



State of Tennessee
PUBLIC CHAPTER NO. 392

SENATE BILL NO. 741

By Yager

Substituted for: House Bill No. 876

By Haynes

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 82 and Title 68, Chapter 221, Part 10, relative to utility districts, water systems and wastewater facilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-82-401(h)(1), is amended by deleting the language "the utility district's annual average unaccounted for water loss percentage in the manner prescribed by the comptroller of the treasury." in the first sentence and by substituting the following language:

the utility district's average unaccounted for water in the manner as prescribed by the utility management review board.

SECTION 2. Tennessee Code Annotated, Section 68-221-1012(b), is amended by deleting the existing language and substituting instead the following:

(b) Public water systems shall include in their annual audit the public water system's annual average unaccounted for water loss in the manner prescribed by the water and wastewater financing board.

SECTION 3. Tennessee Code Annotated, Title 7, Chapter 82, Part 1, is amended by adding the following as a new section:

7-82-113. All expenditures of money made by a utility district must be made for a lawful district purpose.

SECTION 4. Tennessee Code Annotated, Section 7-82-401(d), is amended by inserting the following as a new subdivision (3) and renumbering the current subdivisions (3) and (4) accordingly:

(3) All travel and related costs or expenses where any portion of such costs or expenses is paid by the district or any entity or entities, public or private, associated with the district, including, but not limited to, travel for commissioners and employees;

SECTION 5. Tennessee Code Annotated, Section 7-82-307(b)(1), is amended by designating the existing language as subsection (A) and adding the following language as a new subsection (B):

(B) Upon filing the petition as provided in this subdivision (b)(1), the petitioners shall also file a cash bond or attorney or corporate surety bond in the sum of three hundred fifty dollars (\$350); the bond being made payable to the State of Tennessee. Such bond shall be for the costs of hearing and processing the petition. The bond may be refunded if the utility management review board determines that the member or members of the utility district board of commissioners that are the subject of the petition should be removed; in such instance the cost of the hearing shall be assessed against the district. The administrative judge may assess additional costs against either the petitioners or the district, in accordance with this subdivision (B), to cover the total cost of the hearing.

SECTION 6. Tennessee Code Annotated, Section 7-82-307(a)(2), is amended by deleting the language:

except those utility districts using other selection methods on May 6, 2004, shall continue to use such other methods to fill vacancies

and by substituting instead the language:

except those multi-county utility districts using other selection methods on May 6, 2004, and those utility districts whose method to fill vacancies on the effective date of this act is either by a plurality vote of customers of the utility district voting in an election held by the utility district or by appointment to be made upon application to the county mayor or to the county probate judge where the principal office of the utility district is located in a county with a metropolitan form of government shall continue to use such methods to fill vacancies

SECTION 7. Tennessee Code Annotated, Section 7-82-307(a)(4), is amended by deleting the language:

, except in those utility districts using other selection methods on May 6, 2004

SECTION 8. Tennessee Code Annotated, Section 7-82-307(a)(4), is further amended by deleting the last sentence of the subdivision and by substituting instead the following language:

Any order either appointing or rejecting a list of nominees shall be entered of record on the minutes of the county legislative body and a certified copy of the order shall be furnished to the board of commissioners and to the appointee; provided, however, that upon the rejection of any entire list of nominees by the county mayor, the board of commissioners shall continue to submit new nonidentical lists of three (3) nominees to the county mayor within sixty (60) days after each such rejection until the procedure results in the position being filled for the remainder of the term or for the new term as provided in this section; provided, however, that if the county mayor fails to make an appointment for a position from the second list of nominees submitted, then the county mayor shall appoint a commissioner for such position from the third list of nominees submitted.

SECTION 9. Tennessee Code Annotated, Section 7-82-307(a)(7), is amended by deleting the first sentence of the subdivision in its entirety and by substituting instead the following:

Notwithstanding any law to the contrary, the board of commissioners of a utility district excepted by subdivision (a)(2) from the uniform method created by the legislature for the filling of vacancies, may, by resolution, choose to change its present method of selection to appointment by a county mayor or mayors under subdivision (a)(4) or (a)(5).

SECTION 10. Tennessee Code Annotated, Section 7-82-307(g), is amended by deleting all of subdivision (3) subsequent to the eleventh sentence of the subdivision and by substituting instead the following language:

Any order either making an appointment or rejecting the entire list of nominees shall be entered of record on the minutes of the county legislative body, and a certified copy of the order shall be furnished to the board of utility district commissioners. If the county mayor rejects the entire final list, then the vacant, or to be vacated, office of utility district commissioner shall be filled by appointment by the county mayor without any further nominations.

SECTION 11. No later than July 1, 2013, the commissioners of any single-county utility district using a selection method other than appointment by a county mayor as provided in subdivision (c)(4) on May 6, 2004, shall have been appointed by the county mayor unless, on the effective date of this act, the selection method used by a single-county utility district is a plurality vote of customers of the utility district voting in an election held by the utility district or the single-county district is located in a county with a metropolitan form of government and the selection method is by appointment by a county probate judge.

SECTION 12. Tennessee Code Annotated, Section 7-82-401(g), is amended by deleting subdivision (2).

SECTION 13. Tennessee Code Annotated, Section 7-82-403, is amended by deleting subsection (b) in its entirety.

SECTION 14. Tennessee Code Annotated, Section 7-82-501(c), is amended by deleting subdivision (2).

SECTION 15. Tennessee Code Annotated, Section 7-82-501(e)(1), is amended by deleting the language "Except as provided is subdivision (e)(2), prior" and by substituting instead the language "Prior".

SECTION 16. Tennessee Code Annotated, Section 7-82-501(e), is amended by deleting subdivision (2).

SECTION 17. This act shall take effect July 1, 2011, the public welfare requiring it.

SENATE BILL NO. 741

PASSED: May 12, 2011



RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 21st day of May 2011



BILL HASLAM, GOVERNOR