

## HB343 INTRODUCED



1 HB343

2 4UFVLIR-1

3 By Representatives Sorrells, Marques, Brown, Paramore, Rehm,  
4 Allbright, Stringer, Whitt, Hammett, Robertson, Lipscomb,  
5 Oliver, Hurst, Lee, Standridge, Clouse, Underwood

6 RFD: State Government

7 First Read: 29-Jan-26

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## 4     SYNOPSIS:

5                 Under existing law, any state rural  
6                 electrification authority or electric membership  
7                 corporation is required to obtain consent from the  
8                 Department of Finance before the issuance of bonds or  
9                 other evidences of indebtedness.

10                This bill would remove that requirement.

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13                A BILL

14                TO BE ENTITLED

15                AN ACT

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17                Relating to electrification authorities; to amend  
18                Section 41-4-16, Code of Alabama 1975; to remove the  
19                requirement that rural electrification authorities and  
20                electric membership corporations get approval from the  
21                Department of Finance prior to the issuance of bonds or  
22                evidences of indebtedness.

23                BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24                Section 1. Section 41-4-16, Code of Alabama 1975, is  
25                amended to read as follows:

26                "§41-4-16

27                (a) No bonds or other evidences of indebtedness of any  
28                commission or authority created to construct or reconstruct



29 highway bridges, approaches, and appurtenances thereto, any  
30 ~~state rural electrification authority, any electric membership~~  
31 ~~corporation,~~ any power district, or any improvement authority  
32 shall be issued or sold until the consent to the issuance and  
33 sale ~~thereof~~ shall have been given by the Department of  
34 Finance, to be evidenced by the written approval of the  
35 Director of Finance. ~~Such consent~~ Consent shall be granted  
36 only after a public hearing and after a petition requesting  
37 ~~such~~ consent has been ~~duly~~ filed by the ~~corporation,~~  
38 authority, district, commission, or other body ~~seeking such~~  
39 ~~consent~~ with the department more than five days before the  
40 public hearing. The petition shall specify the plan or program  
41 of the body seeking ~~the~~ consent ~~and~~, the uses to which it is  
42 proposed to put the proceeds of the issue, and the ~~any~~ other  
43 matters as are necessary to fully advise the department of the  
44 nature of the proposed project, and the petition shall include  
45 such other information as may be required by the rules of the  
46 department.

47       (b) The Department of Finance shall grant consent only  
48 after it finds that the issue or sale serves some public need  
49 and is in the public interest. It shall be unlawful for the  
50 body seeking ~~such~~ consent or anyone to use the proceeds of any  
51 ~~such~~ issue or sale contrary to the plan and purposes presented  
52 to the department in obtaining its consent ~~thereto~~.

53       (c) This section shall not apply to any bonds or other  
54 evidence of indebtedness issued by any municipality, or any  
55 agencies, bureaus, or commissions thereof, nor any municipal,  
56 county, or regional housing authority."



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57                   Section 2. This act shall become effective on October  
58                   1, 2026.