

HOUSE BILL 3524

By Haynes

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 82, Part 4; Title 7, Chapter 82, Part 7 and Title 68, Chapter 221, Part 10, relative to utility districts, water systems and wastewater facilities.

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

SECTION 1. Tennessee Code Annotated, Section 7-82-703(a), is amended by designating the existing language as subsection (a)(1) and by adding the following as a new subsection (a)(2):

(2) The Tennessee local development authority shall cause to be filed with the board a statement showing when any utility district, its system or system, fails to meet any loan covenant with the authority. Said statement shall be filed with the board within sixty (60) days after such breach and such district shall be referred to in this part as a financially distressed utility district until such time as the breach is corrected and subject to the jurisdiction of the board as a financially distressed utility district.

SECTION 2. Tennessee Code Annotated, Section 68-221-1010(a), is amended by designating the existing language as subsection (a)(1) and by adding the following as a new subsection (a)(2):

(2) The Tennessee local development authority shall cause to be filed with the board a statement showing when any water system or wastewater facility fails to meet any loan covenant with the authority. Said statement shall be filed with the board within sixty (60) days after such breach and such water system or wastewater facility district shall be referred to in this part as a financially distressed water system or wastewater facility until such time as the breach is corrected and subject to the jurisdiction of the board as a financially distressed waster system or wastewater facility.

SECTION 3. This act shall be effective upon becoming the law, the public welfare requiring it.