



State of Tennessee

PUBLIC CHAPTER NO. 1011

HOUSE BILL NO. 1690

By Representative Hazlewood

Substituted for: Senate Bill No. 1647

By Senators Green, Briggs

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 82, relative to fiduciary responsibilities of utility district commissioners.

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

SECTION 1. Tennessee Code Annotated, Section 7-82-307(b), is amended by adding the following language as a new subdivision:

(6) As used in this subsection (b):

(A) "Failing to fulfill a commissioner's fiduciary responsibility" includes, but is not limited to, an action where a utility district commissioner derives a personal benefit from the underlying misconduct, breach of duty, or failure in the operation or oversight of the utility district; and

(B) "Fiduciary responsibility" means a responsibility to act with:

(i) The highest degree of honesty and loyalty towards a utility district and in the best interests of the utility district; and

(ii) The utmost good faith for the benefit of the utility district when exercising the duties, powers, and authority enumerated in this chapter.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

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PASSED: April 18, 2016

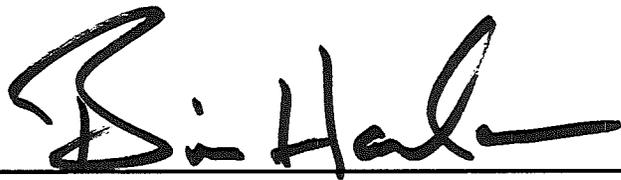


BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES



RON RAMSEY
SPEAKER OF THE SENATE

APPROVED this 28th day of April 2016



BILL HASLAM, GOVERNOR