

SENATE BILL 1915

By Walley

AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7; Title 13; Title 54 and Title 67, relative to an interstate compact between the states of Arkansas, Mississippi, and Tennessee.

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

SECTION 1. Tennessee Code Annotated, Title 13, is amended by adding the following as a new chapter:

13-15-101. Text of compact. The general assembly hereby ratifies the Interstate Compact between the States of Arkansas, Mississippi, and Tennessee Creating the RegionSmart Development District and the RegionSmart Development Agency of the Greater Memphis Region, which is set forth in full in subdivision (2):

(1) For the purposes of improving the quality of life, promoting economic development, stimulating economic growth, minimizing unemployment, and promoting the general welfare for the benefit of the citizens of Arkansas, Mississippi, and Tennessee, these states do hereby agree and pledge to each other their faithful cooperation in the future planning and development of the RegionSmart Development District, holding in high trust for its people and the nation the natural advantages thereof, and do hereby enter into the following Compact in keeping with the provisions of Article 1, Section 10, of the Constitution of the United States of America.

(2) **Article I.** There is hereby created the RegionSmart Development District (herein referred to as the "district"), which shall embrace and include the following territory:

- (a) The Counties of Crittenden, Craighead, and Mississippi, Arkansas;
- (b) The County of DeSoto, Mississippi; and

(c) The Counties of Shelby, Fayette, and Tipton, Tennessee.

(3) **Article II.** There is created the RegionSmart Development Agency of the Greater Memphis Region (herein referred to as "RegionSmart Development"), which shall be a body corporate and politic.

(4) **Article III.**

(a) The governing authority of RegionSmart Development shall be vested in a Board of Commissioners consisting of fifteen (15) members, all of whom shall be residents of the district, appointed as follows:

(i) Two (2) commissioners shall be appointed from Crittenden County, Arkansas, with one (1) commissioner appointed by the Mayor of West Memphis, Arkansas, and one (1) appointed by the Mayor of Marion, Arkansas;

(ii) One (1) commissioner shall be appointed from Craighead County, Arkansas, by the Mayor of Jonesboro, Arkansas;

(iii) One (1) commissioner shall be appointed from Mississippi County, Arkansas, by the Mayor of Blytheville, Arkansas;

(iv) One (1) commissioner shall be appointed by a vote of the Mayors of Blytheville, Jonesboro, Marion, and West Memphis, Arkansas;

(v) Five (5) commissioners shall be appointed from DeSoto County, Mississippi with one (1) commissioner appointed by the Mayor of Southaven, Mississippi, one (1) member appointed by the Mayor of Olive Branch, Mississippi, one (1) member appointed by the Mayor of Hernando, Mississippi, and two (2) members appointed by a vote of the Mayors of Southaven, Olive Branch, and Hernando, Mississippi;

(vi) Three (3) commissioners shall be appointed from Shelby County, Tennessee, with two (2) commissioners appointed by the Mayor of Memphis, Tennessee and one (1) member appointed by the Mayor of Shelby County, Tennessee;

(vii) One (1) commissioner shall be appointed by the Mayor of Fayette County, Tennessee; and

(viii) One (1) commissioner shall be appointed by the County Executive of Tipton County, Tennessee.

(b) The commissioners shall serve staggered three-year terms. Upon approval of this Compact and the establishment of the Board of Commissioners:

(i) The commissioners from Crittenden, Craighead, and Mississippi Counties, Arkansas will be appointed so that:

1. The Mayor of West Memphis, Arkansas, will appoint a commissioner for a three-year term;

2. The Mayor of Marion, Arkansas, will appoint a commissioner for a three-year term;

3. The Mayor of Jonesboro, Arkansas, will appoint a commissioner for a two-year term;

4. The Mayor of Blytheville, Arkansas, will appoint a commissioner for a two-year term;

5. The commissioner appointed by a vote of the Mayors of Blytheville, Jonesboro, Marion, and West Memphis, Arkansas, shall serve a one-year term; and

6. Thereafter, successors and re-appointments shall serve three-year terms;

(ii) The commissioners from DeSoto County, Mississippi, will be appointed so that:

1. The Mayor of Southaven, Mississippi, will appoint a commissioner for an initial three-year term;
2. The Mayor of Olive Branch, Mississippi, will appoint a commissioner for a three-year term;
3. The Mayor of Hernando, Mississippi, will appoint a commissioner for an initial two-year term;
4. The two (2) commissioners appointed by a vote of the Mayors of Southaven, Olive Branch, and Hernando, Mississippi, will be selected so that one (1) serves an initial two-year term and one (1) serves an initial one-year term; and
5. Thereafter, successors and re-appointments shall serve three-year terms;

(iii) The commissioners from Shelby, Fayette, and Tipton Counties, Tennessee, will be appointed so that:

1. The City of Memphis, Tennessee, shall appoint one (1) commissioner for an initial one-year term and one (1) commissioner for an initial two-year term;
2. Shelby County, Tennessee, shall appoint one (1) commissioner for an initial two-year term;
3. Fayette County, Tennessee, shall appoint one (1) commissioner for a three-year term;
4. Tipton County, Tennessee, shall appoint one (1) commissioner for a three-year term; and

5. Thereafter, successors and re-appointments shall serve three-year terms; and

(iv) The terms of the commissioners shall end on the anniversary of the approval of the second of the states to approve the Compact, which date shall be declared at the first meeting of the Board of Commissioners. Commissioners shall, unless they submit a resignation in writing to the secretary, continue to serve beyond the official expiration of their respective terms of office until their successors are duly selected and certified to the Secretary of RegionSmart Development.

(c) The Board of Commissioners shall be vested with all of the powers of RegionSmart Development and shall employ such individuals in such capacities as the board deems appropriate to fulfill its mission. Commissioners shall be required to inform themselves of the matters and things necessary to fulfill their duties and to attend the regular and special meetings of the board and any committees which the board may constitute to fulfill its mission. The commissioners shall be subject to conflicts of interest policies and other policies as may be reasonably required by the states or the counties forming the district and will receive training to enable them to fully and faithfully perform their duties. If a commissioner fails to attend three (3) successive meetings of the board, whether regular or special, such commissioner is subject to being replaced and such circumstance shall be reported to the appointing authority.

(d) No action taken by the Board of Commissioners shall be binding unless taken at a meeting at which not less than three (3) commissioners from each state are present, and unless a majority of the members present from each state shall vote in favor thereof. Further, any proposal to exercise the powers of

eminent domain and/or condemnation of property under Article IV, at subdivision (5)(w), shall have the additional requirement that all of the commissioners in whose state the subject property is located must vote in favor of any such decision to exercise that authority.

(e) The states recognize that by this Compact they are creating a quasi-governmental and public entity and it is the direction of all of the states that RegionSmart Development be conducted in a transparent and inclusive manner and thereby engender the support of the people and political jurisdictions it is to serve. Therefore, prior to undertaking any of its powers, missions, or responsibilities, the Board of Commissioners shall adopt:

(i) Bylaws to govern the operation and conduct of the board, board meetings, officers, employees, and others, as appropriate;

(ii) A conflicts of interest policy and code of ethics for the conduct of commissioners, officers, employees, and others, as appropriate;

(iii) An open records or "sunshine" policy governing the availability of the records and matters of the organization and drawing upon as examples such laws of the states and, to the extent possible, combine the provisions of the laws of the states where such laws are similar into a comprehensive policy for RegionSmart Development;

(iv) Employment policies;

(v) Procurement policies; and

(vi) Such other policies and procedures as the Board of Commissioners deems necessary and appropriate. The board shall certify that such actions have been taken by sending certified copies of the same to the Governors of the several states and to each individual

and entity listed in the first paragraph of this Article III, at subdivision (4)(a), having appointment authority of commissioners.

(5) **Article IV.** RegionSmart Development shall have the following powers:

(a) To develop and implement marketing and communication strategies;

(b) To contract with governmental entities and nongovernmental entities of every kind and nature, as well as individuals, to provide services to such entities and individuals and to have such entities and individuals provide services to RegionSmart Development;

(c) To apply for such grants and funding from governmental and nongovernmental sources to further the purposes of this Compact;

(d) To charge and collect fees for use of the facilities owned and operated by RegionSmart Development;

(e) To receive for its lawful activities any contributions or monies appropriated by municipalities, counties, state or other political subdivisions, or agencies, or by the government of the United States or any agency or officer thereof;

(f) To receive for its lawful activities contributions of monies from nongovernmental entities or from individuals;

(g) To disburse funds for its lawful activities;

(h) To make plans for submission to the communities involved for coordination of streets, highways, parkways, parking areas, terminals, water supply and sewage and disposal works, recreational and conservation facilities and projects, land use pattern, and other matters in which joint or coordinated action of the communities within the areas will be generally beneficial;

(i) To employ persons necessary for its purposes, including, without limitation, a president or other executive officer, to hire, and discharge employees, and to fix the salaries, wages, benefits, terms, and other compensation for employees as appropriate; provided, however, that all such expenditures shall have been approved either specifically for such purpose or contained in budgets where the expenditures are authorized and sufficient funds authorized and appropriated;

(j) To make plans and participate in the making of plans by others for the development of the district;

(k) To make recommendations to the State Legislatures or to Congress, based upon study and analysis, for the improvement of transportation, terminal, facilities, economic development, and quality of life in the district;

(l) To perform and conduct all actions necessary and incidental to carrying out the powers and purposes of this Compact as approved by its Board of Commissioners;

(m) To exercise such additional powers as shall be conferred on it by agreement of the Legislatures of the states or by an act of Congress;

(n) To petition any Interstate Commerce Commission or like body, Public Service Commission, Public Utilities Commission or like body, or any other federal, municipal, state or local authority, administrative, judicial, or legislative, having jurisdiction in the premises, for the adoption and execution of any physical improvements, change in method, rate of transportation, system of handling freight, warehousing, docking, lightering, or transfer of freight, which, in the opinion of RegionSmart Development, may be designed to improve the handling of commerce in and through the district, or to improve terminal and transportation

facilities therein. It may intervene in any proceeding affecting the commerce of the district;

(o) To purchase, lease, acquire by gift, sell, or otherwise dispose of, plan, construct, operate, maintain, or lease to others for operation and maintenance, roads, airports, wharves, docks, harbors, and industrial parks adjacent to and necessary and convenient thereto, bridges, tunnels, warehouses, grain elevators, commodity and other storage facilities, sewage disposal plants, passenger transportation facilities, and air, water, rail, motor vehicle and other terminal or parking facilities;

(p) To plan, construct, maintain, own, and operate roads, bridges, tunnels, airports, ports, freight routes and facilities, and terminal facilities;

(q) To purchase, lease, acquire by gift, sell, or otherwise dispose of, plan, construct, operate, maintain, or lease or contract for operation and maintenance to any person, firm, or corporation, subject to such mortgage, pledge, or other security arrangements that RegionSmart Development may require, facilities for the receiving, transferring, sorting, processing, treatment, storage, recovery, and disposal of refuse or waste, and facilities for the production, conversion, recovery, storage, use, or sale of refuse or waste derived resources, fuel, or energy and industrial parks adjacent, necessary, and convenient thereto;

(r) To issue bonds upon the security of the revenues to be derived upon any property held or to be held by it, at any time or from time to time;

(s) To issue bonds upon the security of revenues to be derived from operations or agreements for the ownership and operation of property not owned by RegionSmart Development; provided, such property or operations are located within the district;

(t) To borrow money for any of the authorized purposes of RegionSmart Development and to issue the negotiable notes, bonds, or other instruments in writing of RegionSmart Development in evidence of the sum or sums to be borrowed;

(u) To issue negotiable refunding notes, bonds, or other instruments in writing for the purpose of refunding, extending, or unifying the whole or any part of its valid indebtedness from time to time outstanding, whether evidenced by notes, bonds, or other instruments in writing;

(v) To provide that all negotiable notes, bonds, or other instruments in writing shall be payable, both as to principal and interest, out of the revenues collected for the use of any facility or combination of facilities owned or operated by RegionSmart Development, or out of any other resources of RegionSmart Development, and may be further secured by a mortgage or deed of trust upon any property owned by RegionSmart Development. All notes, bonds, or other instruments in writing issued by RegionSmart Development as herein provided shall mature in no more than forty (40) years from the date thereof, shall bear interest at a rate not exceeding fourteen percent (14%) per annum, and shall be sold for not less than ninety-five percent (95%) of the par value thereof. RegionSmart Development shall have the power to prescribe the details of such notes, bonds, or other instruments in writing, and of the issuance and sale thereof, and shall have power to enter into covenants with the holders of such notes, bonds, or other instruments in writing, not inconsistent with the powers herein granted to RegionSmart Development, without further legislative authority;

(w) To exercise the powers of eminent domain and condemnation over any and all rights or property, of any kind or character, necessary for the

purposes of RegionSmart Development, subject to the provisions of this Compact; provided, however, that:

(i) Any decision by RegionSmart Development to exercise its authority under this paragraph shall be specifically approved by the Board of Commissioners with all members of the board in whose state the property is located voting in favor; and

(ii) RegionSmart Development shall follow the procedure provided by law for the exercise of eminent domain in the state where such property is located and for the kind of property subject to such exercise;

(x) All property, real and personal, owned or held by RegionSmart Development, and all interest income derived from any notes, bonds, or other instruments in writing issued by RegionSmart Development, shall possess the same status, with respect to taxation, in the state where such property is held, as is now or may hereafter be possessed by property, real and personal, owned or held by cities within such state, and by the interest income derived from notes, bonds, or other instruments in writing issued by such cities. Unless the Board of Commissioners specifically designates to the contrary, all nontangible personal property not attached to a project or facility in one (1) of the given states, shall be deemed to be in the state of the principal place of business of the Office of RegionSmart Development, which initial office is in the City of Memphis, Tennessee;

(y) Any notes, bonds, or other instruments in writing issued by RegionSmart Development pursuant to the provisions of this Compact and any companion enabling legislation in the states, are hereby recognized to be securities in which all state and municipal officers and bodies, all banks, bankers,

trust companies, savings banks, savings associations, building and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees and other fiduciaries, and all other persons whatsoever who are now or who may hereafter be authorized to invest in bonds or other obligations of the State of Tennessee may properly and legally invest any funds, including capital, belonging to them, or within their control; and these obligations are hereby recognized as securities which may properly and legally be deposited with and shall be received by any state or municipal officer or agency for any purpose for which the deposit of bonds or other obligations of this state is now or may hereafter be authorized;

(z) To be a planning organization with an interest in a specific or regionally significant multi-state freight corridor to promote the improved mobility of goods, including, without limitation, identifying projects along the corridor that benefit multiple states, assembling rights-of-way, and performing capital improvements;

(aa) To establish such advisory committees deemed necessary to accomplish its purposes and such committees may include such individuals the Board of Commissioners deems appropriate; and

(bb) To conduct its business under names conducive to fulfilling its responsibilities to file such name registrations with appropriate authorities.

(6) **Article V.** This Compact shall become effective upon passage of appropriate legislation in two (2) of the three (3) states in substantially similar form. The approval by the states is not a condition precedent to consent by Congress. The states

agree to use their best efforts to secure the consent of Congress to the extent such consent is deemed necessary to implement all the provisions of this Compact.

(7) **Article VI.** This Compact may only be amended by the passage of appropriate legislation approved by the states which are then parties to the Compact concurring in the amendment. Any amendment shall not require the consent of Congress so long as the amendment is not inconsistent with the original congressional consent, if so obtained. The states specifically reserve to themselves without obtaining the consent of Congress the right to amend this Compact by agreement of the states regarding the manner in which the commissioners are chosen.

(8) **Article VII.** RegionSmart Development shall, not later than March 31 of each year, submit an annual report to the Legislatures and Governors of the states, and to the individuals and entities holding the powers of appointment of the Board of Commissioners as set forth in Article III, at subdivision (4), reporting on its activities and finances for the year ending the preceding December 31, which annual reports will specifically include detailing how RegionSmart Development is affirming and performing its governmental functions.

(9) **Article VIII.** No part of the income and earnings of RegionSmart Development shall inure to the benefit or profit of a private individual or entity. Upon dissolution, the assets of RegionSmart Development shall be distributed among the states and counties of the district or other entity, but no assets shall be distributed to any entity that does not qualify under the provisions of Section 115 of the Internal Revenue Code of the United States, or any successor provision of such code.

13-15-102. Effective date of compact; notice to revisor of statutes.

This chapter takes effect on the date the compact is enacted into law in the second compact state. The Secretary of RegionSmart Development shall notify the reviser of statutes in writing when the condition specified in this section has occurred.

SECTION 2. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.