

## SB271 INTRODUCED



1 SB271  
2 JPAP4YN-1  
3 By Senator Allen  
4 RFD: Transportation and Energy  
5 First Read: 01-Apr-25

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4 SYNOPSIS:

5 Under existing law, municipalities may not  
6 subject electric suppliers to certain fees or charges  
7 in connection with the granting of consent to use  
8 public streets and places.

9 This bill would prohibit municipalities from  
10 subjecting any natural or manufactured gas utility to  
11 certain fees or charges in connection with the granting  
12 of consent to use public streets and places.

13 This bill would also make nonsubstantive,  
14 technical revisions to update the existing code  
15 language to current style.

16  
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18  
19 A BILL  
20 TO BE ENTITLED  
21 AN ACT  
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23 Relating to municipalities; to amend Section 11-49-1,  
24 Code of Alabama 1975, to prohibit municipalities from imposing  
25 certain fees or charges on natural or manufactured gas  
26 utilities in connection with the granting of consent to use  
27 public streets and places; and to make nonsubstantive,  
28 technical revisions to update the existing code language to



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29 current style.

30 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

31 Section 1. Section 11-49-1, Code of Alabama 1974, is  
32 amended to read as follows:

33 "§11-49-1

34 (a) No person, firm, association, or corporation ~~shall~~  
35 ~~be authorized to~~ may use the streets, avenues, alleys, and  
36 other public places of cities or towns for the construction or  
37 operation of any public utility or private enterprise without  
38 first obtaining the consent of the proper authorities of the  
39 city or town.

40 (b) No electric supplier, as defined in Section  
41 37-14-31 ~~(1)~~, which has an assigned service territory  
42 established by general law ~~enacted by the Legislature~~ and  
43 ~~which is~~ subject to payment of a privilege or license tax or  
44 other tax or fee established by general law ~~enacted by the~~  
45 ~~Legislature~~ to a city or town which authorizes a levy not to  
46 exceed three percent of the gross receipts of the business  
47 done by the electric supplier in the municipality during the  
48 preceding year, and which authorizes a levy not to exceed one  
49 and one-half percent of the gross receipts of the business  
50 done by the electric supplier in the police jurisdiction of  
51 the municipality during the preceding year, shall be subject  
52 to any separate fee, charge, tax, or other payment to the city  
53 or town in connection with the consent required under  
54 subsection (a) or any consent required otherwise by law.

55 (c) Nothing ~~herein~~ in this section shall affect any  
56 franchise fee, charge, tax, or other payment being currently



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paid by an electric supplier under a franchise agreement in effect on April 28, 2009, or any extension, assignment, or renewal at the same rate.

(d) Any franchise fee, charge, tax, or other payment paid by a natural or manufactured gas utility, as defined in Section 37-4-1(7)b., which is subject to the general supervision of the Alabama Public Service Commission pursuant to Section 37-1-32, and to payment of a privilege or license tax or other tax or fee established by general law to a city or town which authorizes a levy not to exceed three percent of the gross receipts of the business done by the natural or manufactured gas utility in the municipality during the preceding year, and which authorizes a levy not to exceed one and one-half percent of the gross receipts of the business done by the natural or manufactured gas utility in the police jurisdiction of the municipality during the preceding year, are prohibited from being increased after December 31, 2025, unless the increase is approved by a majority of the qualified electors residing in the municipality who vote on the proposed increase at an election held pursuant to Chapter 46.

~~(d)~~ (e) (1) The provisions of subsection Subsections (b) and (d) shall not be construed to affect the application of any of the following:

~~(1) health~~ a. Health, safety, and welfare rules and regulations to electric suppliers or natural gas or manufactured gas utilities, including, without limitation, payment of reasonable permit fees designed to recover the costs of processing and administering permits generally



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applicable to all other businesses holding permits issued by the cities or towns~~†~~.

~~(2) payment~~ b. Payment of publication costs associated with approval of a franchise as required by statute~~†~~.

~~(3) any~~ c. Any requirements stated in the franchise that the electric supplier or natural or manufactured gas utility repair and remediate property of the municipality damaged by the electric supplier's or natural or manufactured gas utility's operation and maintenance of its facilities and that the electric supplier or natural or manufactured gas utility indemnify the municipality for negligence or wrongful conduct of the electric supplier or natural or manufactured gas utility, or the electric supplier's or natural or manufactured gas utility's officers, agents, employees, or independent contractors, in the construction, operation, and maintenance of its facilities installed pursuant to the franchise~~†~~ ~~or~~.

~~(4) any~~ d. Any tort, contract, or other civil liability that would exist independently of the franchise.

~~(2) The provisions of this~~ This subsection ~~are is~~ intended to ~~be~~ provide examples of municipal powers that are unaffected by ~~subsection~~ subsections (b) and (d) and shall not be construed as limitations on the rights and powers of municipalities.

~~(e)~~ (f) Nothing in subsections (b) ~~to (d)~~ through (e), ~~inclusive~~, shall affect the right of cities or towns to charge electric suppliers, which have an assigned service territory, or natural or manufactured gas utilities franchise fees for



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their use of the streets, avenues, alleys, and other public places of the cities or towns to provide services to the public such as cable, voice, data, video, or other ~~non-electric~~ nonelectric services and nonnatural or manufactured gas services for which other providers are required to pay franchise fees.

~~(f)~~ (g) Should any of subsections (b) ~~, (c), (d), or (e)~~ through (f) be declared unconstitutional or invalid by a final decision of any court of competent jurisdiction, the remaining subsections (b), (c), (d), ~~and~~ (e) , and (f) shall become ~~null~~ and void and without effect. Nothing in this section shall be deemed to amend, modify, or otherwise affect in any manner Chapter 14 of Title 37."

Section 2. This act shall become effective on June 1, 2025.