

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



SYNOPSIS:

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

This bill would remove that requirement.

A BILL
TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§41-4-16

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



HB343 INTRODUCED

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

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

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



HB343 INTRODUCED

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