



State of Tennessee

PUBLIC CHAPTER NO. 118

SENATE BILL NO. 138

By Johnson

Substituted for: House Bill No. 88

By Calfee

AN ACT to amend Tennessee Code Annotated, Section 7-34-115; Section 7-35-409; Section 7-82-307; Section 7-82-308; Section 68-221-1305; Section 68-221-605 and Section 68-221-1206, relative to continuing education and training requirements.

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

SECTION 1. Tennessee Code Annotated, Section 7-34-115, is amended by adding the following new subsections (j) and (k):

(j)(1) The governing body of a municipal utility system subject to this section that supervises, controls, or operates a public water or public sewer system, including, but not limited to, those systems using a separate utility board pursuant to any public or private act, must meet the training and continuing education requirements in this subsection (j).

(2) All members of the municipal utility board of commissioners shall, within one (1) year of initial appointment or election to the board of commissioners or within one (1) year of reappointment or reelection to the board of commissioners, attend a minimum of twelve (12) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (j)(4).

(3) In each continuing education period after the initial training and continuing education required by subdivision (j)(2), a municipal utility board commissioner shall attend a minimum of twelve (12) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (j)(4). For the purposes of this subsection (j) and subsection (k), "continuing education period" means a period of three (3) years beginning January 1 after the calendar year in which a municipal utility board commissioner completes the training and continuing education requirements set forth in subdivision (j)(2) and each succeeding three-year period thereafter.

(4) The subjects for the training and continuing education required by this subsection (j) shall include, but not be limited to, board governance, financial oversight, policy-making responsibilities, and other topics reasonably related to the duties of the members of the board of commissioners of a municipal utility.

(5) Any association or organization with appropriate knowledge and experience may prepare a training and continuing education curriculum for municipal utility board commissioners covering the subjects set forth in subdivision (j)(4) to be submitted to the comptroller of the treasury for review and approval prior to use. The comptroller shall file a copy of approved training and continuing education curriculum with the water and wastewater financing board. Changes and updates to the curriculum must be submitted to the comptroller for approval prior to use. Any training and continuing education curriculum approved by the comptroller must be updated every three (3) years and resubmitted to the comptroller for review and approval.

(6) For purposes of this subsection (j), a municipal utility board commissioner may request a training and continuing education extension of up to six (6) months from the comptroller of the treasury or the comptroller's designee. The request shall

only be granted upon a reasonable showing of substantial compliance with this subsection (j). If the extension is granted, the municipal utility board commissioner must complete any additional required training hours necessary to achieve full compliance for only the relevant continuing education period within the extension period. The municipal utility board commissioner shall file copies of any extension request letters and corresponding comptroller of the treasury determination letters with the water and wastewater financing board.

(k) If any member of a municipal utility board of commissioners fails to meet the training and continuing education requirements set forth in subsection (j) before the end of the continuing education period or before the end of any extension approved by the comptroller of the treasury or the comptroller's designee, then the water and wastewater financing board shall have full discretion to order reasonable sanctions against the municipality, including, but not limited to, the municipality being ineligible to receive assistance from the Tennessee local development authority under § 68-221-1206(a)(3).

SECTION 2. Tennessee Code Annotated, Section 7-82-307(b)(5), is amended by deleting it in its entirety and replacing it with the following:

(5) A utility district commissioner who fails to meet the training and continuing education requirements set forth in § 7-82-308 before the end of the commissioner's term of office or before the end of any extension approved by the comptroller of the treasury or the comptroller's designee shall not be eligible for reappointment or reelection to another term of office. For the purposes of this subdivision (b)(5), the continuing education period used to determine whether a utility district commissioner has met the training and continuing education requirements set forth in § 7-82-308 shall be the last full continuing education period before the utility district commissioner's term of office ends.

SECTION 3. Tennessee Code Annotated, Section 7-82-308(f), is amended by inserting the following as a new subdivision (3) and renumbering the existing subdivision (3) and all remaining subdivisions:

(3) For purposes of subdivisions (f)(1) and (f)(2), a utility district commissioner may request a training and continuing education extension of up to six (6) months from the comptroller of the treasury or the comptroller's designee. The request shall only be granted upon a reasonable showing of substantial compliance with subdivisions (f)(1) and (f)(2). If the extension is granted, the utility district commissioner must complete any additional required training hours necessary to achieve full compliance for only the relevant continuing education period within the extension period. The utility district commissioner shall file copies of any extension request letters and corresponding comptroller of the treasury determination letters with the utility management review board. The failure to file this information with the utility management review board shall cause a commissioner to be ineligible to receive any further payment or benefit as provided in subsection (a) until the information is properly filed.

SECTION 4. Tennessee Code Annotated, Section 68-221-605, is amended by adding the following as new subsections:

(f)(1) All members of the board shall, within one (1) year of initial appointment or election to the board of commissioners or within one (1) year of reappointment or reelection to the board of commissioners, attend a minimum of twelve (12) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (f)(3).

(2) In each continuing education period after the initial training and continuing education required by subdivision (f)(1), a board member shall attend a minimum of twelve (12) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (f)(3). For the purposes of this subsection (f), "continuing education period" means a period of three (3) years beginning January 1 after the calendar year in which a municipal utility board commissioner completes the training and continuing education requirements set forth in subdivision (f)(1) and each succeeding three-year period thereafter.

(3) The subjects for the training and continuing education required by this subsection (f) shall include, but not be limited to, board governance, financial oversight, policy-making responsibilities, and other topics reasonably related to the duties of the members of the board of commissioners of an authority.

(4) Any association or organization with appropriate knowledge and experience may prepare a training and continuing education curriculum for board

members covering the subjects set forth in subdivision (f)(3) to be submitted to the comptroller of the treasury for review and approval prior to use. The comptroller shall file a copy of approved training and continuing education curriculum with the water and wastewater financing board. Changes and updates to the curriculum shall be submitted to the comptroller for approval prior to use. Any training and continuing education curriculum approved by the comptroller shall be updated every three (3) years and resubmitted to the comptroller for review and approval.

(5) For purposes of this subsection (f), a board member may request a training and continuing education extension of up to six (6) months from the comptroller of the treasury or the comptroller's designee. The request shall only be granted upon a reasonable showing of substantial compliance with this subsection (f). If the extension is granted, the board member must complete any additional required training hours necessary to achieve full compliance for only the relevant continuing education period within the extension period. The board member shall file copies of any extension request letters and corresponding comptroller of the treasury determination letters with the water and wastewater financing board.

(g) If any member of the board fails to meet the training and continuing education requirements set forth in subsection (f) before the end of the continuing education period or before the end of any extension approved by the comptroller of the treasury or the comptroller's designee, then such member shall not be eligible for reappointment or reelection to another term of office.

SECTION 5. Tennessee Code Annotated, Section 68-221-1305, is amended by adding the following as new subsections:

(f)(1) All members of the board shall, within one (1) year of initial appointment or election to the board of commissioners or within one (1) year of reappointment or reelection to the board of commissioners, attend a minimum of twelve (12) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (f)(3).

(2) In each continuing education period after the initial training and continuing education required by subdivision (f)(1), a board member shall attend a minimum of twelve (12) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (f)(3). For the purposes of this subsection (f), "continuing education period" means a period of three (3) years beginning January 1 after the calendar year in which a municipal utility board commissioner completes the training and continuing education requirements set forth in subdivision (f)(1) and each succeeding three-year period thereafter.

(3) The subjects for the training and continuing education required by this subsection (f) shall include, but not be limited to, board governance, financial oversight, policy-making responsibilities, and other topics reasonably related to the duties of the members of the board of commissioners of an authority.

(4) Any association or organization with appropriate knowledge and experience may prepare a training and continuing education curriculum for board members covering the subjects set forth in subdivision (f)(3) to be submitted to the comptroller of the treasury for review and approval prior to use. The comptroller shall file a copy of approved training and continuing education curriculum with the water and wastewater financing board. Changes and updates to the curriculum shall be submitted to the comptroller for approval prior to use. Any training and continuing education curriculum approved by the comptroller shall be updated every three (3) years and resubmitted to the comptroller for review and approval.

(5) For purposes of this subsection (f), a board member may request a training and continuing education extension of up to six (6) months from the comptroller of the treasury or the comptroller's designee. The request shall only be granted upon a reasonable showing of substantial compliance with this subsection (f). If the extension is granted, the board member must complete any additional required training hours necessary to achieve full compliance for only the relevant continuing education period within the extension period. The board member shall file copies of any extension request letters and corresponding comptroller of the treasury determination letters with the water and wastewater financing board.

(g) If any member of the board fails to meet the training and continuing education requirements set forth in subsection (f) before the end of the continuing education period or

before the end of any extension approved by the comptroller of the treasury or the comptroller's designee, then such member shall not be eligible for reappointment or reelection to another term of office.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 138

PASSED: March 30, 2017



RANDY McNALLY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 12th day of April 2017



BILL HASLAM, GOVERNOR



Justin P. Wilson
Comptroller

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
STATE CAPITOL

Jason E. Mumpower
Chief of Staff

NASHVILLE, TENNESSEE 37243-9034

PHONE (615) 741-2501

MEMORANDUM

TO: All Municipalities, Counties & Authorities that Oversee Water/Wastewater
FROM: John Greer
DATE: May 22, 2017
SUBJECT: Frequently Asked Questions Regarding Utilities Training Bill

On April 12, 2017, House Bill 0088/Senate Bill 0138 was signed into law (Public Chapter No. 118) by Governor Bill Haslam.

In the attached document, you will find answers to the most frequently asked questions regarding this comprehensive training bill. We hope this proves to be useful as you work toward compliance with the new requirements.

If you have any questions regarding this information, please let us know.

Sincerely,

A handwritten signature in black ink, appearing to read "John Greer", with a long, sweeping underline.

John Greer
Utilities Specialist

FREQUENTLY ASKED QUESTIONS

House Bill No. 88

Senate Bill No. 138

Public Chapter No. 118

<http://publications.tnsosfiles.com/acts/110/pub/pc0118.pdf>

Q: Who is required to receive the training under Public Chapter 118?

A: All board members of municipalities, counties, and authorities who oversee a water and/or wastewater system.

Q: Does this apply to elected and appointed board members?

A: Yes—this applies to all board members who oversee a water or wastewater system.

Q: What training is required?

A: Board members are required to have 12 hours of training within 12 months of their initial election or appointment (or re-election/reappointment) and 12 hours every three years thereafter (this is referred to as a continuing education period). The initial 12 hours is only required for the first election or appointment and not every election or appointment. Once a board member has satisfied their initial 12 hours after election or appointment, their continuing education period of three years begins on the following January 1st.

Q: Who will provide the required training?

A: The Comptroller's office will provide regional training at no cost to board members.

Q: Will other groups provide training?

A: Yes—the Comptroller's office will approve training by associations or organizations with appropriate knowledge and experience.

Q: What training subjects will be approved?

A: The subjects for training include, but are not limited to, board governance, financial oversight, policy-making responsibilities, and other topics reasonably related to the duties of the members of the board/council.

Q: Will internal training be approved?

A: Yes—the Comptroller's office will approve training that is appropriate and reasonably related to a board member's responsibility. This includes, but is not limited to, budget training and work sessions, ethics courses, governance responsibilities, and other classes or workshops that the governing body attends.

Q: When is training approved?

A: Training must be approved by the Comptroller's Office **PRIOR** to the training date to count toward the required hours.

Q: How is training approved?

A: Anyone wishing to have training approved should submit a detailed syllabus and the appropriate supporting documentation to utilities@cot.tn.gov for approval.

Q: How often does training need to be approved for an association?

A: A curriculum must be updated and approved every three years.

Q: How do board members document their training?

A: Board members should keep the appropriate supporting documentation and attendance certificates for at least two continuing education periods.

Q: How do board members certify their training?

A: The chairperson for each board shall certify annually that the board members have met the required training.

Q: Where do board chairs certify training?

A: There will be a link on the Water and Wastewater Financing Board's website

<http://comptroller.tn.gov/WWFB/>

Q: What if a board member misses their training requirements?

A: The board members can apply to the Comptroller's office (utilities@cot.tn.gov) for a six (6) month extension. If approved, the board member must file the request and approval letter with the Water and Wastewater Financing Board.

Q: What if a board member fails to receive the required training and fails to receive an extension?

A: If a board member of an authority fails to receive the required training and fails to request an extension, they are ineligible to be reappointed.

A: If an elected board member of a municipality fails to receive the required training and fails to request an extension, the municipality is referred to the Water and Wastewater Financing Board.

A: If an appointed board member of a municipality fails to receive the required training and fails to request an extension, they are ineligible to be reappointed.

A: If an elected board member of a county fails to receive the required training and fails to request an extension, the county is referred to the Water and Wastewater Financing Board.

A: If an appointed board member of a county fails to receive the required training and fails to request an extension, they are ineligible to be reappointed.