

## SB208 INTRODUCED



1 SB208  
2 7BYLJ22-1  
3 By Senator Shelnutt  
4 RFD: Banking and Insurance  
5 First Read: 27-Jan-26



SYNOPSIS:

Under existing law, any state rural electrification authority or electric membership corporation is required to obtain consent from the Department of Finance before the issuance of bonds or other evidences of indebtedness.

This bill would remove that requirement.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to electrification authorities; to amend Section 41-4-16, Code of Alabama 1975; to remove the requirement that rural electrification authorities and electric membership corporations get approval from the Department of Finance prior to the issuance of bonds or evidences of indebtedness.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 41-4-16, Code of Alabama 1975, is amended to read as follows:

"§41-4-16

(a) No bonds or other evidences of indebtedness of any commission or authority created to construct or reconstruct



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highway bridges, approaches, and appurtenances thereto, ~~any~~  
~~state rural electrification authority, any electric membership~~  
~~corporation,~~ any power district, or any improvement authority  
shall be issued or sold until the consent to the issuance and  
sale ~~thereof~~ shall have been given by the Department of  
Finance, to be evidenced by the written approval of the  
Director of Finance. ~~Such consent~~ Consent shall be granted  
only after a public hearing and after a petition requesting  
~~such~~ consent has been ~~duly~~ filed by the ~~corporation,~~  
authority, district, commission, or other body ~~seeking such~~  
~~consent~~ with the department more than five days before the  
public hearing. The petition shall specify the plan or program  
of the body seeking ~~the~~ consent ~~and,~~ and the uses to which it is  
proposed to put the proceeds of the issue, and ~~the~~ any other  
matters as are necessary to fully advise the department of the  
nature of the proposed project, and the petition shall include  
such other information as may be required by the rules of the  
department.

(b) The Department of Finance shall grant consent only  
after it finds that the issue or sale serves some public need  
and is in the public interest. It shall be unlawful for the  
body seeking ~~such~~ consent or anyone to use the proceeds of any  
~~such~~ issue or sale contrary to the plan and purposes presented  
to the department in obtaining its consent ~~thereto~~.

(c) This section shall not apply to any bonds or other  
evidence of indebtedness issued by any municipality, or any  
agencies, bureaus, or commissions thereof, nor any municipal,  
county, or regional housing authority."



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57                   Section 2. This act shall become effective on October  
58    1, 2026.