

**PUBLIC CHAPTER NO. 876**

**HOUSE BILL NO. 3603**

**By Representative Fitzhugh**

Substituted for: Senate Bill No. 3690

By Senator McNally

AN ACT to amend Tennessee Code Annotated, Section 7-82-401 and Section 68-221-1010, 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 7-82-401, is amended in subsection (h)(1) by adding the following language after the first sentence thereof:

Failure of the utility district to include the schedule required in this section constitutes excessive water loss and the utility district shall be referred to the utility management review board.

SECTION 2. Tennessee Code Annotated, Section 68-221-1010, is amended in subsection (d)(1) by adding the following language after the first sentence thereof:

Failure of the water system to include the schedule required in this section constitutes excessive water loss and the water system shall be referred to the water and wastewater financing board.

SECTION 3. Tennessee Code Annotated, Section 7-82-401(g)(1), is amended by adding the following language after the second sentence:

Notwithstanding any other law to the contrary, a government joint venture that supplies or treats water or wastewater for wholesale use only to other governments, shall not fall under the jurisdiction of the utility management review board for the purpose of reporting negative change in the net assets annually, but shall be referred to the board if the government joint venture is in a deficit or default position as provided herein.

SECTION 4. Tennessee Code Annotated, Section 68-221-1010(a), is amended by adding the following language after the first sentence:

Notwithstanding any other law to the contrary, a government joint venture that supplies or treats water or wastewater for wholesale use only to other governments, shall not fall under the jurisdiction of the water and wastewater financing board for the purpose of reporting negative change in the net assets annually, but shall be referred to the board if the government joint venture is in a deficit or default position as provided herein.

SECTION 5. This act shall take effect July 1, 2010, the public welfare requiring it.

**PASSED: April 19, 2010**

  
KENT WILLIAMS, SPEAKER  
HOUSE OF REPRESENTATIVES

  
RON RAMSEY  
SPEAKER OF THE SENATE

**APPROVED this 3rd day of May 2010**

  
PHIL BREDESEN, GOVERNOR