

HOUSE BILL 2535

By Mitchell

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

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

SECTION 1. Tennessee Code Annotated, Section 7-35-302, is amended by designating the existing language as subsection (a) and adding the following as a new subsection (b):

This part shall not apply to any municipality with a population of forty thousand (40,000) or more, according to the 2010 federal census or any subsequent federal census.

SECTION 2. Tennessee Code Annotated, Section 7-35-401, is amended by deleting subsection (a) and substituting instead the following:

Every incorporated city and town in this state is authorized and empowered, and every incorporated city and town with a population of forty thousand (40,000) or more according to the 2010 federal census or any subsequent federal census is required, to own, acquire, construct, extend, equip, operate, and maintain, within or without the corporate limits of such city or town, a waterworks system or a sewerage system, to provide water or sewerage service and to charge for such service.

SECTION 3. Tennessee Code Annotated, Section 7-51-402, is amended by deleting subsection (b) and substituting instead the following:

(b) Except as provided in subsection (c), nothing in this section shall affect the authority of counties, county clerks, municipalities, utility districts, and cooperatives to enter into agreements or contracts under any other statute or charter.

(c) Notwithstanding subsection (a), a municipality with a population of forty thousand (40,000) or more, according to the 2010 federal census or any subsequent

federal census, shall not contract with other municipalities for water or sanitary sewer services.

SECTION 4. Tennessee Code Annotated, Section 68-221-604, is amended by deleting subdivision (e)(1) and substituting instead the following:

Whenever an authority shall be created under this part, the creating governmental entity and any participating governmental entity shall enter into an agreement with the authority for the orderly transfer to the authority of the treatment works properties, functions, service area, and outstanding obligations; provided, that no creating governmental entity or participating governmental entity shall enter into any agreement with the same authority if one (1) of the governmental entities has a population of forty thousand (40,000) or more according to the 2010 federal census or any subsequent federal census.

SECTION 5. Tennessee Code Annotated, Section 68-221-1304, is amended by deleting subdivision (e)(1) and substituting instead the following:

Whenever an authority is created under this part, the creating governmental entity and any participating governmental entity shall enter into an agreement with the authority for the orderly transfer to the authority of the treatment works properties, functions, service area, and outstanding obligations; provided, that no creating governmental entity or participating governmental entity shall enter into any agreement with the same authority if one (1) of the governmental entities has a population of forty thousand (40,000) or more according to the 2010 federal census or any subsequent federal census.

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