

Agriculture and Natural Resources Committee 1

Amendment No. 1 to HB2381

**Halford
Signature of Sponsor**

AMEND Senate Bill No. 2364

House Bill No. 2381*

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 221, Part 6, is amended by adding the following as a new section:

(a) Effective July 1, 2019, the authority granted pursuant to this part shall not apply to authorities created in any county having a population of not less than three hundred thirty-six thousand four hundred (336,400) nor more than three hundred thirty-six thousand five hundred (336,500), according to the 2010 federal census or any subsequent federal census.

(b) No later than one (1) year prior to the date that the authority granted pursuant to this part ceases to apply, the governing body of the creating governmental entity shall begin winding up the affairs of the authority. All legal and financial obligations of the authority shall be satisfied, closed, transferred, or otherwise assumed to the satisfaction of the comptroller of the treasury and the department of environment and conservation, as provided in subsection (c), prior to the authority ceasing to exist.

(c)

(1) Notwithstanding § 68-221-615, whenever an authority is dissolved pursuant to this section, the county mayor of the creating governmental entity shall wind up the authority's affairs and submit a plan of dissolution to be approved by both the comptroller of the treasury or the comptroller's designee and the department of environment and conservation.

(2) The plan shall be approved only if the plan:

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(A) Is determined to be in the public's interest;

(B) Expressly provides for equitable distribution and assumption of all bonds and other obligations of the authority to the creating governmental entity or its lawful designees; and

(C) Contemplates a lawful transfer of assets to eligible local governments or private entities.

(3) Upon receipt of these state approvals, the county mayor of the creating governmental entity shall execute and file for record with the secretary of state of Tennessee a certificate of dissolution reciting such facts and declaring the authority to be dissolved.

(4) Failure to comply with the dissolution proceedings of this section shall cause the department of environment and conservation and the comptroller of the treasury or the comptroller's designee to submit a plan of dissolution on behalf of the authority to the state funding board for approval. The plan shall be enforceable in chancery court, with all costs associated with the dissolution including, but not limited to, legal costs, to be borne by the authority.

(d) For authorities existing on July 1, 2016, and to which this section applies:

(1)

(A) For fiscal year 2017-2018, such authorities shall submit quarterly progress reports on the plan of dissolution, including all financial statements, to the comptroller of the treasury; and

(B) Beginning July 1, 2018, such authorities shall submit monthly progress reports on the plan of dissolution, including all financial statements, to the comptroller of the treasury;

(2) The county mayor of the creating governmental entity shall submit a plan of dissolution no later than July 1, 2017; and

(3) Dissolution shall be completed by July 1, 2019.

(e) For purposes of this section, "equitable distribution and assumption" means apportioning debt in a manner consistent with the amount of improvements made to certain areas and the customers that reside in those areas and any excess amount of debt to be refinanced and secured by the full faith and credit and unlimited taxing power of the creating governmental entity.

(f) The authority shall be responsible for any reasonable expenses incurred by the comptroller of the treasury in carrying out this section.

SECTION 2. Tennessee Code Annotated, Section 68-221-607, is amended by adding the following as a new subsection:

Any authority created pursuant to this part may notify the appropriate permitting department when water and wastewater services provided to a business currently permitted pursuant to the Tennessee Retail Food Safety Act, compiled at § 53-8-201 et seq. or the Tennessee Food Safety Act, compiled at § 68-14-701 et seq. are discontinued for a violation of the authority's rules, regulations, or policies. This subsection shall apply to all counties in which an authority has been created as of July 1, 2016.

SECTION 3. This act shall take effect July 1, 2016, the public welfare requiring it.