

SENATE BILL 1602

By Niceley

AN ACT to amend Tennessee Code Annotated, Section 7-52-118, relative to the composition of municipal utility boards.

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

SECTION 1. Tennessee Code Annotated, Section 7-52-118, is amended by deleting the section and by substituting instead the following language:

(a) The city council or chief legislative body of a city that operates a municipal utility to provide electric service in two (2) or more counties shall create:

(1) Two (2) additional positions on the board to represent a county whose residents represent more than sixty percent (60%) of the utility's customers; and

(2) One (1) additional position on the board to represent each county in which customers of the utility reside, other than a county identified pursuant to subdivision (a)(1).

(b) The county mayor of each county identified in subdivision (a)(1) or (a)(2) shall recommend a person or persons, as applicable, to fill new positions created on the board pursuant to subsection (a). The city council or chief legislative body of the city that owns the municipal utility shall accept or reject the recommendation or recommendations at a public meeting by a simple majority vote. If the recommended person or persons are not accepted or rejected within thirty (30) days following the date of recommendation, the person or persons shall be deemed accepted. If rejected, the county mayor shall recommend another person or persons until the city council or chief legislative body of the city accepts the recommendation or recommendations. Board members appointed pursuant to this subsection (b) shall not be considered city council

persons or employees of the municipality, nor shall they receive any insurance benefits. The terms of the members shall be four (4) years and each member shall serve until a successor is selected and assumes office. In the event that a vacancy occurs with respect to a member appointed pursuant to this subsection (b), the respective county mayor shall initiate the procedure set forth in this subsection (b) to appoint a successor to fill the vacancy for the remainder of the unexpired term.

(c) For the purposes of filling the positions created pursuant to:

(1) Subdivision (a)(1), one (1) board member shall assume office on July 1, 2017, and one (1) board member shall assume office on July 1, 2018; and

(2) Subdivision (a)(2), each board member shall assume office on July 1, 2017.

(d) Each member of the board appointed pursuant to subsection (b) shall be a customer of the municipal utility for not less than one (1) year and shall not be an employee or member of the board of any other utility.

(e) If any county represented on a board pursuant to this section fails to meet the applicable requirements for representation on the board as prescribed by subdivisions (a)(1) or (a)(2), the county's representation on the board shall terminate upon the expiration of the last term of any member that represents the county on the board.

(f) This section shall not affect or change the in lieu of tax payment procedure or recipient in effect prior to the effective date of this act, and further ratifies the procedure.

(g) This section applies only to municipal utilities whose service area is wholly located within this state.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, then all provisions and applications of this act are declared to be invalid and void.

SECTION 3. The provisions of this act shall not be deemed to vacate or terminate the seat of any member of a board of public utilities appointed pursuant to § 7-52-118 prior to the effective date of this act.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.