

HOUSE BILL 269

By Brooks H

AN ACT to amend Tennessee Code Annotated, Title 5;
Title 6; Title 7 and Title 65, relative to municipal
utility boards.

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

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 51, Part 4, is amended by
adding the following language as a new section:

(a)

(1) Notwithstanding any law to the contrary, if a municipality has created a separate utility board to exercise the municipality's power to operate any public utility service and the public utility service provides any of its services in more than one (1) county, the municipal utility board must have proportionate representation on the municipal utility board in relation to its customer base such that customers in the county in which the municipality is located and counties adjoining such county are represented on the board. For purposes of this subdivision (a)(1), "customer base" means the total number of customers served by the municipal utility board as determined by current billing practices.

(2) Notwithstanding subdivision (a)(1), a municipal utility board must have at least one (1) board member who is a resident of each county served outside of the county where the municipality is located. However, based on the proportionate representation required in subdivision (a)(1), more than one (1) seat may be required.

(b) In order to achieve proportionate representation as required by subsection (a), a municipal utility board must either:

(1) Reserve vacancies occurring on the municipal utility board on or after the effective date of this act for proportionate representation purposes; or

(2) Increase the number of board members on the municipal utility board to accommodate seats required for proportionate representation purposes.

(c)

(1) The county mayor and governing body of the county served outside of the county in which the municipality is located shall nominate and elect or appoint the new municipal utility board member to fill any seat described in subsection (b) by following the same procedure used by the municipality to appoint board members to the municipal utility board.

(2) Any additional seat for a county served outside of the county in which the municipality is located must be filled by a person who:

(A) Is a resident of the respective county;

(B) Is a customer of the public utility service;

(C) Is not a city council person or employee of the municipality;

and

(D) Is not an employee or member of the board of any other

utility.

(d) The terms of board members selected pursuant to subsection (c) must be the same as other members of the municipal utility board, and each member shall serve until a successor is selected and assumes office. If a vacancy occurs with respect to a board member selected pursuant to subsection (c), the respective county mayor must initiate the procedure set forth in subsection (c) to select a successor to fill the vacancy for the remainder of the unexpired term.

(e) If the additional seats required by this section to the municipal utility board would create an even number of board members, one (1) seat may be added to the municipal utility board, which must be filled by the municipality.

(f) As used in this section, "public utility service" means any municipal utility system that furnishes water, wastewater, natural gas, electricity, or any other service.

(g) This section only applies to a public utility service whose service area is wholly located within this state.

(h) If a conflict exists between this section and § 7-52-118, this section controls.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.