

1 SB33  
2 208263-3  
3 By Senator Jones  
4 RFD: Governmental Affairs  
5 First Read: 11-JAN-22  
6 PFD: 01/06/2022

SYNOPSIS: Under existing law, a nonprofit public corporation organized pursuant to Title 11 of the Code of Alabama 1975, is subject to audit by the Department of Examiners of Public Accounts. A nonprofit corporation that provides water service to the public and that is not organized under Title 11 is not required to be audited by the department.

The bill would provide for a nonprofit corporation that provides water service to the public in this state and that is not organized by a county or municipality as a public corporation to be audited by the Department of Examiners of Public Accounts.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to nonprofit corporations that provide water service to the public; to allow a nonprofit corporation

1 to be audited or examined by the Department of Examiners of  
2 Public Accounts.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. (a) After the effective date of this act,  
5 beginning after the close of the then current fiscal year, any  
6 nonprofit corporation organized under the laws of this state  
7 as a nonprofit corporation that is not incorporated pursuant  
8 to Title 11, Code of Alabama 1975, which provides water  
9 service to the public, may be audited or examined one time by  
10 the Department of Examiners of Public Accounts in the same  
11 manner as provided in Chapter 5A of Title 41, Code of Alabama  
12 1975. The department may charge a reasonable fee for the  
13 audits.

14 (b) This section does not apply to or affect any  
15 public water supply system, waterworks plant, or water  
16 distribution system owned or operated by a municipality or by  
17 a public corporation, board, or other entity organized,  
18 created, or incorporated pursuant to Title 11 of the Code of  
19 Alabama 1975.

20 Section 2. This act shall become effective  
21 immediately following its passage and approval by the  
22 Governor, or its otherwise becoming law.