

HB337 ENGROSSED



1 HB337
2 XDYIT7E-2
3 By Representatives Whitt, Reynolds, Rigsby, Lomax, Moore (P),
4 Lands, Whorton, Hall (Constitutional Amendment)
5 RFD: Madison County Legislation
6 First Read: 27-Jan-26



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A BILL
TO BE ENTITLED
AN ACT

To propose an amendment to the Constitution of Alabama of 2022, relating to Madison County, to bring certain privately owned sewer systems that use public rights-of-way of public roads under the jurisdiction of the Public Service Commission under certain conditions.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The following amendment to the Constitution of Alabama of 2022, is proposed:

PROPOSED AMENDMENT

(a) This amendment shall apply only in Madison County.

(b) Except as provided in subsection (c), any privately owned entity operating a plant, property, or facility that collects, treats, or disposes of sewage shall be certified and regulated by the Public Service Commission, including regulation of the rates, charges, and increases in rates or charges imposed on customers if the private entity does all of the following:

(1) Uses, directly or through a lease or contract, public rights-of-way of public roads for any part of its collection or disposal system.



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29 (2) Discharges to a Grade I, II, III, or IV wastewater
30 treatment facility as defined in and by the classification
31 system used by the Alabama Department of Environmental
32 Management on January 1, 2020, and its equivalent
33 classification thereafter.

34 (3) Bills residential or commercial customers a flat
35 service fee or a fee based on water usage.

36 (c) The Public Service Commission shall certify and
37 regulate all privately owned entities described in subsection
38 (b) in accordance with Title 37, Code of Alabama 1975.
39 Implementation of this amendment, whether gradual or at one
40 time, shall be determined by the Public Service Commission.
41 Until the Public Service Commission determines applicable
42 rates and charges to be imposed on customers, the rates and
43 charges shall be in accord with and governed by the most
44 recent and controlling rate control agreement, or in the event
45 there is not a controlling rate control agreement, the private
46 entity's most recent published rate on the effective date of
47 this amendment.

48 (d) (1) If the county or a municipality or governmental
49 utility service corporation (GUSC) in the county enters into a
50 rate control agreement with a privately owned entity described
51 in subsection (b), the county, municipality, or GUSC may opt
52 out of regulation by the Public Service Commission as to and
53 for any residential or commercial customers affected by, and
54 are subject to, the rate control agreement.

55 (2) If a rate control agreement or any part thereof is
56 found to be invalid, is terminated by the county,



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57 municipality, or GUSC that entered into the rate control
58 agreement, or becomes unenforceable or void in whole or in
59 part, then the jurisdiction of the Public Service Commission
60 and the provisions in subsection (c) pertaining to regulation
61 by the Public Service Commission shall by operation of law be
62 restored and enforced to the full force and effect of this
63 amendment.

64 (e) If Public Service Commission jurisdiction is
65 restored after the county, municipality, or GUSC has exercised
66 its opt out provision provided in subsection (c) and has
67 voluntarily terminated the rate control agreement, the county,
68 municipality, or GUSC may not again exercise its power to opt
69 out of Public Service Commission jurisdiction and rate control
70 for a period of five years from the date that Public Service
71 Commission jurisdiction is reinstated.

72 (f) If a privately owned entity described in subsection
73 (b) serves customers located in more than one municipality,
74 the opt out option provided in subsection (c) shall vest with
75 the municipality that has a rate control agreement executed as
76 of or prior to January 1, 2026, subject to approval of the
77 Madison County Commission.

78 Upon ratification of this constitutional amendment, the
79 Code Commissioner shall number and place this amendment as
80 appropriate in the constitution omitting this instructional
81 paragraph and may make the following nonsubstantive revisions:
82 change capitalization, hierarchy, spelling, and punctuation
83 for purposes of style and uniformity; correct manifest
84 grammatical, clerical, and typographical errors; revise



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House of Representatives

111 Read for the first time and referred27-Jan-26
112 to the House of Representatives
113 committee on Madison County
114 Legislation
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116 Read for the second time and placed12-Feb-26
117 on the calendar:
118 1 amendment
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120 Read for the third time and passed17-Feb-26
121 as amended
122 Yeas 64
123 Nays 0
124 Abstains 36

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John Treadwell
Clerk