

**SB95 ENGROSSED**



1 SB95

2 KXE15UA-2

3 By Senator Chesteen

4 RFD: Fiscal Responsibility and Economic Development

5 First Read: 05-Feb-25



## SB95 Engrossed

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A BILL  
TO BE ENTITLED  
AN ACT

Relating to the Alabama Municipal Electric Authority;  
to amend Section 11-50A-6 of the Code of Alabama 1975, to  
increase the amount of the director's fees authorized to be  
paid, at the discretion of the board, to the members of the  
board of directors and the chairman for each meeting of the  
board.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 11-50A-6 of the Code of Alabama  
1975, is amended to read as follows:

"§11-50A-6

(a) The board of directors of the authority shall be  
elected by the duly designated representatives of the  
municipalities ~~which~~ that are authorized and directed to  
designate a member of the election committee as ~~hereinafter~~  
provided in this section. Until the first meeting of the board  
of directors following the meeting in 2015 of the election  
committee hereinafter provided for, the board of directors  
shall consist of nine members; ~~thereafter,~~ Thereafter, the  
board shall consist of the number of members equal to the  
number of municipalities contracting with the authority for



## SB95 Engrossed

29 the purchase of electric power and energy pursuant to Section  
30 11-50A-17, which are authorized and directed to designate a  
31 member of the election committee. Members of the board of  
32 directors shall be eligible to succeed themselves. The  
33 business, affairs, and property of the authority shall be  
34 managed by its board of directors.

35 (b) (1) On or before the ninetieth day following May 18,  
36 1981, the governing body of each municipality ~~which shall have~~  
37 that has, prior to that ninetieth day, by proper resolution  
38 declared its intention to contract with the authority for the  
39 purchase of electric power and energy pursuant to Section  
40 11-50A-17, provided there shall be as many as five such  
41 municipalities, shall designate one individual who shall be a  
42 duly qualified elector of that municipality as its  
43 representative on the Alabama Municipal Electric Authority  
44 membership election committee which is herein designated as  
45 the election committee. The resolution of the governing body  
46 of each municipality may at any time be repealed in the manner  
47 provided by law for repeal of resolutions by the governing  
48 body; provided, that repeal of a resolution after the date of  
49 incorporation of the authority shall not affect the existence  
50 of the authority or the validity or enforceability of any  
51 contract entered into by the municipality with the authority.  
52 Each resolution declaring the intention of the municipality to  
53 contract with the authority shall state the amount of electric  
54 power and energy purchased from all sources by the  
55 municipality during the immediately preceding calendar year  
56 and shall be presented to the election committee at its first



## SB95 Engrossed

57 meeting which shall be held at the State Capitol located in  
58 the City of Montgomery, Alabama, at 11 o'clock ~~A.M.~~ a.m.,  
59 Montgomery time, on the first Monday following the ninetieth  
60 day following May 18, 1981. At that meeting, which shall not  
61 precede the issuance of the authority's certificate of  
62 incorporation by the Secretary of State as provided in Section  
63 11-50A-5, the election committee shall organize and elect a  
64 ~~chairman~~ chair and any other officers which may be desirable  
65 in the determination of the election committee. The election  
66 committee shall then determine the sufficiency of the  
67 resolutions presented to it, the accuracy of the factual  
68 representations made therein, and the number of votes,   
69 ~~(including fractions thereof)~~, which each member of the  
70 election committee shall be entitled to cast in accordance  
71 ~~with the provisions of subsection (b) subdivision (2) of this~~  
72 ~~section; the.~~ The determinations of the election committee  
73 shall be final. Nominations for membership on the board shall  
74 then be received by the election committee prior to  
75 adjournment of its first meeting. The election committee shall  
76 ~~then~~ meet for the second time one week later at the same time  
77 and place to receive any other nominations for membership on  
78 the board that may be made and shall at that time elect nine  
79 members of the board. The nine nominees to membership on the  
80 board receiving the largest number of votes cast by a quorum  
81 of the election committee shall be declared to be elected as  
82 the first nine members of the board. Each member shall be a  
83 duly qualified elector of one of the municipalities  
84 represented on the election committee, but, insofar as is



## SB95 Engrossed

85 mathematically possible, no more than one member shall be a  
86 duly qualified elector of any one of those municipalities. The  
87 election committee shall meet on a date not more than 30 days  
88 prior to each annual meeting of the authority to elect members  
89 to fill the terms which will begin at the conclusion of the  
90 annual meeting of the board.

91 (2) In elections held by the election committee to  
92 elect members to the board, beginning with the first election  
93 of members, each municipality entitled to representation on  
94 the election committee shall have, and shall be entitled to  
95 have its representative on the election committee cast, one  
96 whole vote, plus an additional vote or votes, ~~including~~  
97 ~~fractions thereof~~, to be determined as follows:

98 a. Before any project of the authority is placed in  
99 commercial operation by the authority, as determined by the  
100 authority, and electric power and energy is being supplied by  
101 the authority to all municipalities contracting with the  
102 authority pursuant to Section 11-50A-17, the percentage which  
103 is arrived at by dividing the number of kilowatt hours of  
104 electric power and energy purchased from all sources by each  
105 represented municipality during the immediately preceding  
106 calendar year by the total number of kilowatt hours of  
107 electric power and energy purchased from all sources by all  
108 represented municipalities during the immediately preceding  
109 calendar year shall be determined; ~~each~~. Each percentage so  
110 determined shall then be applied to a total number of votes  
111 equal to the total number of municipalities entitled to  
112 representation on the election committee. The resulting



## SB95 Engrossed

113 figure, calculated to the nearest one thousandth, shall be the  
114 additional vote or votes, ~~including fractions thereof~~, to  
115 which each respective municipality is entitled.

116 b. After any project of the authority is placed in  
117 commercial operation by the authority, as determined by the  
118 authority, and electric power and energy is being supplied by  
119 the authority to all municipalities contracting with the  
120 authority pursuant to Section 11-50A-17, the percentage which  
121 is arrived at by dividing the number of kilowatt hours of  
122 electric power and energy purchased from the authority by each  
123 represented municipality during the immediately preceding  
124 calendar year by the total number of kilowatt hours of  
125 electric power and energy purchased from the authority by all  
126 represented municipalities during the immediately preceding  
127 calendar year shall be determined; ~~each~~. Each percentage so  
128 determined shall then be applied to a total number of votes  
129 equal to the total number of municipalities entitled to  
130 representation on the election committee. The resulting  
131 figure, calculated to the nearest one thousandth, shall be the  
132 additional vote or votes, ~~including fractions thereof~~, to  
133 which each represented municipality is entitled. At the  
134 meeting of the election committee in the calendar year  
135 immediately following the calendar year in which any project  
136 of the authority is first placed in commercial operation by  
137 the authority, as determined by the authority, and electric  
138 power and energy is being supplied by the authority to all  
139 municipalities contracting with the authority pursuant to  
140 Section 11-50A-17, if the project has been in commercial



## SB95 Engrossed

141 operation, as determined by the authority, and if electric  
142 power and energy has been supplied for at least six months in  
143 the immediately preceding calendar year, then the period of  
144 time upon which the determination shall be made of the  
145 additional vote or votes, including fractions thereof, to  
146 which the members of the election committee shall be entitled  
147 at such meeting shall be that portion of the calendar year in  
148 which electric power and energy was first supplied to the  
149 municipalities; otherwise, such additional vote or votes, including fractions thereof, shall be determined on the  
150 basis of the number of kilowatt hours of electric power and  
151 energy purchased from all sources in accordance with the  
152 provisions of ~~subsection (b) (2) paragraph a. of this section.~~

154 c. The presence at any meeting of the election  
155 committee of representatives entitled to cast two-thirds of  
156 the total votes to which the election committee shall be  
157 entitled shall constitute a quorum of the election committee.

158 (c) The governing body of each municipality declaring  
159 its intent to contract with the authority for the purchase of  
160 electric power and energy pursuant to Section 11-50A-17, after  
161 the ninetieth day following May 18, 1981, but before the  
162 election of the first nine members of the board, shall  
163 designate one individual who shall be a duly qualified elector  
164 of that municipality as an additional member of the election  
165 committee. The term of each additional member of the election  
166 committee so designated shall begin with the first meeting of  
167 the election committee following the meeting held for the  
168 purpose of electing the first nine members of the board. After



## SB95 Engrossed

169 the election of the first nine members of the board, each  
170 municipality that is not otherwise entitled to representation  
171 on the election committee and that contracts with the  
172 authority pursuant to Section 11-50A-17 shall designate one  
173 individual who shall be a duly qualified elector of that  
174 municipality as an additional member of the election  
175 committee. The term of each additional member of the election  
176 committee so designated shall begin with the next meeting of  
177 the election committee following his or her designation as a  
178 member. Each member of the election committee shall serve at  
179 the pleasure of the governing body of the municipality by  
180 which he or she was appointed.

181 (d) (1) The initial membership of the board shall be  
182 elected as follows: Three members of the board shall be  
183 elected for terms of one year, three for two years, and three  
184 for three years. Each election thereafter, except elections to  
185 fill unexpired terms or to reflect a contemporaneous increase  
186 in the membership of the board, shall be for a term of three  
187 years. In the case of an increase in the membership of the  
188 board, the board members elected to reflect the increase shall  
189 be elected for initial terms that result in an approximately  
190 equal number of members of the board having terms expiring in  
191 the same years, as the election committee shall determine. All  
192 terms, however, shall extend through the annual meeting of the  
193 board held at the expiration of the number of years for which  
194 the member was elected and until his or her successor ~~shall be~~  
195 is elected.

196 (2) ~~Nevertheless, all~~ All members of the board shall





## SB95 Engrossed

197 serve at the pleasure of the election committee.

198 (3) ~~In the event~~ If it should be mathematically  
199 necessary in the election of the members of the board for more  
200 than one member of the board to be a duly qualified elector of  
201 the same municipality, then and in that event, one of the two  
202 members who are duly qualified electors of the same  
203 municipality shall be elected for an initial term of one year, ~~and, in the event.~~ If there ~~should be~~ are four municipalities  
204 from which two duly qualified electors must be elected, one of  
205 the duly qualified electors of one of those four  
206 municipalities shall be elected for an initial term of two  
207 years; provided, however, that insofar as may be consistent  
208 with the foregoing provisions of this subsection, in the  
209 election of the first nine members of the board, the three  
210 nominees receiving the highest number of votes shall be  
211 elected to terms of three years, the three nominees receiving  
212 the next highest number of votes shall be elected to terms of  
213 two years, and the three nominees receiving the next highest  
214 number of votes shall be elected to terms of one year. Any tie  
215 votes shall be resolved by lot in a manner prescribed by the  
216 election committee.

218 (4) Members of the election committee shall not be  
219 eligible for membership on the board.

220 (5) The membership of the board shall be inclusive and  
221 reflect the racial, gender, geographical, ~~urban/rural~~ urban,  
222 rural, and economic diversity of the state.

223 (e) The first meeting of the board shall be held at the  
224 same place and hour, on the first Thursday following the



## SB95 Engrossed

225 second meeting of the election committee described in  
226 ~~subsection~~ subdivision (b) (1) ~~of this section~~, to elect  
227 officers, decide upon a date, time, and place for its next  
228 meeting or meetings, and to proceed with the transaction of  
229 any business that may come before the board.

230 (f) The first annual meeting of the board, which may be  
231 held without notice, shall be held on the anniversary date of  
232 the first meeting of the board. If the date set for the annual  
233 meeting of the board is a legal holiday, the annual meeting  
234 shall be held on the next secular day following. The date of  
235 subsequent annual meetings of the board may be changed by  
236 resolution of the board, and no notice, other than notice of  
237 the adoption of the resolution to any member of the board who  
238 was absent when it was adopted, shall be required for any  
239 annual meeting. Notice of the adoption of a resolution  
240 changing the date of the annual meeting of the board shall be  
241 given to any member of the board who was absent when the  
242 resolution was adopted by mailing a copy of the resolution to  
243 each absent member of the board 10 days prior to the date set  
244 for the annual meeting.

245 (g) Regular meetings of the board may be established by  
246 resolution of the board, and no notice, other than notice of  
247 the adoption of the resolution to any member of the board who  
248 was absent when it was adopted, shall be required for any  
249 regular meeting. Notice of the adoption of a resolution  
250 establishing regular meetings of the board shall be given to  
251 any member of the board who was absent when the resolution was  
252 adopted by mailing a copy of the resolution to each absent



## SB95 Engrossed

253 member of the board 10 days prior to the date of the regular  
254 meeting.

255 (h) Special meetings of the board may be called by  
256 resolution of the board or by the ~~chairman~~ chair or  
257 ~~vice-chairman~~ vice chair or upon the written request of at  
258 least three members of the board.

259 (i) Written notice of special meetings shall be mailed  
260 to each municipality contracting with the authority pursuant  
261 to Section 11-50A-17 and to each member of the board not less  
262 than three days prior to the date of any special meeting.

263 Neither the business to be transacted at nor the purpose of a  
264 special meeting of the board need be specified in the notice  
265 of the meeting. Notice of a special meeting need only state  
266 the time and place of the meeting.

267 (j) Notice of a meeting of the board need not be given  
268 to any member who signs a waiver of notice either before or  
269 after the meeting. Attendance of a member at a meeting shall  
270 constitute a waiver of notice of the meeting and a waiver of  
271 ~~any and all objections~~ objection to the time or place of the  
272 meeting or to the manner in which it has been called or  
273 convened, except when a member states at the beginning of the  
274 meeting any objection or objections to the transaction of  
275 business. Neither the business to be transacted at nor the  
276 purpose of any regular or special meeting of the board need be  
277 specified in the waiver of notice of those meetings.

278 (k) Any vacancy in the membership of the board due to  
279 the death, resignation, change of residence, or disability of  
280 a member shall be filled by a new member to be elected by the



## SB95 Engrossed

281 remaining members of the board to serve until the next meeting  
282 of the election committee. At the first meeting of the  
283 election committee following the filling of any vacancy, the  
284 election committee shall elect a member to fill the remainder,  
285 if any, of the unexpired term for which the vacancy was  
286 filled. Upon this election by the election committee, the  
287 membership on the board of the member elected to fill any  
288 vacancy by the remaining members of the board shall terminate.  
289 If any member of the board who is employed in any capacity in  
290 the management or operation of the electric distribution  
291 system of any municipality ceases to be so employed, the board  
292 member shall be deemed to have resigned membership on the  
293 board within the meaning of this subsection.

294 (1) The board shall elect as officers of the authority  
295 a ~~chairman~~ chair, a ~~vice-chairman~~ vice chair, a  
296 secretary-treasurer, and any other officers which the board  
297 from time to time may deem necessary. The ~~chairman~~ chair and  
298 ~~vice-chairman~~ vice chair shall be elected from the membership  
299 of the board. All officers shall serve for terms of one year  
300 terminating at the next annual meeting of the board or until  
301 their successors are elected and qualified.

302 (m) At all meetings of the board, the presence in  
303 person of a majority of the members in office shall be  
304 necessary for the transaction of business, and the affirmative  
305 vote of a majority of the members present and voting at a  
306 meeting where a quorum is present shall be necessary for any  
307 action of the board. No vacancy in the membership of the board  
308 shall impair the right of the majority to exercise all the



## SB95 Engrossed

309 rights and perform all duties of the board. If at any meeting  
310 there is less than a majority present, a majority of those  
311 present may adjourn the meeting to a fixed time and place, and  
312 notice of that time and place shall be given in accordance  
313 with ~~the provisions of subsection (i) of this section.~~

314 (n) ~~(1) Unless the board by an unanimous vote of all of~~  
315 ~~the members thereof then serving shall so determine, the~~  
316 ~~members of the board shall not be entitled to compensation for~~  
317 ~~their services as directors or officers. If the board~~  
318 ~~determines to provide for compensation, the authority may~~  
319 ~~compensate its directors in the manner and amounts as shall be~~  
320 ~~determined from time to time by the board not to exceed six~~  
321 ~~hundred dollars (\$600) per meeting of the board actually~~  
322 ~~attended. Members of the board may be reimbursed by the~~  
323 ~~authority for their actual expenses properly incurred in the~~  
324 ~~performance of their duties. Members of the board of directors~~  
325 ~~shall serve without compensation, except that they shall be~~  
326 ~~reimbursed for actual expenses incurred in the performance of~~  
327 ~~their duties under this article, and, at the discretion of the~~  
328 ~~board of directors, they may be paid a director's fee not to~~  
329 ~~exceed one thousand seven hundred fifty dollars (\$1,750) per~~  
330 ~~month in which the member actually attends a meeting.~~

331 (2) Notwithstanding subdivision (1), the chair of the  
332 board shall serve without compensation, except that he or she  
333 shall be reimbursed for actual expenses incurred in the  
334 performance of his or her duties under this article, and, at  
335 the discretion of the board, he or she may be paid a  
336 director's fee not to exceed two thousand dollars (\$2,000) per



## SB95 Engrossed

337 month in which the chair actually attends a meeting.

338 (o) The authority shall keep suitable books and records  
339 of all its obligations, contracts, transactions, and  
340 undertakings, and of all its revenues and receipts of every  
341 nature and all expenditures of every kind.

342 (p) The authority, together with all funds established  
343 in connection with its debt, shall be audited no less  
344 frequently than annually by an independent auditing and  
345 accounting firm to be selected and compensated by the  
346 authority. Copies of any audit shall be available upon request  
347 to interested parties, including, specifically but without  
348 limitation, the holders of bonds and all parties contracting  
349 with the authority."

350 Section 2. This act shall become effective on January  
351 1, 2026.



**SB95 Engrossed**

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353  
354 Senate

355 Read for the first time and referred .....05-Feb-25  
356 to the Senate committee on Fiscal  
357 Responsibility and Economic  
358 Development  
359  
360 Read for the second time and placed .....12-Feb-25  
361 on the calendar:  
362 1 amendment  
363  
364 Read for the third time and passed .....18-Feb-25  
365 as amended  
366 Yeas 32  
367 Nays 0  
368 Abstains 0  
369  
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Patrick Harris,  
Secretary.

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