

SB95 ENROLLED



1 SB95
2 KXE15UA-3
3 By Senator Chesteen
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 05-Feb-25



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1 Enrolled, An Act,

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3
4 Relating to the Alabama Municipal Electric Authority;
5 to amend Section 11-50A-6 of the Code of Alabama 1975, to
6 increase the amount of the director's fees authorized to be
7 paid, at the discretion of the board, to the members of the
8 board of directors and the chairman for each meeting of the
9 board.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Section 11-50A-6 of the Code of Alabama
12 1975, is amended to read as follows:

13 "§11-50A-6

14 (a) The board of directors of the authority shall be
15 elected by the duly designated representatives of the
16 municipalities~~which~~that are authorized and directed to
17 designate a member of the election committee as ~~hereinafter~~
18 provided in this section. Until the first meeting of the board
19 of directors following the meeting in 2015 of the election
20 committee hereinafter provided for, the board of directors
21 shall consist of nine members;~~thereafter,~~ Thereafter, the
22 board shall consist of the number of members equal to the
23 number of municipalities contracting with the authority for
24 the purchase of electric power and energy pursuant to Section
25 11-50A-17, which are authorized and directed to designate a
26 member of the election committee. Members of the board of
27 directors shall be eligible to succeed themselves. The
28 business, affairs, and property of the authority shall be



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managed by its board of directors.

(b) (1) On or before the ninetieth day following May 18, 1981, the governing body of each municipality ~~which shall have~~ that has, prior to that ninetieth day, by proper resolution declared its intention to contract with the authority for the purchase of electric power and energy pursuant to Section 11-50A-17, provided there shall be as many as five such municipalities, shall designate one individual who shall be a duly qualified elector of that municipality as its representative on the Alabama Municipal Electric Authority membership election committee which is herein designated as the election committee. The resolution of the governing body of each municipality may at any time be repealed in the manner provided by law for repeal of resolutions by the governing body; provided, that repeal of a resolution after the date of incorporation of the authority shall not affect the existence of the authority or the validity or enforceability of any contract entered into by the municipality with the authority. Each resolution declaring the intention of the municipality to contract with the authority shall state the amount of electric power and energy purchased from all sources by the municipality during the immediately preceding calendar year and shall be presented to the election committee at its first meeting which shall be held at the State Capitol located in the City of Montgomery, Alabama, at 11 o'clock ~~A.M.~~ a.m., Montgomery time, on the first Monday following the ninetieth day following May 18, 1981. At that meeting, which shall not precede the issuance of the authority's certificate of



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incorporation by the Secretary of State as provided in Section 11-50A-5, the election committee shall organize and elect a ~~chairman~~ chair and any other officers which may be desirable in the determination of the election committee. The election committee shall then determine the sufficiency of the resolutions presented to it, the accuracy of the factual representations made therein, and the number of votes, (including fractions thereof), which each member of the election committee shall be entitled to cast in accordance with ~~the provisions of subsection (b)~~ subdivision (2) ~~of this section; the~~. The determinations of the election committee shall be final. Nominations for membership on the board shall then be received by the election committee prior to adjournment of its first meeting. The election committee shall ~~then~~ meet for the second time one week later at the same time and place to receive any other nominations for membership on the board that may be made and shall at that time elect nine members of the board. The nine nominees to membership on the board receiving the largest number of votes cast by a quorum of the election committee shall be declared to be elected as the first nine members of the board. Each member shall be a duly qualified elector of one of the municipalities represented on the election committee, but, insofar as is mathematically possible, no more than one member shall be a duly qualified elector of any one of those municipalities. The election committee shall meet on a date not more than 30 days prior to each annual meeting of the authority to elect members to fill the terms which will begin at the conclusion of the



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85 annual meeting of the board.

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

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

111 b. After any project of the authority is placed in
112 commercial operation by the authority, as determined by the



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



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141 which the members of the election committee shall be entitled
142 at such meeting shall be that portion of the calendar year in
143 which electric power and energy was first supplied to the
144 municipalities; otherwise, such additional vote or votes,
145 ~~including fractions thereof~~, shall be determined on the
146 basis of the number of kilowatt hours of electric power and
147 energy purchased from all sources in accordance with the
148 provisions of ~~subsection (b)(2)~~ paragraph a. of this section.

149 c. The presence at any meeting of the election
150 committee of representatives entitled to cast two-thirds of
151 the total votes to which the election committee shall be
152 entitled shall constitute a quorum of the election committee.

153 (c) The governing body of each municipality declaring
154 its intent to contract with the authority for the purchase of
155 electric power and energy pursuant to Section 11-50A-17, after
156 the ninetieth day following May 18, 1981, but before the
157 election of the first nine members of the board, shall
158 designate one individual who shall be a duly qualified elector
159 of that municipality as an additional member of the election
160 committee. The term of each additional member of the election
161 committee so designated shall begin with the first meeting of
162 the election committee following the meeting held for the
163 purpose of electing the first nine members of the board. After
164 the election of the first nine members of the board, each
165 municipality that is not otherwise entitled to representation
166 on the election committee and that contracts with the
167 authority pursuant to Section 11-50A-17 shall designate one
168 individual who shall be a duly qualified elector of that



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municipality as an additional member of the election committee. The term of each additional member of the election committee so designated shall begin with the next meeting of the election committee following his or her designation as a member. Each member of the election committee shall serve at the pleasure of the governing body of the municipality by which he or she was appointed.

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

(2) ~~Nevertheless, all~~ All members of the board shall serve at the pleasure of the election committee.

(3) ~~In the event~~ If it should be mathematically necessary in the election of the members of the board for more than one member of the board to be a duly qualified elector of the same municipality, then and in that event, one of the two



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members who are duly qualified electors of the same municipality shall be elected for an initial term of one year~~+~~ ~~and, in the event.~~ If there should be are four municipalities from which two duly qualified electors must be elected, one of the duly qualified electors of one of those four municipalities shall be elected for an initial term of two years; provided, however, that insofar as may be consistent with the foregoing provisions of this subsection, in the election of the first nine members of the board, the three nominees receiving the highest number of votes shall be elected to terms of three years, the three nominees receiving the next highest number of votes shall be elected to terms of two years, and the three nominees receiving the next highest number of votes shall be elected to terms of one year. Any tie votes shall be resolved by lot in a manner prescribed by the election committee.

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

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

(e) The first meeting of the board shall be held at the same place and hour, on the first Thursday following the second meeting of the election committee described in ~~subsection~~ subdivision (b)(1) ~~of this section,~~ to elect officers, decide upon a date, time, and place for its next meeting or meetings, and to proceed with the transaction of any business that may come before the board.



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

(g) Regular meetings of the board may be established by resolution of the board, and no notice, other than notice of the adoption of the resolution to any member of the board who was absent when it was adopted, shall be required for any regular meeting. Notice of the adoption of a resolution establishing regular meetings of the board shall be given to any member of the board who was absent when the resolution was adopted by mailing a copy of the resolution to each absent member of the board 10 days prior to the date of the regular meeting.

(h) Special meetings of the board may be called by resolution of the board or by the ~~chairman~~ chair or ~~vice-chairman~~ vice chair or upon the written request of at



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least three members of the board.

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

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

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

(k) Any vacancy in the membership of the board due to the death, resignation, change of residence, or disability of a member shall be filled by a new member to be elected by the remaining members of the board to serve until the next meeting of the election committee. At the first meeting of the election committee following the filling of any vacancy, the election committee shall elect a member to fill the remainder, if any, of the unexpired term for which the vacancy was



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filled. Upon this election by the election committee, the membership on the board of the member elected to fill any vacancy by the remaining members of the board shall terminate. If any member of the board who is employed in any capacity in the management or operation of the electric distribution system of any municipality ceases to be so employed, the board member shall be deemed to have resigned membership on the board within the meaning of this subsection.

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

(m) At all meetings of the board, the presence in person of a majority of the members in office shall be necessary for the transaction of business, and the affirmative vote of a majority of the members present and voting at a meeting where a quorum is present shall be necessary for any action of the board. No vacancy in the membership of the board shall impair the right of the majority to exercise all the rights and perform all duties of the board. If at any meeting there is less than a majority present, a majority of those present may adjourn the meeting to a fixed time and place, and notice of that time and place shall be given in accordance with ~~the provisions of subsection (i) of this section.~~



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

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

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



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

345 Section 2. This act shall become effective on January
346 1, 2026.



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President and Presiding Officer of the Senate

Speaker of the House of Representatives

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Senate 18-Feb-25

I hereby certify that the within Act originated in and passed
the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives

Passed: 08-Apr-25

By: Senator Chesteen