



State of Tennessee

PUBLIC CHAPTER NO. 129

SENATE BILL NO. 159

By Hensley

Substituted for: House Bill No. 119

By Marsh, Ragan

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 82 and Title 68, Chapter 221, relative to public utility regulation.

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

SECTION 1. Tennessee Code Annotated, Section 7-82-701(a), is amended by deleting the subsection and replacing it with the following:

(a) There is hereby created in the office of comptroller of the treasury a utility management review board for the purpose of advising utility district boards of commissioners in the area of utility management. The utility management review board created by this section is vested with authority over all utility districts established pursuant to this chapter or by any private act. For purposes of this part, "utility district" includes agencies, authorities, or instrumentalities of government created by private act having the authority to administer a water or wastewater facility.

SECTION 2. Tennessee Code Annotated, Section 7-82-702(a), is amended by deleting the punctuation and language ", regardless of exemptions or exclusions as may be enumerated in § 7-82-103," wherever it appears.

SECTION 3. Tennessee Code Annotated, Section 7-82-401(a)(2), is amended by deleting the subdivision and replacing it with the following:

(2) In all counties and districts, the comptroller of the treasury shall prepare a uniform accounting manual and shall promulgate other rules and regulations as are required to assure that the books and records are kept in accordance with generally accepted accounting principles and that audit standards prescribed by the comptroller of the treasury are met. The manual and rules shall not be applied to invalidate obligations contained in bond resolutions or other debt contracts, nor to modify any substantive legal powers or requirements applicable to utility districts.

SECTION 4. Tennessee Code Annotated, Section 7-82-401(h)(2), is amended by deleting the subdivision and replacing it with the following:

(2) For the purposes of subdivision (h)(1), "utility district" includes agencies, authorities, or instrumentalities of government created by private act having the authority to administer a water or wastewater facility.

SECTION 5. Tennessee Code Annotated, Section 7-82-402(b), is amended by deleting the subsection and replacing it with the following:

(b) It is the duty of the board of commissioners of each utility district to have and maintain a set of rules regarding the adjustment of all complaints that may be made to the district concerning the availability of utility services to persons in need of utility services, the quality of service performed, the adjustment of bills, and all other complaints of any nature, with provision as to the manner of resolution of individual complaints, provision as to the types of complaints that may be resolved by salaried employees of the district, and those that may be resolved only by the board of commissioners. The rules must be posted or otherwise available for convenient inspection by customers and members of the public in the offices of

the district. The rules must provide for office employees or other employees of the district to schedule for consideration by the board of commissioners any complaint of such nature as may be decided by the board under its rules, and to schedule for consideration by the board of commissioners the review of any complaint that has not been settled to the satisfaction of the customer or citizen by a salaried employee to whom the settlement of such complaint is delegated.

SECTION 6. Tennessee Code Annotated, Section 7-82-102, is amended by deleting the section and replacing it with the following:

In all counties and districts, the following apply:

(1) In addition to any other procedure provided by law for the review of the actions of the board of commissioners, there is granted to the utility management review board the authority to review rates charged and services provided by public utility districts. The review provided for in this subdivision (1) may only be initiated by a petition containing the genuine signatures of at least ten percent (10%) of the customers within the authorized area of the public utility district;

(2) To be considered by the board, the customer or customers initiating the petition must file a letter of intent to compile and file the petition with the board before the petition is signed. All signatures of customers on the petition must have been obtained within ninety (90) days of the date the notice of intent to compile and file petition is filed with the board. Each customer signing the petition shall include the address at which the customer receives utility service and the date the customer signed the petition. The petition must be addressed to the utility management review board and a copy of the petition must be served upon the board of commissioners of the affected utility district. The petition must contain the genuine signatures of the customers of the utility district. All information submitted in the petition must be legible;

(3) Upon receipt of the petition, the board shall verify the names and addresses of the signers of the petition to ensure that they are bona fide customers of the utility district and to ensure that all signatures have been obtained within ninety (90) days of the date the notice of intent to compile and file petition is filed with the board. As used in this part, "customer" means a person who receives a bill for utility services and pays money for such services. Each utility account shall be entitled to one (1) signature, but no person shall sign the petition more than once. Only one (1) petition to review the rates and services provided under this section can be filed in any twelve-month period. The review by the utility management review board shall be held only upon public hearings, after notice;

(4) For purposes of this section, "genuine signatures" means written, original signatures and excludes facsimile and electronic signatures of any kind;

(5) The utility management review board shall review those petitions pertaining to rates on the basis of all provisions of this chapter governing the establishment of rates, the provisions of any bond resolutions or other debt contract instruments binding upon such utility districts, and the rules and regulations promulgated by the comptroller of the treasury pursuant to § 7-82-401;

(6) It is the express intent of the general assembly that the review granted in this section shall be a substantive and meaningful review. In order to accomplish this intention, the utility district shall take no action that will result in contractually binding the district or obligating the district to issue bonds that would require a rate increase, until the district has first given notice to the customers of the district of the anticipated action. For purposes of this subdivision (6), the notice shall be deemed to have been given by the district with respect to an issuance of bonds or notes upon the publication of the report of the comptroller of the treasury, or the comptroller's designee, as contemplated by § 7-82-501(c), and "bonds" does not include any bond or bonds or other evidence of indebtedness of the utility district to be purchased by the United States department of agriculture or any other direct lending department of the government of the United States; and

(7) The Uniform Administrative Procedures Act, compiled in title 4, chapter 5, applies to all procedures and proceedings coming before the utility management review board pursuant to this section, to the extent not inconsistent with this chapter.

SECTION 7. Tennessee Code Annotated, Section 7-82-103, is amended by deleting the section.

SECTION 8. Tennessee Code Annotated, Section 7-82-302(a), is amended by adding the following language as a new subdivision (4):

Powers relating to natural gas include the power to sell any appliance or heating system, or set of appliances, that have a natural gas or propane gas component, and to facilitate those sales by installment payment plans and financing to customers. Incentives plans that include financing to home builders and contractors are also authorized. Transactions with customers may provide for periodic payments for appliances and heating to be added to customer monthly service billing statements. Natural gas providers may terminate utility service upon non-payment of these transactions in accordance with policies adopted by the utility's governing board.

SECTION 9. Tennessee Code Annotated, Section 7-82-308(e), is amended by deleting the subsection and replacing it with the following:

(e) The board of commissioners of every utility district created pursuant to this chapter shall meet at least once each quarter, the time and place of such meeting to be published in accordance with title 8, chapter 44.

SECTION 10. Tennessee Code Annotated, Section 7-82-309(b), is amended by deleting the subsection and replacing it with the following:

(b) All powers and authority enumerated in this section must be exercised by the district for the welfare and benefit of the public served by the district.

SECTION 11. Tennessee Code Annotated, Section 68-221-1006(a)(8), is amended by deleting the subdivision.

SECTION 12. Tennessee Code Annotated, Section 68-221-1008(i), is amended by deleting the subsection and replacing it with the following:

(i) For the purposes of this part, "water systems and wastewater facilities" includes:

(A) Any county, metropolitan government, or incorporated town or city empowered to provide water or wastewater services; and

(B) Any treatment authority, created pursuant to part 6 or part 13 of this chapter, that operates a water or wastewater facility. The treatment authorities shall file or cause to be filed with the comptroller independently prepared audited financial statements.

SECTION 13. Tennessee Code Annotated, Section 68-221-1008, is amended by adding the following language as a new subsection (j):

The entities listed in subsection (i) are subject to the jurisdiction of the water and wastewater financing board in accordance with this chapter.

SECTION 14. Tennessee Code Annotated, Section 68-221-1015(d), is amended by deleting the subsection and replacing it with the following:

(d) The board may defer to the utility management review board created by § 7-82-701 in regard to matters concerning utility districts.

SECTION 15. This act shall take effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 159

PASSED: April 6, 2017


RANDY McNALLY
SPEAKER OF THE SENATE


BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 17th day of April 2017


BILL HASLAM, GOVERNOR