shall bear such date or dates, mature at such time or times,
21 not exceeding 60 years from their respective dates, bear
22 interest at such rate or rates, payable semiannually, be in
23 such denominations, which may be made interchangeable, be in
24 such form, either coupon or registered, carry such
25 registration privileges, be executed in such manner, be

1 payable in such medium of payment, at such place or places,
2 and be subject to such terms of redemption, with or without
3 premium, as such resolution or its trust indenture or mortgage
4 may provide. The bonds may be sold at public sale held after
5 both of the following:

6 "(1) A notice shall be published once, at least 10
7 days prior to ~~such~~ the sale~~,~~ in a newspaper circulating in the
8 county.

9 "(2) In addition, a notice shall be published and at
10 least 10 days prior to the sale in a financial newspaper
11 published in the City of New York, New York, or in the City of
12 New Orleans, Louisiana, or posted electronically at least 10
13 days prior to the sale on a website or other electronic or
14 Internet service reasonably expected to be available to
15 potential purchasers of the bonds.~~;~~ ~~provided, however, that~~
16 ~~such~~

17 "Notwithstanding the foregoing, the bonds may be
18 sold to the federal government or to a government sponsored
19 enterprise at private sale without any public advertisement.
20 The bonds may be sold at such price or prices as the authority
21 shall determine. Pending the authorization, preparation,
22 execution or delivery of definitive bonds, the authority may
23 issue interim certificates, or other temporary obligations to
24 the purchaser of such bonds. Such interim certificates, or
25 other temporary obligations, shall be in such form, contain

1 such terms, conditions and provisions, bear such date or dates
2 and evidence such agreements relating to their discharge or
3 payment or delivery of definitive bonds as the authority may
4 by resolution, trust indenture or mortgage determine. In case
5 any of the officers whose signatures appear on any bonds or
6 coupons shall cease to be such officers before the delivery of
7 such bonds, such signatures shall, nevertheless, be valid and
8 sufficient for all purposes, the same as if they had remained
9 in office until such delivery. The authority shall have power,
10 out of any funds available therefor, to purchase any bonds
11 issued by it at a price not more than the principal amount
12 thereof and the accrued interest. All bonds so purchased shall
13 be cancelled. This section shall not apply to the redemption
14 of bonds. Any provision of any law to the contrary
15 notwithstanding, any bonds, interim certificates or other
16 obligations issued pursuant to this article are hereby
17 declared to be negotiable instruments.

18 "§24-1-83.

19 "The authority and its housing commissioners shall
20 be under a statutory duty to comply or to cause compliance
21 strictly with all provisions of this article and the laws of
22 the State of Alabama and in addition thereto, with each and
23 every term, provision, and covenant in any contract of the
24 authority on its part to be kept or performed, ~~and shall make~~
25 ~~no contract for the construction of any house or building~~

1 ~~costing more than \$100.00 or the purchase of any material~~
2 ~~therefor until after three weeks' advertising for bids and a~~
3 ~~public letting to the lowest responsible bidder.~~

4 "§41-4-16.

5 "No bonds or other evidences of indebtedness of any
6 commission or authority created to construct or reconstruct
7 highway bridges, approaches and appurtenances thereto, ~~any~~
8 ~~housing authority,~~ any state rural electrification authority,
9 any electric membership corporation, any power district or any
10 improvement authority shall be issued or sold until the
11 consent to the issuance and sale thereof shall have been given
12 by the Department of Finance, to be evidenced by the written
13 approval of the Director of Finance. Such consent shall be
14 granted only after a public hearing and after a petition
15 requesting such consent has been duly filed by the
16 corporation, authority, district, commission or other body
17 seeking such consent with the department more than five days
18 before such public hearing. Such petition shall specify the
19 plan or program of the body seeking such consent and the uses
20 to which it is proposed to put the proceeds of such issue and
21 such other matters as are necessary to fully advise such
22 department of the nature of the proposed project, and said
23 petition shall include such other information as may be
24 required by the rules of the department. The Department of
25 Finance shall grant such consent only after it finds that such

1 issue or sale serves some public need and is in the public
2 interest. It shall be unlawful for the body seeking such
3 consent or anyone to use the proceeds of any such issue or
4 sale contrary to the plan and purposes presented to the
5 department in obtaining its consent thereto. The provisions of
6 this section shall not apply to any bonds or other evidence of
7 indebtedness issued by any municipality, or any agencies,
8 bureaus or commissions thereof nor any municipal, county, or
9 regional housing authority."

10 Section 2. This act shall become effective on the
11 first day of the third month following its passage and
12 approval by the Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB79

Senate 20-MAR-19

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives
Passed: 25-APR-19

By: Senator Holley