

**HB141 ENROLLED**



1 HB141  
2 NRC94J8-3  
3 By Representative Brown  
4 RFD: County and Municipal Government  
5 First Read: 13-Jan-26  
6 PFD: 09-Jan-26



## HB141 Enrolled

1 Enrolled, An Act,

2

3

4 Relating to public utilities; to amend Section  
5 11-50-313, Code of Alabama 1975, to increase the maximum  
6 amount of fees that may be paid to members of boards of  
7 directors of certain public corporations operating utilities;  
8 to extend the terms of certain board members; and to make  
9 nonsubstantive, technical revisions to update the existing  
10 code language to current style.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

14 "§11-50-313

15 (a) (1) Each corporation that is formed or ~~the~~ that has  
16 amended its certificate of incorporation ~~of which is amended~~  
17 under pursuant to this article shall have a board of directors  
18 which that shall ~~constitute be~~ the governing body of the  
19 corporation, ~~which board shall~~. Except as otherwise provided  
20 by law, the board shall consist of ~~at least~~ three members.

21 (2) The governing body of any municipality that has  
22 authorized the creation of a corporation as provided in this  
23 article may increase the membership of the board of directors  
24 from three to five members. In the event the governing body  
25 elects to increase the membership of the board of directors  
26 from three to five members, one member added to the board  
27 shall be appointed for an initial term of four years and the  
28 remaining newly added member for an initial term of six years,



## HB141 Enrolled

29 and thereafter the term of each additional director shall be  
30 six years.

31 (3) In any Class 4 municipality~~which that~~ has adopted  
32 a mayor-council form of government pursuant to Chapter 43B  
33 ~~(commencing with Section 11-43B-1) of this title, any~~  
34 corporation formed pursuant to this chapter may have a  
35 governing body~~which shall consist~~ that consists of seven  
36 members.

37 (4) Any corporation, located in any Class 5  
38 municipality,~~which that~~ is governed by a local law enacted in  
39 the 1995 Regular Session may have a governing body~~which shall~~  
40 ~~consist~~ that consists of seven members.

41 (5) The governing body of any municipality that has a  
42 population of less than 5,000 according to the most recent  
43 federal decennial census and that has authorized the creation  
44 of a corporation as provided in this article may increase the  
45 membership of the board of directors from five to seven  
46 members. In the event the governing body elects to increase  
47 the membership of the board of directors from five to seven  
48 members, one member added to the board shall be appointed for  
49 an initial term of four years and the remaining newly added  
50 member for an initial term of six years, and thereafter the  
51 term of each additional director shall be six years.

52 (b) (1) The directors of a corporation shall be elected  
53 by the governing body of the municipality in regard to which  
54 the corporation was formed, and they shall be elected to hold  
55 office for staggered terms. The first term of office of one  
56 director shall be two years, of another director shall be four



## HB141 Enrolled

57 years, and of a third director shall be six years, as shall be  
58 designated at the time of their election, and thereafter the  
59 term of office of each director shall be six years.

60 (2) In any municipality: (i) with a population of less  
61 than 5,000 according to the most recent federal decennial  
62 census; (ii) that has authorized the creation of a corporation  
63 as provided in this article; and (iii) for which the term of  
64 the mayor and members of the municipal governing body were  
65 extended by an act of the Legislature; the term of any board  
66 member which will expire before the mayor's and members' of  
67 the municipal governing body extended terms expire shall be  
68 extended by one year.

69 ~~(b) (c) No~~ A fee shall ~~may not~~ be paid to ~~any~~ a director  
70 for services rendered with respect to a sanitary sewer system.

71 (d) (1) Except as otherwise provided by this subsection,  
72 ~~In~~ in any instance where the system or systems owned and  
73 operated by ~~the~~ a corporation are any one or more of a water  
74 system, a gas system, and an electric system, the chair of the  
75 board of directors ~~may~~, at the discretion of the governing  
76 body of the municipality with respect to which the corporation  
77 was primarily organized, may be paid a director's fee in an  
78 amount to be set and established by the governing body ~~in an~~  
79 ~~amount~~ not exceeding six hundred dollars (\$600) per meeting  
80 attended, not to exceed seven thousand two hundred dollars  
81 (\$7,200) per year, for one system and ten dollars (\$10) each  
82 meeting for each additional system. ~~Each member of the board~~  
83 ~~of directors,~~ director other than the chair, ~~may~~ be paid a  
84 director's fee in an amount to be set and established by the



## HB141 Enrolled

85 governing body in an amount not exceeding four hundred dollars  
86 (\$400) per meeting attended, not to exceed four thousand eight  
87 hundred dollars (\$4,800) per year for the system.

88 ~~Notwithstanding the foregoing, where~~

89 ~~(2) the municipality with respect to which the~~  
90 ~~corporation was primarily organized has~~ In all municipalities  
91 with a population of less than 5,000 inhabitants according to  
92 the most recent official federal decennial census, the maximum  
93 total amount of director's fees which that may be paid to the  
94 chair of its the board of directors shall may not exceed six  
95 hundred dollars (\$600) one thousand two hundred dollars  
96 (\$1,200) per meeting attended, not to exceed seven thousand  
97 two hundred dollars (\$7,200) per year, and the. The maximum  
98 total amount of director's fees ~~which that~~ may be paid to any  
99 other member of the board of directors ~~shall may~~ not exceed  
100 ~~four hundred dollars (\$400)~~ six hundred dollars (\$600) per  
101 meeting attended, not to exceed ~~four thousand eight hundred~~  
102 ~~dollars (\$4,800)~~ seven thousand two hundred dollars (\$7,200)  
103 per year.

104 ~~(3) In all cities having populations municipalities~~  
105 with a population of not less than 6,500 nor more than 8,500  
106 according to the most recent federal decennial census, the  
107 ~~members of the board of~~ directors, including the chair, may  
108 each be paid a director's fee. The chair of the board shall be  
109 compensated in an amount ~~not to exceed~~ exceeding six hundred  
110 dollars (\$600) per meeting attended, not to exceed seven  
111 thousand two hundred dollars (\$7,200) per year. Each director,  
112 other than the chair, shall be compensated in an amount ~~not to~~



## HB141 Enrolled

113 ~~exceed~~ exceeding four hundred dollars (\$400) per meeting  
114 attended, not to exceed four thousand eight hundred dollars  
115 (\$4,800) per year.

116 (4) In all ~~cities having populations~~ municipalities  
117 with a population of not less than 12,500 nor more than 13,500  
118 according to the most recent federal decennial census, the  
119 chair of the board of directors, at the discretion of the  
120 board, may be paid a director's fee in an amount not exceeding  
121 six hundred dollars (\$600) per meeting attended, not to exceed  
122 seven thousand two hundred dollars (\$7,200) per year, ~~and each~~  
123 ~~member of the board.~~ Each director other than the chair may be  
124 paid a director's fee in an amount not exceeding four hundred  
125 dollars (\$400) per meeting attended, not to exceed four  
126 thousand eight hundred dollars (\$4,800) per year.

127 (5) In all ~~cities having populations~~ municipalities  
128 with a population of not less than 23,000 nor more than 27,000  
129 according to the most recent federal decennial census, the  
130 chair of the board of directors, at the discretion of the  
131 board, may be paid a director's fee in an amount not exceeding  
132 six hundred dollars (\$600) per meeting attended, not to exceed  
133 seven thousand two hundred dollars (\$7,200) per year, ~~and each~~  
134 ~~member of the board.~~ Each director other than the chair may be  
135 paid a director's fee in an amount not exceeding four hundred  
136 dollars (\$400) per meeting attended, ~~but~~ not to exceed four  
137 thousand eight hundred dollars (\$4,800) per year.

138 (6) In all ~~cities~~ municipalities located in Jefferson  
139 County, Alabama, the chair of the board of directors, at the  
140 discretion of the board, may be paid a director's fee in an



## HB141 Enrolled

141 amount not exceeding four hundred fifty dollars (\$450) each  
142 month for one system and fifty dollars (\$50) per month for  
143 each additional system; ~~and each member of the board.~~ Each  
144 director other than the chair may be paid a director's fee in  
145 an amount not exceeding four hundred dollars (\$400) each month  
146 for one system and forty dollars (\$40) per month for each  
147 additional system.

148 (7) In all the ~~cities~~ municipalities in Franklin  
149 County, including all Franklin County water or sewer board or  
150 utility system or boards, or both, located therein, the  
151 director's fee shall not exceed six hundred dollars (\$600)  
152 each month for each system. The board in the ~~cities~~  
153 municipalities of Franklin County may also establish a chair's  
154 fee in a higher amount by a vote of ~~such~~ the body not to  
155 exceed seven hundred fifty dollars (\$750) per meeting.

156 (8) ~~All members of the board of directors of any~~  
157 ~~corporation organized pursuant to this article shall be~~  
158 ~~reimbursed for actual expenses incurred in and about the~~  
159 ~~performance of their duties pursuant to this article.~~  
160 ~~Notwithstanding the foregoing, in~~ In a Class 7 municipality,  
161 the chair of the board of directors of a corporation formed  
162 under this chapter which owns and operates a water system, an  
163 electric system, and a sewer system, at the discretion of the  
164 governing body of the municipality with respect to which the  
165 corporation was primarily organized, may be paid a director's  
166 fee in an amount ~~to be set and~~ established by the governing  
167 body. Each ~~member of the board of directors,~~ director other  
168 than the chair, ~~may be paid a director's fee in an amount to~~



## HB141 Enrolled

169 ~~be set and established by the governing body.~~

170 (e) In addition to any other compensation authorized,  
171 all members of the board of directors of any corporation  
172 organized pursuant to this article shall be reimbursed for  
173 actual expenses incurred in the performance of their duties  
174 pursuant to this article.

175 ~~(f) (1) (e) Except as provided herein, any~~ Any officer of  
176 ~~the~~ a municipality shall be eligible for appointment with  
177 ~~respect to which a corporation was formed may be appointed and~~  
178 may serve as a member of the board of directors of the  
179 corporation for the term for which he or she is appointed or  
180 during his or her tenure as a municipal officer, whichever  
181 expires first, and may receive a fee for his or her services,  
182 provided ~~it~~ the appointment is first approved by the board of  
183 directors. ~~At no time shall the board consist of more than two~~  
184 ~~officers of the municipality. The directors of the corporation~~  
185 ~~shall be elected by the governing body of the municipality,~~  
186 ~~and they shall be elected to hold office for staggered terms.~~  
187 ~~The first term of office of one director shall be two years,~~  
188 ~~of another director shall be four years, and of a third~~  
189 ~~director shall be six years, as shall be designated at the~~  
190 ~~time of their election, and thereafter the term of office of~~  
191 ~~each director shall be six years. The governing body of any~~  
192 ~~municipality which has heretofore or hereafter authorized the~~  
193 ~~creation of a corporation as provided in this article may~~  
194 ~~increase the board of directors from three to five members to~~  
195 ~~serve according to all the conditions and terms set forth in~~  
196 ~~this article. In the event the governing body elects to~~



## HB141 Enrolled

197 ~~increase the board of directors from three to five members,~~  
198 ~~one member added to the board shall be appointed for a term of~~  
199 ~~four years and the remaining member for a term of six years,~~  
200 ~~and thereafter the term of each director shall be six years.~~  
201 ~~At no time shall the board~~

202 (2)a. Except as provided in paragraph b., a board may  
203 not consist of more than two officers of the municipality with  
204 respect to which the corporation was formed.

205 b. If the membership of a board has increased pursuant  
206 to subsection (a), the board may not consist of more than  
207 three officers of the municipality with respect to which the  
208 corporation was formed. ~~Any officer of the municipality~~  
209 ~~appointed to serve as a member of the board of directors shall~~  
210 ~~serve for the term for which he or she is appointed or during~~  
211 ~~his or her tenure as a municipal officer, whichever expires~~  
212 ~~first.~~

213 (3) Notwithstanding the foregoing any provision of this  
214 subsection, the certificate of incorporation of a corporation  
215 formed, or an amendment to the certificate heretofore or  
216 hereafter adopted pursuant to this article may restrict or  
217 prohibit service on the board of directors by officers of the  
218 municipality with respect to which the corporation was formed.

219 (g) ~~(d)~~ Nothing in Act 2007-458 and nothing in  
220 subsection (f) as amended by Act 2010-580 (a) (4) shall apply  
221 to the City of Montgomery or the City of Prichard Water and  
222 Sewer Board.

223 (h) ~~(e)~~ The amendatory provisions of this section as  
224 provided in Act 2010-580 and the provisions of Act 2007-458



## HB141 Enrolled

225 shall not affect the current board director and member fees in  
226 the City of Birmingham.

227 ~~(f) The governing body of any municipality which has a~~  
228 ~~population of less than 5,000 according to the most recent~~  
229 ~~federal census and which has heretofore or hereafter~~  
230 ~~authorized the creation of a corporation as provided in this~~  
231 ~~division may increase the board of directors from five to~~  
232 ~~seven members to serve according to all the conditions and~~  
233 ~~terms set forth in this division. In the event the governing~~  
234 ~~body elects to increase the board of directors from five to~~  
235 ~~seven members, one member added to the board shall be~~  
236 ~~appointed for a term of four years and the remaining member~~  
237 ~~for a term of six years, and thereafter the term of each~~  
238 ~~director shall be six years. At no time shall the board~~  
239 ~~consist of more than three officers of the municipality. Any~~  
240 ~~officer of the municipality appointed to serve as a member of~~  
241 ~~the board of directors shall serve for the term for which he~~  
242 ~~or she is appointed or during his or her tenure as a municipal~~  
243 ~~officer, whichever expires first."~~

244 Section 2. This act shall become effective immediately.



**HB141 Enrolled**

245  
246  
247  
248  
249  
250  
251  
252  
253  
254  
255  
256  
257  
258  
259  
260  
261  
262  
263  
264  
265  
266  
267  
268  
269  
270  
271  
272  
273  
274  
275  
276  
277  
278  
279  
280  
281

---

Speaker of the House of Representatives

---

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 26-Feb-26, as amended.

John Treadwell  
Clerk

Senate

---

**09-Apr-26**

---

Passed