



State of Tennessee

PUBLIC CHAPTER NO. 118

SENATE BILL NO. 138

By Johnson

Substituted for: House Bill No. 88

By Calfee

AN ACT to amend Tennessee Code Annotated, Section 7-34-115; Section 7-35-409; Section 7-82-307; Section 7-82-308; Section 68-221-1305; Section 68-221-605 and Section 68-221-1206, relative to continuing education and training requirements.

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

SECTION 1. Tennessee Code Annotated, Section 7-34-115, is amended by adding the following new subsections (j) and (k):

(j)(1) The governing body of a municipal utility system subject to this section that supervises, controls, or operates a public water or public sewer system, including, but not limited to, those systems using a separate utility board pursuant to any public or private act, must meet the training and continuing education requirements in this subsection (j).

(2) All members of the municipal utility board of commissioners shall, within one (1) year of initial appointment or election to the board of commissioners or within one (1) year of reappointment or reelection to the board of commissioners, attend a minimum of twelve (12) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (j)(4).

(3) In each continuing education period after the initial training and continuing education required by subdivision (j)(2), a municipal utility board commissioner shall attend a minimum of twelve (12) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (j)(4). For the purposes of this subsection (j) and subsection (k), "continuing education period" means a period of three (3) years beginning January 1 after the calendar year in which a municipal utility board commissioner completes the training and continuing education requirements set forth in subdivision (j)(2) and each succeeding three-year period thereafter.

(4) The subjects for the training and continuing education required by this subsection (j) shall include, but not be limited to, board governance, financial oversight, policy-making responsibilities, and other topics reasonably related to the duties of the members of the board of commissioners of a municipal utility.

(5) Any association or organization with appropriate knowledge and experience may prepare a training and continuing education curriculum for municipal utility board commissioners covering the subjects set forth in subdivision (j)(4) to be submitted to the comptroller of the treasury for review and approval prior to use. The comptroller shall file a copy of approved training and continuing education curriculum with the water and wastewater financing board. Changes and updates to the curriculum must be submitted to the comptroller for approval prior to use. Any training and continuing education curriculum approved by the comptroller must be updated every three (3) years and resubmitted to the comptroller for review and approval.

(6) For purposes of this subsection (j), a municipal utility board commissioner may request a training and continuing education extension of up to six (6) months from the comptroller of the treasury or the comptroller's designee. The request shall

only be granted upon a reasonable showing of substantial compliance with this subsection (j). If the extension is granted, the municipal utility board commissioner must complete any additional required training hours necessary to achieve full compliance for only the relevant continuing education period within the extension period. The municipal utility board commissioner shall file copies of any extension request letters and corresponding comptroller of the treasury determination letters with the water and wastewater financing board.

(k) If any member of a municipal utility board of commissioners fails to meet the training and continuing education requirements set forth in subsection (j) before the end of the continuing education period or before the end of any extension approved by the comptroller of the treasury or the comptroller's designee, then the water and wastewater financing board shall have full discretion to order reasonable sanctions against the municipality, including, but not limited to, the municipality being ineligible to receive assistance from the Tennessee local development authority under § 68-221-1206(a)(3).

SECTION 2. Tennessee Code Annotated, Section 7-82-307(b)(5), is amended by deleting it in its entirety and replacing it with the following:

(5) A utility district commissioner who fails to meet the training and continuing education requirements set forth in § 7-82-308 before the end of the commissioner's term of office or before the end of any extension approved by the comptroller of the treasury or the comptroller's designee shall not be eligible for reappointment or reelection to another term of office. For the purposes of this subdivision (b)(5), the continuing education period used to determine whether a utility district commissioner has met the training and continuing education requirements set forth in § 7-82-308 shall be the last full continuing education period before the utility district commissioner's term of office ends.

SECTION 3. Tennessee Code Annotated, Section 7-82-308(f), is amended by inserting the following as a new subdivision (3) and renumbering the existing subdivision (3) and all remaining subdivisions:

(3) For purposes of subdivisions (f)(1) and (f)(2), a utility district commissioner may request a training and continuing education extension of up to six (6) months from the comptroller of the treasury or the comptroller's designee. The request shall only be granted upon a reasonable showing of substantial compliance with subdivisions (f)(1) and (f)(2). If the extension is granted, the utility district commissioner must complete any additional required training hours necessary to achieve full compliance for only the relevant continuing education period within the extension period. The utility district commissioner shall file copies of any extension request letters and corresponding comptroller of the treasury determination letters with the utility management review board. The failure to file this information with the utility management review board shall cause a commissioner to be ineligible to receive any further payment or benefit as provided in subsection (a) until the information is properly filed.

SECTION 4. Tennessee Code Annotated, Section 68-221-605, is amended by adding the following as new subsections:

(f)(1) All members of the board shall, within one (1) year of initial appointment or election to the board of commissioners or within one (1) year of reappointment or reelection to the board of commissioners, attend a minimum of twelve (12) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (f)(3).

(2) In each continuing education period after the initial training and continuing education required by subdivision (f)(1), a board member shall attend a minimum of twelve (12) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (f)(3). For the purposes of this subsection (f), "continuing education period" means a period of three (3) years beginning January 1 after the calendar year in which a municipal utility board commissioner completes the training and continuing education requirements set forth in subdivision (f)(1) and each succeeding three-year period thereafter.

(3) The subjects for the training and continuing education required by this subsection (f) shall include, but not be limited to, board governance, financial oversight, policy-making responsibilities, and other topics reasonably related to the duties of the members of the board of commissioners of an authority.

(4) Any association or organization with appropriate knowledge and experience may prepare a training and continuing education curriculum for board

members covering the subjects set forth in subdivision (f)(3) to be submitted to the comptroller of the treasury for review and approval prior to use. The comptroller shall file a copy of approved training and continuing education curriculum with the water and wastewater financing board. Changes and updates to the curriculum shall be submitted to the comptroller for approval prior to use. Any training and continuing education curriculum approved by the comptroller shall be updated every three (3) years and resubmitted to the comptroller for review and approval.

(5) For purposes of this subsection (f), a board member may request a training and continuing education extension of up to six (6) months from the comptroller of the treasury or the comptroller's designee. The request shall only be granted upon a reasonable showing of substantial compliance with this subsection (f). If the extension is granted, the board member must complete any additional required training hours necessary to achieve full compliance for only the relevant continuing education period within the extension period. The board member shall file copies of any extension request letters and corresponding comptroller of the treasury determination letters with the water and wastewater financing board.

(g) If any member of the board fails to meet the training and continuing education requirements set forth in subsection (f) before the end of the continuing education period or before the end of any extension approved by the comptroller of the treasury or the comptroller's designee, then such member shall not be eligible for reappointment or reelection to another term of office.

SECTION 5. Tennessee Code Annotated, Section 68-221-1305, is amended by adding the following as new subsections:

(f)(1) All members of the board shall, within one (1) year of initial appointment or election to the board of commissioners or within one (1) year of reappointment or reelection to the board of commissioners, attend a minimum of twelve (12) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (f)(3).

(2) In each continuing education period after the initial training and continuing education required by subdivision (f)(1), a board member shall attend a minimum of twelve (12) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (f)(3). For the purposes of this subsection (f), "continuing education period" means a period of three (3) years beginning January 1 after the calendar year in which a municipal utility board commissioner completes the training and continuing education requirements set forth in subdivision (f)(1) and each succeeding three-year period thereafter.

(3) The subjects for the training and continuing education required by this subsection (f) shall include, but not be limited to, board governance, financial oversight, policy-making responsibilities, and other topics reasonably related to the duties of the members of the board of commissioners of an authority.

(4) Any association or organization with appropriate knowledge and experience may prepare a training and continuing education curriculum for board members covering the subjects set forth in subdivision (f)(3) to be submitted to the comptroller of the treasury for review and approval prior to use. The comptroller shall file a copy of approved training and continuing education curriculum with the water and wastewater financing board. Changes and updates to the curriculum shall be submitted to the comptroller for approval prior to use. Any training and continuing education curriculum approved by the comptroller shall be updated every three (3) years and resubmitted to the comptroller for review and approval.

(5) For purposes of this subsection (f), a board member may request a training and continuing education extension of up to six (6) months from the comptroller of the treasury or the comptroller's designee. The request shall only be granted upon a reasonable showing of substantial compliance with this subsection (f). If the extension is granted, the board member must complete any additional required training hours necessary to achieve full compliance for only the relevant continuing education period within the extension period. The board member shall file copies of any extension request letters and corresponding comptroller of the treasury determination letters with the water and wastewater financing board.

(g) If any member of the board fails to meet the training and continuing education requirements set forth in subsection (f) before the end of the continuing education period or

before the end of any extension approved by the comptroller of the treasury or the comptroller's designee, then such member shall not be eligible for reappointment or reelection to another term of office.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 138

PASSED: March 30, 2017



RANDY McNALLY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 12th day of April 2017



BILL HASLAM, GOVERNOR