

HB337 INTRODUCED



1 HB337
2 V7I8GPV-1
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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4 SYNOPSIS:

5 This bill would propose an amendment to the
6 Constitution of Alabama of 2022, relating to Madison
7 County, to bring certain privately owned sewer systems
8 that use public rights-of-way of public roads under the
9 jurisdiction of the Public Service Commission under
10 certain conditions.

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12
13 A BILL
14 TO BE ENTITLED
15 AN ACT
16

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

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

25 PROPOSED AMENDMENT

26 (a) This amendment shall apply only in Madison County.
27 (b) Except as provided in subsection (c), any privately
28 owned entity operating a plant, property, or facility that



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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.

(2) Discharges to a Grade III or higher wastewater treatment facility as defined in and by the classification system used by the Alabama Department of Environmental Management on January 1, 2020, and its equivalent classification thereafter.

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

(c) The Public Service Commission shall certify and regulate all privately owned entities described in subsection (b) in accordance with Title 37, Code of Alabama 1975.

Implementation of this amendment, whether gradual or at one time, shall be determined by the Public Service Commission. Until the Public Service Commission determines applicable rates and charges to be imposed on customers, the rates and charges shall be in accord with and governed by the most recent and controlling rate control agreement, or in the event there is not a controlling rate control agreement, the private entity's most recent published rate on the effective date of this amendment.

(d) (1) If the county or a municipality or governmental



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

(2) If a rate control agreement or any part thereof is found to be invalid, is terminated by the county, municipality, or GUSC that entered into the rate control agreement, or becomes unenforceable or void in whole or in part, then the jurisdiction of the Public Service Commission and the provisions in subsection (c) pertaining to regulation by the Public Service Commission shall by operation of law be restored and enforced to the full force and effect of this amendment.

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

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



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85 Madison County Commission.

86 Upon ratification of this constitutional amendment, the
87 Code Commissioner shall number and place this amendment as
88 appropriate in the constitution omitting this instructional
89 paragraph and may make the following nonsubstantive revisions:
90 change capitalization, hierarchy, spelling, and punctuation
91 for purposes of style and uniformity; correct manifest
92 grammatical, clerical, and typographical errors; revise
93 internal or external citations and cross-references; harmonize
94 language; and translate effective dates.

95 END PROPOSED AMENDMENT

96 Section 2. An election upon the proposed amendment
97 shall be held in accordance with Sections 284, 284.01, and 285
98 of the Constitution of Alabama of 2022, and the election laws
99 of this state. The appropriate election official shall assign
100 a ballot number for the proposed constitutional amendment on
101 the election ballot and shall set forth the following
102 description of the substance or subject matter of the proposed
103 constitutional amendment:

104 "Relating to Madison County, proposing an amendment to
105 the Constitution of Alabama of 2022, to bring under the
106 jurisdiction of the Public Service Commission certain
107 privately owned sewer systems that use public rights-of-way of
108 public roads under certain conditions.

109 Proposed by Act ____."

110 This description shall be followed by the following
111 language:

112 "Yes() No()."



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113 Section 3. The proposed amendment shall become valid as
114 part of the Constitution of Alabama of 2022, when approved by
115 a majority of the qualified electors voting thereon.