

HB516 INTRODUCED



1 HB516
2 QNE9V44-1
3 By Representative Givan
4 RFD: State Government
5 First Read: 26-Feb-26



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SYNOPSIS:

Under existing law, local water boards and authorities organized under Title 11 of the Code of Alabama 1975 are not subject to audit by the Department of Examiners of Public Accounts.

This bill would authorize the department to audit local water boards and authorities organized under Title 11 of the Code of Alabama 1975.

A BILL
TO BE ENTITLED
AN ACT

Relating to local water boards and authorities; to amend Section 41-5A-12.2, Code of Alabama 1975; to revise the types of water boards that may be audited by the Department of Examiners of Public Accounts.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 41-5A-12.2 of the Code of Alabama 1975, is amended to read as follows:

"§41-5A-12.2

(a) ~~After June 14, 2023, beginning after the close of the then current fiscal year, any nonprofit~~ Any corporation organized under the laws of this state ~~as a nonprofit~~



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29 ~~corporation that is not incorporated pursuant to Title 11,~~
30 ~~which~~ that provides water service to its members or the
31 public, may be audited or examined one time by the Department
32 of Examiners of Public Accounts in the same manner as provided
33 in Chapter 5A of Title 41. The department may charge a
34 reasonable fee for the audits.

35 (b) ~~After June 14, 2023, beginning after the close of~~
36 ~~the then current fiscal year, any nonprofit~~ Any corporation
37 ~~that is not incorporated pursuant to Title 11, which~~ that
38 provides water service to its members or the public, may be
39 audited or examined one time in addition to the audit provided
40 in subsection (a) by the Department of Examiners of Public
41 Accounts in the same manner as provided in this chapter, if
42 the department suspects fraud or mismanagement of funds by the
43 ~~nonprofit~~ corporation. The department may charge a reasonable
44 fee for the audits or examinations.

45 ~~(c) This section does not apply to or affect any public~~
46 ~~water supply system, waterworks plant, or water distribution~~
47 ~~system owned or operated by a municipality or county, or by a~~
48 ~~public corporation, board, or other entity organized, created,~~
49 ~~or incorporated pursuant to Title 11."~~

50 Section 2. This act shall become effective on October
51 1, 2026.