

1 HB223
2 209263-2
3 By Representative Ledbetter
4 RFD: County and Municipal Government
5 First Read: 02-FEB-21
6 PFD: 01/29/2021

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ENROLLED, An Act,

Relating to municipal utility boards; to amend Section 11-50-313, Code of Alabama 1975, to allow the governing body of certain municipalities to set compensation for members of utility boards.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 11-50-313, Code of Alabama 1975, is amended to read as follows:

"§11-50-313.

"(a) Each corporation formed or the certificate of incorporation of which is amended under this article shall have a board of directors which shall constitute the governing body of the corporation, which board shall consist of at least three members. In any Class 4 municipality which has adopted a mayor-council form of government pursuant to Chapter 43B (commencing with Section 11-43B-1) of this title, any corporation formed pursuant to this chapter may have a governing body which shall consist of seven members. Any corporation, located in any Class 5 municipality, which is governed by a local law enacted in the 1995 Regular Session may have a governing body which shall consist of seven members.

"(b) No fee shall be paid to any director for services rendered with respect to a sanitary sewer system. In

1 any instance where the system or systems owned and operated by
2 the corporation are any one or more of a water system, a gas
3 system, and an electric system, the chair of the board of
4 directors may, at the discretion of the governing body of the
5 municipality with respect to which the corporation was
6 primarily organized, be paid a director's fee in an amount to
7 be set and established by the governing body in an amount not
8 exceeding six hundred dollars (\$600) per meeting attended, not
9 to exceed seven thousand two hundred dollars (\$7,200) per
10 year, for one system and ten dollars (\$10) each meeting for
11 each additional system. Each member of the board of directors,
12 other than the chair, may be paid a director's fee in an
13 amount to be set and established by the governing body in an
14 amount not exceeding four hundred dollars (\$400) per meeting
15 attended, not to exceed four thousand eight hundred dollars
16 (\$4,800) per year for the system. Notwithstanding the
17 foregoing, where the municipality with respect to which the
18 corporation was primarily organized has less than 5,000
19 inhabitants according to the most recent official census, the
20 maximum total amount of director's fees which may be paid to
21 the chair of its board of directors shall not exceed six
22 hundred dollars (\$600) per meeting attended, not to exceed
23 seven thousand two hundred dollars (\$7,200) per year, and the
24 maximum total amount of director's fees which may be paid to
25 any other member of the board of directors shall not exceed

1 four hundred dollars (\$400) per meeting attended, not to
2 exceed four thousand eight hundred dollars (\$4,800) per year.
3 In all cities having populations of not less than 6,500 nor
4 more than 8,500 according to the most recent federal decennial
5 census, the members of the board of directors, including the
6 chair, may each be paid a director's fee. The chair of the
7 board shall be compensated in an amount not to exceed six
8 hundred dollars (\$600) per meeting attended, not to exceed
9 seven thousand two hundred dollars (\$7,200) per year. Each
10 director, other than the chair, shall be compensated in an
11 amount not to exceed four hundred dollars (\$400) per meeting
12 attended, not to exceed four thousand eight hundred dollars
13 (\$4,800) per year. In all cities having populations of not
14 less than 12,500 nor more than 13,500 according to the most
15 recent federal decennial census, the chair of the board of
16 directors, at the discretion of the board, may be paid a
17 director's fee in an amount not exceeding six hundred dollars
18 (\$600) per meeting attended, not to exceed seven thousand two
19 hundred dollars (\$7,200) per year, and each member of the
20 board other than the chair may be paid a director's fee in an
21 amount not exceeding four hundred dollars (\$400) per meeting
22 attended, not to exceed four thousand eight hundred dollars
23 (\$4,800) per year. In all cities having populations of not
24 less than 23,000 nor more than 27,000 according to the most
25 recent federal decennial census, the chair of the board of

1 directors, at the discretion of the board, may be paid a
2 director's fee in an amount not exceeding six hundred dollars
3 (\$600) per meeting attended, not to exceed seven thousand two
4 hundred dollars (\$7,200) per year, and each member of the
5 board other than the chair may be paid a director's fee in an
6 amount not exceeding four hundred dollars (\$400) per meeting
7 attended, but not to exceed four thousand eight hundred
8 dollars (\$4,800) per year. In all cities located in Jefferson
9 County, Alabama, the chair of the board of directors, at the
10 discretion of the board, may be paid a director's fee in an
11 amount not exceeding four hundred fifty dollars (\$450) each
12 month for one system and fifty dollars (\$50) per month for
13 each additional system; and each member of the board other
14 than the chair may be paid a director's fee in an amount not
15 exceeding four hundred dollars (\$400) each month for one
16 system and forty dollars (\$40) per month for each additional
17 system. In all the cities in Franklin County, including all
18 Franklin County water or sewer board or utility system or
19 boards, or both, located therein, the director's fee shall not
20 exceed six hundred dollars (\$600) each month for each system.
21 The board in the cities of Franklin County may also establish
22 a chair's fee in a higher amount by a vote of such body not to
23 exceed seven hundred fifty dollars (\$750) per meeting. All
24 members of the board of directors of any corporation organized
25 pursuant to this article shall be reimbursed for actual

1 expenses incurred in and about the performance of their duties
2 pursuant to this article. Notwithstanding the foregoing, in a
3 Class 7 municipality, the chair of the board of directors of a
4 corporation formed under this chapter which owns and operates
5 a water system, an electric system, and a sewer system may, at
6 the discretion of the governing body of the municipality with
7 respect to which the corporation was primarily organized, be
8 paid a director's fee in an amount to be set and established
9 by the governing body. Each member of the board of directors,
10 other than the chair, may be paid a director's fee in an
11 amount to be set and established by the governing body.

12 "(c) Except as provided herein, any officer of the
13 municipality shall be eligible for appointment and may serve
14 as a member of the board of directors for the term for which
15 he or she is appointed or during his or her tenure as a
16 municipal officer, whichever expires first, and may receive a
17 fee for his or her services, provided it is first approved by
18 the board of directors. At no time shall the board consist of
19 more than two officers of the municipality. The directors of
20 the corporation shall be elected by the governing body of the
21 municipality, and they shall be elected to hold office for
22 staggered terms. The first term of office of one director
23 shall be two years, of another director shall be four years,
24 and of a third director shall be six years, as shall be
25 designated at the time of their election, and thereafter the

1 term of office of each director shall be six years. The
2 governing body of any municipality which has heretofore or
3 hereafter authorized the creation of a corporation as provided
4 in this article may increase the board of directors from three
5 to five members to serve according to all the conditions and
6 terms set forth in this article. In the event the governing
7 body elects to increase the board of directors from three to
8 five members, one member added to the board shall be appointed
9 for a term of four years and the remaining member for a term
10 of six years, and thereafter the term of each director shall
11 be six years. At no time shall the board consist of more than
12 three officers of the municipality. Any officer of the
13 municipality appointed to serve as a member of the board of
14 directors shall serve for the term for which he or she is
15 appointed or during his or her tenure as a municipal officer,
16 whichever expires first. Notwithstanding the foregoing, the
17 certificate of incorporation or an amendment to the
18 certificate heretofore or hereafter adopted may restrict or
19 prohibit service on the board of directors by officers of the
20 municipality.

21 "(d) Nothing in Act 2007-458 and nothing in
22 subsection ~~(b)~~ (f) as amended by Act 2010-580 shall apply to
23 the City of Montgomery or the City of Prichard Water and Sewer
24 Board.

1 "(e) The amendatory provisions of this ~~subsection~~
2 section as provided in Act 2010-580 and the provisions of Act
3 2007-458 shall not affect the current board director and
4 member fees in the City of Birmingham.

5 "~~(b)~~ (f) The governing body of any municipality
6 which has a population of less than 5,000 according to the
7 most recent federal census and which has heretofore or
8 hereafter authorized the creation of a corporation as provided
9 in this division may increase the board of directors from five
10 to seven members to serve according to all the conditions and
11 terms set forth in this division. In the event the governing
12 body elects to increase the board of directors from five to
13 seven members, one member added to the board shall be
14 appointed for a term of four years and the remaining member
15 for a term of six years, and thereafter the term of each
16 director shall be six years. At no time shall the board
17 consist of more than three officers of the municipality. Any
18 officer of the municipality appointed to serve as a member of
19 the board of directors shall serve for the term for which he
20 or she is appointed or during his or her tenure as a municipal
21 officer, whichever expires first."

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

