



# *State of Tennessee*

## **PUBLIC CHAPTER NO. 889**

**SENATE BILL NO. 2529**

**By Rose**

Substituted for: House Bill No. 2518

By Jerry Sexton, Hazlewood

AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7; Title 65 and Title 68, relative to utilities.

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

SECTION 1. Tennessee Code Annotated, Section 6-51-111, is amended by adding the following as a new subsection:

(f) Notwithstanding a municipality's exclusive right to perform or provide municipal and utility functions and services in a territory as described in this section, a municipal water system may enter into an agreement with a water utility district, an investor-owned water utility, a county water system, a county water authority, or a county water and wastewater system treatment authority to permit that other entity to operate within the municipal water system's territory. A municipal water system shall establish a method by which the system's ratepayers may petition the system to consider entering into an agreement pursuant to this subsection (f).

SECTION 2. Tennessee Code Annotated, Section 7-82-301(a)(1)(B), is amended by deleting the subdivision and substituting:

(B) Except as provided in this subdivision (a)(1)(B) and subdivision (a)(1)(C), so long as the district continues to furnish services that it is authorized to furnish in this chapter, the district is the sole public corporation empowered to furnish those services in the district, and another person, firm, or corporation shall not furnish or attempt to furnish those services in the area embraced by the district, unless and until it has been established that the public convenience and necessity requires other or additional services; provided, that this chapter does not amend or alter §§ 6-51-101 — 6-51-111, and 6-51-301.

SECTION 3. Tennessee Code Annotated, Section 7-82-301(a)(1), is amended by adding the following as a new subdivision:

(C) Notwithstanding a district's exclusive right to furnish services in the district as described in subdivision (a)(1)(B), a district may enter into an agreement with a municipal water system, an investor-owned water utility, a county water system, a county water authority, or a county water and wastewater system treatment authority to permit that other entity to operate within the district. A district shall establish a method by which the district's ratepayers may petition the district to consider entering into an agreement pursuant to this subdivision (a)(1)(C).

SECTION 4. Tennessee Code Annotated, Title 65, Chapter 4, Part 2, is amended by adding the following as a new section:

Notwithstanding an investor-owned water utility's exclusive right to furnish services in the geographic boundaries set forth in its certificate of convenience and necessity as issued by the Tennessee public utility commission, an investor-owned water utility may enter into an agreement with a municipal water system, a water utility district, a county water system, a county water authority, or a county water and wastewater system treatment authority to permit that other entity to operate within the same geographic boundaries. An investor-

owned water utility shall establish a method by which the utility's ratepayers may petition the utility to consider entering into an agreement pursuant to this section.

SECTION 5. Tennessee Code Annotated, Section 5-6-120, is amended by adding the following as a new subsection:

(c) Notwithstanding a county water and wastewater system treatment authority's exclusive right to furnish services in the service area that it so designates as described in subsection (a), a county water and wastewater system treatment authority may enter into an agreement with a municipal water system, a water utility district, an investor-owned water utility, a county water system, or a county water authority to permit that other entity to operate within its service area. A county water and wastewater system treatment authority shall establish a method by which the authority's ratepayers may petition the authority to consider entering into an agreement pursuant to this subsection (c).

SECTION 6. Tennessee Code Annotated, Title 5, Chapter 16, is amended by adding the following as a new section:

A county water system, or a county water authority created by private act, may enter into an agreement with a municipal water system, a water utility district, an investor-owned water utility, or a county water and wastewater system treatment authority to permit that other entity to operate within its service area. A county water system or a county water authority shall establish a method by which the system's or authority's ratepayers may petition the system or authority to consider entering into an agreement pursuant to this section.

SECTION 7. This act takes effect upon becoming a law, the public welfare requiring it.


SENATE BILL NO. 2529

PASSED: March 28, 2022

  
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RANDY McNALLY  
SPEAKER OF THE SENATE

  
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CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 14<sup>th</sup> day of April 2022

  
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BILL LEE, GOVERNOR