

SENATE BILL 1647

By Green

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 82, relative to fiduciary responsibilities of
utility district commissioners.

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

SECTION 1. Tennessee Code Annotated, Section 7-82-307(b), is amended by adding
the following language as a new subdivision:

(6) As used in this subsection (b):

(A) "Failing to fulfill a commissioner's fiduciary responsibility" includes,
but is not limited to, an action where a utility district commissioner derives a
personal benefit from the underlying misconduct, breach of duty, or failure in the
operation or oversight of the utility district; and

(B) "Fiduciary responsibility" means a responsibility to act with:

(i) The highest degree of honesty and loyalty towards a utility
district and in the best interests of the utility district; and

(ii) The utmost good faith for the benefit of the utility district when
exercising the duties, powers, and authority enumerated in this chapter.

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