

SB208 INTRODUCED



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



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4 SYNOPSIS:

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

10 This bill would remove that requirement.

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13 A BILL

14 TO BE ENTITLED

15 AN ACT

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

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

26 "§41-4-16

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



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

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

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



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