

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

by deleting Sections 1 through 14 in their entirety and substituting the following new sections:

SECTION 1. This act shall be known and may be cited as the "Port Authority Act."

SECTION 2.

(a) It is hereby declared that the port authorities created pursuant to this act shall be public and governmental bodies acting as agencies and instrumentalities of the municipality or municipalities with respect to which the authority is organized and that the acquisition, operating and financing of ports and related facilities by such port authorities is hereby declared to be for a public and governmental purpose and a matter of public necessity.

(b) The property and revenues of the authority or any interest therein shall be exempt from all state, county, and municipal taxation.

SECTION 3. The following words or terms whenever used or referred to in this act shall have the following respective meanings unless different meanings clearly appear from the context:

(1) "Authority" means a port authority created pursuant to the provisions of this act;

(2) "Board" means the board of commissioners of an authority;

(3) "Bonds" or "revenue bonds" means bonds, notes, interim certificates or other obligations of an authority issued pursuant to this act, or pursuant to any other law, as supplemented by, or in conjunction with, this act;

AMENDMENT NO. _____

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

Signature of Sponsor

AMEND Senate Bill No. 1114 House Bill No. 1182

(4) "Executive officer" means the mayor, county executive, or other chief executive of a municipality;

(5) "Governing body" means the body in which the general legislative powers of a municipality are vested;

(6) "Municipality" means any county or incorporated city or town in this state with respect to which an authority may be organized;

(7) "Port" means and includes any one (1) or more harbors or ports and related facilities including, but not limited, to land and interests in land, wharves, piers, loading and unloading machinery, scales, transportation equipment, harbor and riverfront or lake front improvements, buildings, storage and transfer facilities, elevators, railroads, switchyards, concentration yards, roads, bridges, communication, electric power, gas, water and all other utility facilities and such other structures, facilities and improvements necessary or convenient to the development of harbors and river ports and for the promotion either directly or indirectly of trade, industry, and commerce; and

(8) "State" means the state of Tennessee.

SECTION 4.

(a) Any municipality in this state may create a port authority in the manner hereinafter provided.

(b)

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

(1) The governing body of the municipality shall adopt and its executive officer shall approve a resolution calling a public hearing on the question of creating a port authority.

(2) Notice of the date, hour, place, and purpose of such hearing shall be published at least once each week for two (2) consecutive weeks in a newspaper of general circulation in the municipality, the last such publication to be at least one (1) week prior to the date set for the hearing.

(3) Such hearing shall be had before the governing body and all interested persons shall have an opportunity to be heard.

(c)

(1) After such hearing, if the governing body shall determine that public convenience and necessity require the creation of a port authority, it shall adopt, and its executive officer shall approve a resolution so declaring and creating an authority, which resolution shall also designate the name and principal office address of the authority.

(2) A certified copy of such resolution shall be filed with the secretary of state along with the resolution approving the appointment of the board of commissioners as provided in Section 5, and upon such adoption and filing, the authority shall constitute a body politic and corporate with all the powers hereinafter provided.

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114

House Bill No. 1182

(d)

(1) Two (2) or more municipalities may, by acting jointly, establish an authority to effectuate the purposes of this act. When two (2) or more municipalities establish such an authority, each and every requisite pertaining to the establishment shall, as nearly as may be practicable, be incumbent in like manner upon each municipality joining in the creating of such authority.

(2) Whenever an authority shall be created under this act, the municipality shall enter into an agreement with the authority for the orderly transfer to the authority of harbor and port properties, functions, and outstanding obligations of such municipality.

(3) Such agreement may include provisions for the reimbursement of such municipality for its obligations issued for port purposes and such agreement may also include provisions for the payment of tax equivalents by the authority and its lessees on all or any part of the properties owned by the authority and any improvements owed by the authority or its lessees to the municipality.

SECTION 5.

(a) The governing body of the authority shall be a board of commissioners of eight (8) persons appointed by the executive officer of the municipality and approved by its governing body, all of whom shall be residents of the municipality and who shall have no financial interest in a port or its concessions, or be an employee of the municipality.

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

Commissioners first appointed to the board shall be appointed for terms of one (1), two (2), three (3), four (4), five (5), six (6), seven (7), and eight (8) years, respectively, but thereafter, each commissioner shall be appointed for a term of eight (8) years.

(b) In the case of authorities created pursuant to the approval of two (2) or more municipalities acting jointly, the number of commissioners appointed by the chief executive officer and approved by the governing body of each municipality shall be as nearly equal as practicable.

(c) All commissioners shall be of excellent character and reputation.

(d) Any vacancy by reason of nonresidence, incapacity, resignation, or death shall be filled in like manner for the unexpired term.

(e) A commissioner's term shall continue until the appointment and qualification of a successor.

(f) A commissioner may be removed from office by a two-thirds (2/3) vote of the governing body of the municipality which appointed him, but only after notice of the cause of such removal shall have been served upon the commissioner and only after he shall have been granted an opportunity for a public hearing on such cause.

(g) The board shall elect from among its members a chairman, vice chairman, and secretary, each of whom shall continue to be voting members and shall adopt its own bylaws and rules of procedure. A majority of the commissioners shall constitute a

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

quorum for the transaction of business. Except as herein expressly otherwise specified, all powers herein granted to an authority shall be exercised by the board.

(h) Commissioners shall receive no salary, but shall be reimbursed for necessary expenses incurred in the performance of their official duties.

SECTION 6.

(a) The board shall appoint a president, who shall be the chief executive and administrative officer of the authority, and shall enter into a contract with him establishing his salary and term of office.

(b) The president shall appoint, and the board shall confirm, the following additional officers: A secretary, an auditor, legal counsel, a treasurer, and a chief engineer.

(c) All other officers and employees of the authority shall be appointed by the president, subject to any civil service plan adopted by the board.

(d)

(1) The president shall prepare annually the operating budget of the authority and submit the same to the board for approval at least sixty (60) days prior to the beginning of the fiscal year.

(2) If such budget has not been acted upon by the board on the first day of the fiscal year, it shall then automatically go into effect.

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

(e) The president shall also submit such periodic reports to the board as it may direct.

(f) The president shall attend all meetings of the board.

SECTION 7. An authority created pursuant to this act shall have all powers necessary to accomplish the purposes of this act (excluding the power to levy and collect taxes and special assessments) including but not limited to the following:

(1) To have perpetual succession, to sue and be sued, and to adopt a corporate seal;

(2) To plan, establish, acquire, construct, improve and operate one (1) or more ports within or without the municipality and within this state;

(3) To acquire real or personal property or any interest therein by gift, lease or purchase for any of the purposes herein provided, and to sell, lease, or otherwise dispose of such property;

(4) To enter into agreements with the municipality with respect to which such authority is created, to acquire by lease, gift, purchase, or otherwise, any port of such municipality and to operate such port as a part of its port;

(5) To enter into a contract with the municipality with respect to which such authority is created, a plan for pension, disability, hospitalization and death benefits for the officers and employees of the authority as well as the right to contract with such municipality for the transfer of the employees of the municipality with the retention by

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

such employees of existing civil service status and accrued pension, disability, hospitalization and death benefits.

(6) to enter into by contract with the municipality with respect to which such authority is created, a plan of civil service for employees of the authority.

(7) To make application directly to the proper federal, state, county, and municipal officials and agencies, or to any other source, public or private, for loans, grants, guarantees or other financial assistance in aid of ports operated by it and to accept the same.

(8) To make studies and recommend to the appropriate legislative body of the municipality in which a port is situated, zoning changes in the area of any port operated by the authority.

(9) To have control of its port and the facilities thereof with the right and duty to establish and charge fees, rentals, rates and other charges for the use of, or for services rendered by, any authority facility, and to collect revenues therefrom, not inconsistent with the rights of the holders of its bonds.

(10) To appoint a president, and to confirm or reject the president's appointments of a secretary, a treasurer, an auditor, legal counsel, and a chief engineer; to prescribe their duties and qualifications and to fix their compensation; to employ, contract with, fix the compensation of such other employees both professional and other as may be

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

necessary to carry out the purposes of this act and to provide for the proper operation and maintenance of the port.

(11) To use in the performance of its functions the officers, agents, employees, services, facilities, records and equipment of any municipality with respect to which the authority shall have been created, with the consent of such municipality and subject to such terms and conditions as may be agreed upon.

(12) To enter upon such lands, waters or premises as in the judgment of the authority may be necessary for the purpose of making surveys, soundings, boring and examinations to accomplish any purpose authorized by this act, the authority to be liable for actual damages done.

(13) To contract with carriers with regard to docking, accommodation and servicing of barges and marine craft; the loading and unloading of cargo, passengers and baggage, and the accommodation of the employees and passengers of such carriers.

(14) To develop, police, and beautify the harbor and port facilities including the preservation and enhancement of the ecological amenities by the establishment and implementation of a plan for appropriate environmental development, and to undertake or make arrangements to undertake the dredging of approaches to the port and its facilities.

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

(15) To operate, maintain, manage and to enter into contracts for the operation, maintenance, and management of any project undertaken, and to make rules and regulations with regard to such operation, maintenance and management.

(16) To contract with any and all persons, individuals, firms or corporations, including, but not limited to, steamship and railroad companies with reference to the development of transportation and other utility services, and to do and perform any and all other acts which may tend, either directly or indirectly, to promote trade, industry, and commerce.

(17) To lend the proceeds of bonds issued pursuant to this act and to enter into loan agreements or other agreements with persons or corporations with respect to such loans and the construction, reconstruction, improvement, or acquisition of one (1) or more projects at its ports, upon such terms and conditions as the authority may deem advisable.

(18) To incorporate, operate in all respects and exercise all the powers granted to industrial development corporations under Chapter 53 of Title 7, provided the municipality grants such power to the Port Authority by resolution enacted by the governing body. Provided, however, that any project development under the provisions of this subdivision shall be developed as the property of the authority and the authority shall make in lieu of tax payments on any such development to the municipality. Provided, further, an authority, before issuing any industrial development bonds

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

pursuant to this act, shall consider whether any proposed industrial operation is compatible with port purposes.

SECTION 8. Any municipality may acquire any interest in land within the boundaries of the municipality by gift, purchase, lease or condemnation, and may transfer such interest to any authority by sale, lease or gift. Such transfer may be authorized by resolution or by ordinance of the governing body of the municipality without submission of the question to the voters and without regard to the requirements, restrictions, limitations, or other provisions contained in any other general, special, or local law.

SECTION 9.

(a)

(1) An authority shall have the power to borrow money for any of its corporate purposes and issue its revenue bonds therefor, including revenue refunding bonds, in such form and upon such terms as it may determine, payable out of any revenues of the authority, including grants or contributions from the federal government or other sources, which bonds may be sold at public or private sale. Revenue bonds may be sold at public or private sale. Revenue bonds may be issued for the above purposes and the authority may pledge as security for such bonds all or any portion of concessions, fees, rents, charges, or any other revenues derived from the operation of the port. Further, the payment or purchase of such revenue bonds, if issued for any essential public purpose,

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

may be additionally secured, in whole or in part, in the manner herein provided, by a pledge of the full faith and credit and unlimited taxing powers of the municipality or municipalities with respect to which the authority shall have been created. Such revenue bonds and/or revenue refunding bonds shall be issued in the manners provided for a local government in Title 9, Chapter 21, provided that any such fees, rents, or charges so pledged that are fixed and established pursuant to the provisions of a lease or contract shall not be subject to revision or change except in such manner as is provided in such lease or contract. Any bonds of any authority issued pursuant to this act which are payable, as to principal and interest, solely from revenues of a port or port facility (and they shall so state on their face) shall not constitute a debt of any municipality, the state, or any political subdivision thereof other than the authority or any municipality guaranteeing the payment or purchase thereof in the manner herein provided and shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the commissioners of any authority nor any person executing such bonds shall be liable personally thereon by reason of the issuance thereof.

(2) An authority, or municipality or municipalities with respect to which the authority shall have been created, may enter into interest rate exchange agreements with respect to any issue of revenue bonds or revenue refunding

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

bonds with any person under such terms and conditions as the authority, or municipality may determine including, without limitation, provisions permitting the authority, or municipality to indemnify or otherwise pay any person for any loss of benefits under such agreement upon early termination thereof or default thereunder.

(b) In case any of the commissioners or officers of an authority whose signatures appear on any bonds or coupons shall cease to be commissioners or officers after authorization but before the delivery of the bonds, the signatures shall nevertheless be valid and sufficient for all purposes, the same as if the commissioners or officers had remained in office until delivery. Any provision of any loan to the contrary notwithstanding, any bonds issued pursuant to this act shall be fully negotiable.

(c) Any bond reciting in substance that it has been issued by an authority pursuant to the provisions of this act and for a purpose or purposes authorized to be accomplished by this act shall be conclusively deemed, in any suit, action, or proceeding involving the validity or enforceability of the bond or security therefor, to have been issued pursuant to such provisions and for such purpose or purposes.

(d) Bonds issued by an authority pursuant to the provisions of this act are declared to be issued for an essential public and governmental purpose, and together with interest thereon and income therefrom, shall be exempt from all state, county and

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

municipal taxation, except for inheritance, transfer and estate taxes, and except as otherwise provided in this code.

(e)

(1) The governing body of a municipality or municipalities with respect to which the authority shall have been created may, by resolution, pledge the full faith and credit and unlimited taxing power of the municipality as guarantor to the payment of the principal or premium, if any, and interest on bonds of an authority, the purchase price of any such bonds subject to optional or mandatory tender for purchase, or the reimbursement or repayment to any bank or financial institution under any agreement providing for any draw, borrowing, advance or payment to made for the payment of such principal, premium, interest or purchase price or the payment of amounts payable under any interest rate exchange agreement.

(2) Prior to any meeting where such guarantee will be considered by the governing body of the municipality, a notice shall be published at least five (5) days in advance of such meeting in a newspaper of general circulation within the municipality, describing the matter to be considered and containing an estimate of the dollar amount of any contingent liability proposed to be undertaken by the municipality.

(3) In the event of any such pledge of the full faith and credit and unlimited taxing power of the municipality, any holder or holders of the bonds,

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

including a trustee or trustees for holders of such bonds, any financial institution providing any agreement on the payment of principal, premium, interest, purchase price on such bonds or any party to any interest rate exchange agreement with respect to such bonds shall have the right, in addition to all other rights, by mandamus or other suit, action, or proceeding in any court of competent jurisdiction to enforce his or their rights against the municipality so pledging, and the governing body of such municipality and any officer, agent, or employee of such municipality, including, but not limited to, the right to require the municipality and governing body and any proper officer, agent, or employee of the municipality to assess, levy, and collect taxes and other revenues and charges adequate to carry out any agreement as to, or pledge of, such taxes, revenues, and charges. The taxes herein authorized to be pledged shall be levied without limit as to rate or amount upon all taxable property within the municipality, and all such taxes to be levied are hereby declared to have been levied for county and corporation purposes, respectively, within the meaning of the Constitution of Tennessee, Art. II, §29.

SECTION 10.

(a) The authority by action of its board may elect to come under the civil service plan of the municipality, to be administered by the civil service commission or board of

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

such municipality; or may adopt its own civil service plan to be administered by the board, which plan shall include, but need not be limited to, the following provisions:

- (1) Entry into the service on the basis of open competition; and service, promotions and remuneration on the basis of merit, efficiency and fitness;
- (2) Classifications of the positions in the service;
- (3) The rating of candidates on the basis of publicly announced competitive examinations and the maintenance of lists of eligible candidates;
- (4) Employment of candidates from the eligible lists in the highest qualified rating;
- (5) Probationary periods not to exceed six (6) months;
- (6) Disciplinary action, suspension or discharge of employees for cause only with the right of notice and review;
- (7) Schedules of compensation and pay increases prepared by the president and approved by the board;
- (8) Promotion on the basis of ascertained merit, seniority in service, and competitive examinations;
- (9) Provision for keeping service records on all employees;
- (10) Regulations for hours of work, attendance, holidays, leaves of absence and transfers, and procedures for layoffs, discharge, suspension, discipline and reinstatement; and

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

(11) Review by the board at the request of the employee in question and after notice and public hearing of any disciplinary action, suspension or discharge of any employee, which action, suspension or discharge may be affirmed, modified or reversed by the board. Findings of fact by the board shall not be subject to review any court except for illegality or want of jurisdiction.

(b) A civil service plan adopted and administered by the board may include a provision exempting from the plan those persons employed to render professional, scientific, technical or expert service of a temporary or unusual character; persons primarily employed on projects funded from the proceeds of bonds issued by the authority or from grants or loans to be repaid from the proceeds of bonds issued by the authority or from grants received by the authority; and persons employed for a period of less than (6) months in any twelve-month period or working thirty (30) hours or less per week.

SECTION 11. Any municipality or municipalities with respect to which the authority has been created shall have all necessary powers in order to further the purposes of this act, including, without limitation, the following, any or all of which powers may be exercised by resolution of its governing body:

(1) To advance, donate or lend money or real or personal property to the authority;

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

(2) To provide that any funds on hand or to become available to it for port purposes shall be paid directly to the authority;

(3) To cause water, sewer, gas, electric or other utility services to be provided to the authority;

(4) To sell, lease, dedicate, donate or otherwise convey to the authority any of its interest in any existing port or other related property, or grant easements, licenses or other rights or privileges therein to the authority;

(5) To open and improve streets, roads and alleys to the port;

(6) To provide police and fire protection services to the port; and

(7) To enter into agreements with the authority with regard to the transfer of its port employees to the authority with the retention of such employees of any civil service status and accrued rights in pension, disability, hospitalization and death benefits.

SECTION 12.

(a) Whenever the governing body of the municipality or municipalities with respect to which the authority shall have been created shall, by resolution, determine that the purposes for which the authority was created have been substantially accomplished, that all of the bonds and other obligations of the authority have been fully paid, and that such municipality has determined, or such municipalities have agreed on, the distribution of the funds and other properties of the authority, then the executive officers of such municipality or the executive officers of such municipalities shall execute

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

and file for record with the secretary of state a certificate of dissolution reciting such facts and declaring the authority to be dissolved.

(b) Upon such filing, the authority shall be dissolved and title to all funds and other properties of the authority at the time of such dissolution shall vest in and be delivered to such municipalities in accordance with the terms of their agreement relating thereto.

SECTION 13.

(a) The powers conferred by this act shall be in addition and supplemental to the powers conferred by any other law, and are not in substitution for such powers, and the limitations imposed by this act shall not affect such powers.

(b) The powers herein granted may be exercised without regard to requirements, restrictions or procedural provisions contained in any other law or charter, except as herein expressly provided.

(c) Any municipality authorized hereunder to create a port authority may do so without the necessity of a charter amendment, notwithstanding anything in its charter to the contrary.

SECTION 14. The provisions hereof shall be liberally construed to effect the purposes herein, and insofar as the provisions of this act may be inconsistent with the provisions of any other law, the provisions of this act shall be controlling.

AMENDMENT NO. _____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 1114 House Bill No. 1182

SECTION 15. This act shall take effect on becoming a law, the public welfare requiring
it.