

1 HB400
2 203649-2
3 By Representatives Ledbetter and Jones (M)
4 RFD: County and Municipal Government
5 First Read: 05-MAR-20

SYNOPSIS: Under current law, the maximum compensation for members of municipal utility boards is set by statute.

This bill would allow the governing body of certain municipalities to determine compensation for members of its utility boards without a set maximum.

A BILL
TO BE ENTITLED
AN ACT

Relating to municipal utility boards; to amend Section 11-50-313, Code of Alabama 1975, to allow the governing body of certain municipalities to set compensation for members of utility boards.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 11-50-313, Code of Alabama 1975, is amended to read as follows:

"§11-50-313.

1 "(a) Each corporation formed or the certificate of
2 incorporation of which is amended under this article shall
3 have a board of directors which shall constitute the governing
4 body of the corporation, which board shall consist of at least
5 three members. In any Class 4 municipality which has adopted a
6 mayor-council form of government pursuant to Chapter 43B
7 (commencing with Section 11-43B-1) of this title, any
8 corporation formed pursuant to this chapter may have a
9 governing body which shall consist of seven members. Any
10 corporation, located in any Class 5 municipality, which is
11 governed by a local law enacted in the 1995 Regular Session
12 may have a governing body which shall consist of seven
13 members.

14 "(b) No fee shall be paid to any director for
15 services rendered with respect to a sanitary sewer system. In
16 any instance where the system or systems owned and operated by
17 the corporation are any one or more of a water system, a gas
18 system, and an electric system, the chair of the board of
19 directors may, at the discretion of the governing body of the
20 municipality with respect to which the corporation was
21 primarily organized, be paid a director's fee in an amount to
22 be set and established by the governing body in an amount not
23 exceeding six hundred dollars (\$600) per meeting attended, not
24 to exceed seven thousand two hundred dollars (\$7,200) per
25 year, for one system and ten dollars (\$10) each meeting for
26 each additional system. Each member of the board of directors,
27 other than the chair, may be paid a director's fee in an

1 amount to be set and established by the governing body in an
2 amount not exceeding four hundred dollars (\$400) per meeting
3 attended, not to exceed four thousand eight hundred dollars
4 (\$4,800) per year for the system. Notwithstanding the
5 foregoing, where the municipality with respect to which the
6 corporation was primarily organized has less than 5,000
7 inhabitants according to the most recent official census, the
8 maximum total amount of director's fees which may be paid to
9 the chair of its board of directors shall not exceed six
10 hundred dollars (\$600) per meeting attended, not to exceed
11 seven thousand two hundred dollars (\$7,200) per year, and the
12 maximum total amount of director's fees which may be paid to
13 any other member of the board of directors shall not exceed
14 four hundred dollars (\$400) per meeting attended, not to
15 exceed four thousand eight hundred dollars (\$4,800) per year.
16 In all cities having populations of not less than 6,500 nor
17 more than 8,500 according to the most recent federal decennial
18 census, the members of the board of directors, including the
19 chair, may each be paid a director's fee. The chair of the
20 board shall be compensated in an amount not to exceed six
21 hundred dollars (\$600) per meeting attended, not to exceed
22 seven thousand two hundred dollars (\$7,200) per year. Each
23 director, other than the chair, shall be compensated in an
24 amount not to exceed four hundred dollars (\$400) per meeting
25 attended, not to exceed four thousand eight hundred dollars
26 (\$4,800) per year. In all cities having populations of not
27 less than 12,500 nor more than 13,500 according to the most

1 recent federal decennial census, the chair of the board of
2 directors, at the discretion of the board, may be paid a
3 director's fee in an amount not exceeding six hundred dollars
4 (\$600) per meeting attended, not to exceed seven thousand two
5 hundred dollars (\$7,200) per year, and each member of the
6 board other than the chair may be paid a director's fee in an
7 amount not exceeding four hundred dollars (\$400) per meeting
8 attended, not to exceed four thousand eight hundred dollars
9 (\$4,800) per year. In all cities having populations of not
10 less than 23,000 nor more than 27,000 according to the most
11 recent federal decennial census, the chair of the board of
12 directors, at the discretion of the board, may be paid a
13 director's fee in an amount not exceeding six hundred dollars
14 (\$600) per meeting attended, not to exceed seven thousand two
15 hundred dollars (\$7,200) per year, and each member of the
16 board other than the chair may be paid a director's fee in an
17 amount not exceeding four hundred dollars (\$400) per meeting
18 attended, but not to exceed four thousand eight hundred
19 dollars (\$4,800) per year. In all cities located in Jefferson
20 County, Alabama, the chair of the board of directors, at the
21 discretion of the board, may be paid a director's fee in an
22 amount not exceeding four hundred fifty dollars (\$450) each
23 month for one system and fifty dollars (\$50) per month for
24 each additional system; and each member of the board other
25 than the chair may be paid a director's fee in an amount not
26 exceeding four hundred dollars (\$400) each month for one
27 system and forty dollars (\$40) per month for each additional

1 system. In all the cities in Franklin County, including all
2 Franklin County water or sewer board or utility system or
3 boards, or both, located therein, the director's fee shall not
4 exceed six hundred dollars (\$600) each month for each system.
5 The board in the cities of Franklin County may also establish
6 a chair's fee in a higher amount by a vote of such body not to
7 exceed seven hundred fifty dollars (\$750) per meeting. All
8 members of the board of directors of any corporation organized
9 pursuant to this article shall be reimbursed for actual
10 expenses incurred in and about the performance of their duties
11 pursuant to this article. Notwithstanding the foregoing, in a
12 Class 7 municipality, the chair of the board of directors of a
13 corporation formed under this chapter which owns and operates
14 a water system, an electric system, and a sewer system may, at
15 the discretion of the governing body of the municipality with
16 respect to which the corporation was primarily organized, be
17 paid a director's fee in an amount to be set and established
18 by the governing body. Each member of the board of directors,
19 other than the chair, may be paid a director's fee in an
20 amount to be set and established by the governing body.

21 "(c) Except as provided herein, any officer of the
22 municipality shall be eligible for appointment and may serve
23 as a member of the board of directors for the term for which
24 he or she is appointed or during his or her tenure as a
25 municipal officer, whichever expires first, and may receive a
26 fee for his or her services, provided it is first approved by
27 the board of directors. At no time shall the board consist of

1 more than two officers of the municipality. The directors of
2 the corporation shall be elected by the governing body of the
3 municipality, and they shall be elected to hold office for
4 staggered terms. The first term of office of one director
5 shall be two years, of another director shall be four years,
6 and of a third director shall be six years, as shall be
7 designated at the time of their election, and thereafter the
8 term of office of each director shall be six years. The
9 governing body of any municipality which has heretofore or
10 hereafter authorized the creation of a corporation as provided
11 in this article may increase the board of directors from three
12 to five members to serve according to all the conditions and
13 terms set forth in this article. In the event the governing
14 body elects to increase the board of directors from three to
15 five members, one member added to the board shall be appointed
16 for a term of four years and the remaining member for a term
17 of six years, and thereafter the term of each director shall
18 be six years. At no time shall the board consist of more than
19 three officers of the municipality. Any officer of the
20 municipality appointed to serve as a member of the board of
21 directors shall serve for the term for which he or she is
22 appointed or during his or her tenure as a municipal officer,
23 whichever expires first. Notwithstanding the foregoing, the
24 certificate of incorporation or an amendment to the
25 certificate heretofore or hereafter adopted may restrict or
26 prohibit service on the board of directors by officers of the
27 municipality.

1 "(d) Nothing in Act 2007-458 and nothing in
2 subsection ~~(b)~~ (f) as amended by Act 2010-580 shall apply to
3 the City of Montgomery or the City of Prichard Water and Sewer
4 Board.

5 "(e) The amendatory provisions of this ~~subsection~~
6 section as provided in Act 2010-580 and the provisions of Act
7 2007-458 shall not affect the current board director and
8 member fees in the City of Birmingham.

9 "~~(b)~~ (f) The governing body of any municipality
10 which has a population of less than 5,000 according to the
11 most recent federal census and which has heretofore or
12 hereafter authorized the creation of a corporation as provided
13 in this division may increase the board of directors from five
14 to seven members to serve according to all the conditions and
15 terms set forth in this division. In the event the governing
16 body elects to increase the board of directors from five to
17 seven members, one member added to the board shall be
18 appointed for a term of four years and the remaining member
19 for a term of six years, and thereafter the term of each
20 director shall be six years. At no time shall the board
21 consist of more than three officers of the municipality. Any
22 officer of the municipality appointed to serve as a member of
23 the board of directors shall serve for the term for which he
24 or she is appointed or during his or her tenure as a municipal
25 officer, whichever expires first."

1 Section 2. This act shall become effective on the
2 first day of the third month following its passage and
3 approval by the Governor, or its otherwise becoming law.