

SB258 INTRODUCED



1 S20H58-1
2 By Senator Jones
3 RFD: County and Municipal Government
4 First Read: 27-Apr-23
5
6 2023 Regular Session



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SYNOPSIS:

Under existing law, a nonprofit corporation that is not incorporated pursuant to Title 11, Code of Alabama 1975, that provides water service to the public may be audited one time by the Department of Examiners of Public Accounts.

This bill would specify that the law applies to a nonprofit corporation that provides water service to its members or the public.

This bill would also authorize the Department of Examiners of Public Accounts to conduct a one-time audit of a public corporation organized under Article 9 of Chapter 50 of Title 11, Code of Alabama 1975, providing water service if the department suspects fraud or mismanagement of funds.

A BILL
TO BE ENACTED
AN ACT

Relating to water utilities; to amend Act 2022-378 of the 2022 Regular Session, now appearing as Section 41-5A-12.2 of the Code of Alabama 1975, relating to certain nonprofit corporations providing water service and providing a one-time audit by the Department of Examiners of Public Accounts, to



SB258 INTRODUCED

29 specify that the law applies to nonprofit corporations
30 providing water service to its members or the public; and to
31 authorize the department to conduct a one-time audit of a
32 public corporation organized under Article 9 of Chapter 50 of
33 Title 11, Code of Alabama 1975, providing water service if the
34 department suspects fraud or mismanagement of funds.

35 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

36 Section 1. Act 2022-378 of the 2022 Regular Session,
37 now appearing as Section 41-5A-12.2 of the Code of Alabama
38 1975, is amended to read as follows:

39 "§41-5A-12.2

40 (a) After ~~April 14, 2022,~~ the effective date of the
41 act adding this amendatory language, beginning after the close
42 of the then current fiscal year, any nonprofit corporation
43 organized under the laws of this state as a nonprofit
44 corporation that is not incorporated pursuant to Title 11,
45 which provides water service to its members or the public, may
46 be audited or examined one time by the Department of Examiners
47 of Public Accounts in the same manner as provided in Chapter
48 5A of Title 41. The department may charge a reasonable fee for
49 the audits.

50 (b) After the effective date of the act adding this
51 amendatory language, beginning after the close of the then
52 current fiscal year, any public corporation organized,
53 created, or incorporated under Article 9, Chapter 50 of Title
54 11, which provides water service to its members or the public,
55 may be audited or examined one time by the Department of
56 Examiners of Public Accounts in the same manner as provided in



SB258 INTRODUCED

57 Chapter 5A of Title 41, if the department suspects fraud or
58 mismanagement of funds by the public corporation. The
59 department may charge a reasonable fee for the audits or
60 examinations.

61 ~~(b)~~ (c) This section does not apply to or affect any
62 public water supply system, waterworks plant, or water
63 distribution system owned or operated by a municipality or
64 county, or by a public corporation, board, or other entity
65 organized, created, or incorporated pursuant to Title 11,
66 except as provided in subsection (b)."

67 Section 2. This act shall become effective immediately
68 following its passage and approval by the Governor, or its
69 otherwise becoming law.