



January 26, 2020

SUMMARY OF BILL: Removes certain per diem rate restrictions in place for utility district boards of commissioners within Blount County.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures –

Up To \$16,200/FY20-21 and Subsequent Years/Permissive

Assumptions:

- Pursuant to Tenn. Code Ann. §7-82-308(a)(2), members of utility district boards of commissioners within Blount County are entitled to a maximum per diem rate of \$150 per meeting, if the utility district serves more than 3,000 customers; and a maximum per diem rate of \$100 per meeting, if the utility district serves less than 3,000 customers.
- Several laws govern utility district boards of commissioners:
 - Tennessee Code Annotated § 7-82-307 requires utility district boards of commissioners to have three commissioners, with certain exceptions;
 - Tennessee Code Annotated § 7-82-308(a)(1) sets a maximum per diem rate of \$300 per meeting, for no more than 12 meetings per calendar year. This maximum per diem rate is universal unless additional rate restrictions are applied to a specific utility district. The board of commissioners sets the actual rate of per diem through passage of a resolution by the board of commissioners;
 - Tennessee Code Annotated § 7-82-308(e) requires each board to meet at least quarterly.
- The proposed language removes the additional per diem rate restrictions placed on utility districts within Blount County, allowing such commissioners to receive a maximum per diem rate of \$300 per meeting.
- There are three utility districts within Blount County. Each board contains three members, for a total of nine (3 districts x 3 members each) members.
- Each district within Blount County serves more than 3,000 customers; therefore each commissioner is currently entitled to a maximum per diem rate of \$150. The proposed legislation will result in a maximum increase in per diem payments of \$150 (\$300 new maximum - \$150 current rate) per meeting, per commissioner.
- Any vote required of the board of commissioners will be conducted at a regularly scheduled meeting.

- Any increase in local expenditures for increased per diem payments will be borne by the individual utility district.
- The proposed language will result in a recurring, permissive increase in local government expenditures up to \$16,200 (\$150 maximum per diem rate increase x 12 maximum meetings per year x 9 total commissioners) beginning in FY20-21.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- Removing certain per diem rate restrictions for certain utility district boards of commissioners will not result in any significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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