

HOUSE BILL 3555

By Bass

AN ACT to amend Tennessee Code Annotated, Title 68,
Chapter 221, Part 10 and Title 68, Chapter 221,
Part 12, relative to water and sewerage.

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

SECTION 1. Tennessee Code Annotated, Section 68-221-1006(a)(2), is amended by deleting the phrase "financial capability to assure".

SECTION 2. Tennessee Code Annotated, Section 68-221-1006(a) is amended by adding the following at the end of subdivision (4) after the words, "timely paid":

; provided, however, upon determination that fees and charges are reasonable, the authority may in its discretion make a loan to a local government which is relying upon and using ad valorem taxes or other lawful sources of revenue, in addition to fees and charges, to pay timely loan payments and costs of the facility.

SECTION 3. Tennessee Code Annotated, Section 68-221-1206(a), is amended by deleting subsections (5) and (6), substituting the following new subdivision (5), and redesignating the remaining subdivisions accordingly:

(5)

(A) In the opinion of the authority, demonstrate sufficient revenues to operate and maintain the water system for its useful life and to repay the loan;

(B) Pledge security as required by the authority for the repayment of the loan;

(C) Agree to adjust periodically fees and charges for services of the water system in order that loan payments and costs of the water system are timely paid; provided, however, upon determination that fees and charges are

reasonable, the authority may in its discretion make a loan to a local government which is relying upon and using ad valorem taxes or other lawful sources of revenue, in addition to fees and charges, to pay timely the loan payments and costs of the water system;

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