

1 SB79
2 197050-1
3 By Senator Holley
4 RFD: Governmental Affairs
5 First Read: 05-MAR-19

8 SYNOPSIS: Under existing law, the bonds of a county
9 housing authority may be sold at a public sale
10 after notice has been published in a newspaper
11 circulating in the county and in a financial
12 newspaper published in the City of New York, New
13 York, or in the City of New Orleans, Louisiana.

14 Under existing law, a county housing
15 authority is prohibited from entering into any
16 contract for the construction of any house or
17 building or purchase of materials for the
18 construction of any house or building costing more
19 than \$100 without three weeks' advertising for bids
20 and a public letting to the lowest responsible
21 bidder.

22 Under existing law, no bonds of any housing
23 authority may be issued or sold without prior
24 written consent of the Department of Finance.

25 This bill would add the option of electronic
26 posting of the notice to potential purchasers of
27 the bonds.

1 This bill would eliminate the requirement
2 for bids to be advertised for three weeks and
3 publicly let to the lowest responsible bidder.

4 This bill would also exclude municipal,
5 county, and regional housing authorities from the
6 requirement of obtaining prior written consent of
7 the Department of Finance to issue and sell bonds.

8
9 A BILL
10 TO BE ENTITLED
11 AN ACT

12
13 Relating to county housing authorities, to amend
14 Sections 24-1-71, 24-1-83, and 41-4-16, Code of Alabama 1975,
15 to add the option of electronic posting of the notice to
16 potential purchasers of bonds; to eliminate the requirement
17 for bids to be advertised for three weeks and publicly let to
18 the lowest responsible bidder; and to exclude municipal,
19 county, and regional housing authorities from the requirement
20 of obtaining prior written consent of the Department of
21 Finance to issue and sell bonds.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

25 "§24-1-71.

26 The bonds of the authority shall be authorized by
27 its resolution and shall be issued in one or more series and

1 shall bear such date or dates, mature at such time or times,
2 not exceeding 60 years from their respective dates, bear
3 interest at such rate or rates, payable semiannually, be in
4 such denominations, which may be made interchangeable, be in
5 such form, either coupon or registered, carry such
6 registration privileges, be executed in such manner, be
7 payable in such medium of payment, at such place or places,
8 and be subject to such terms of redemption, with or without
9 premium, as such resolution or its trust indenture or mortgage
10 may provide. The bonds may be sold at public sale held after
11 notice published once, at least 10 days prior to such sale, in
12 a newspaper circulating in the county and in a financial
13 newspaper published in the City of New York, New York, or in
14 the City of New Orleans, Louisiana or posted electronically on
15 a website or other electronic or Internet service reasonably
16 expected to be available to potential purchasers of the bonds;
17 provided, however, that such bonds may be sold to the federal
18 government or to a government sponsored enterprise at private
19 sale without any public advertisement. The bonds may be sold
20 at such price or prices as the authority shall determine.
21 Pending the authorization, preparation, execution or delivery
22 of definitive bonds, the authority may issue interim
23 certificates, or other temporary obligations to the purchaser
24 of such bonds. Such interim certificates, or other temporary
25 obligations, shall be in such form, contain such terms,
26 conditions and provisions, bear such date or dates and
27 evidence such agreements relating to their discharge or

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

16 "§24-1-83.

17 The authority and its housing commissioners shall be
18 under a statutory duty to comply or to cause compliance
19 strictly with all provisions of this article and the laws of
20 the State of Alabama and in addition thereto, with each and
21 every term, provision, and covenant in any contract of the
22 authority on its part to be kept or performed, ~~and shall make~~
23 ~~no contract for the construction of any house or building~~
24 ~~costing more than \$100.00 or the purchase of any material~~
25 ~~therefor until after three weeks' advertising for bids and a~~
26 ~~public letting to the lowest responsible bidder.~~

27 "§41-4-16.

1 No bonds or other evidences of indebtedness of any
2 commission or authority created to construct or reconstruct
3 highway bridges, approaches and appurtenances thereto, ~~any~~
4 ~~housing authority,~~ any state rural electrification authority,
5 any electric membership corporation, any power district or any
6 improvement authority shall be issued or sold until the
7 consent to the issuance and sale thereof shall have been given
8 by the Department of Finance, to be evidenced by the written
9 approval of the Director of Finance. Such consent shall be
10 granted only after a public hearing and after a petition
11 requesting such consent has been duly filed by the
12 corporation, authority, district, commission or other body
13 seeking such consent with the department more than five days
14 before such public hearing. Such petition shall specify the
15 plan or program of the body seeking such consent and the uses
16 to which it is proposed to put the proceeds of such issue and
17 such other matters as are necessary to fully advise such
18 department of the nature of the proposed project, and said
19 petition shall include such other information as may be
20 required by the rules of the department. The Department of
21 Finance shall grant such consent only after it finds that such
22 issue or sale serves some public need and is in the public
23 interest. It shall be unlawful for the body seeking such
24 consent or anyone to use the proceeds of any such issue or
25 sale contrary to the plan and purposes presented to the
26 department in obtaining its consent thereto. The provisions of
27 this section shall not apply to any bonds or other evidence of

1 indebtedness issued by any municipality, or any agencies,
2 bureaus or commissions thereof nor any municipal, county, or
3 regional housing authority.

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