



**House Madison County Legislation Reported
Substitute for HB337**

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5 A BILL

6 TO BE ENTITLED

7 AN ACT

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

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

17 PROPOSED AMENDMENT

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

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

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



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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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85 internal or external citations and cross-references; harmonize
86 language; and translate effective dates.

87 END PROPOSED AMENDMENT

88 Section 2. An election upon the proposed amendment
89 shall be held in accordance with Sections 284, 284.01, and 285
90 of the Constitution of Alabama of 2022, and the election laws
91 of this state. The appropriate election official shall assign
92 a ballot number for the proposed constitutional amendment on
93 the election ballot and shall set forth the following
94 description of the substance or subject matter of the proposed
95 constitutional amendment:

96 "Relating to Madison County, proposing an amendment to
97 the Constitution of Alabama of 2022, to bring under the
98 jurisdiction of the Public Service Commission certain
99 privately owned sewer systems that use public rights-of-way of
100 public roads under certain conditions.

101 Proposed by Act ____."

102 This description shall be followed by the following
103 language:

104 "Yes() No()."

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