

**SUMMARY OF SENATE BILL 3513 AND HOUSE BILL 2865
IMPORTANT CHANGES FOR UTILITY DISTRICT COMMISSIONERS**

On June 4, 2010, the legislature passed SB 3513 and HB 2685 which makes some substantial changes in the laws governing utility district commissioners. This bill will be signed by the Governor within the next few days. This bill has some minor differences in Commissioner training and continuing education requirements for gas utility district commissioners which will be noted in this Summary.

Commissioner Training and Continuing Education

- Initial training and education – New Commissioners - Within one year of the initial appointment or election to the board of commissioners, a new utility district commissioner must attend a minimum of 12 hours of commissioner training and education.
- Initial training and education – Incumbent Commissioners - Prior to or within one year of the reappointment or reelection to the board of commissioners of an incumbent utility district commissioner holding office on the effective date of this legislation, the commissioner must attend a minimum of 12 hours of commissioner training and education.
- An incumbent commissioner holding office on the effective date of this legislation who has received 12 hours of commissioner training in the subjects set forth in the bill may request an exemption from the Comptroller from the 12 hours initial training and education requirements.
- After receiving initial training each commissioner shall attend a minimum of 12 hours of training and continuing education every three year continuing education period.
- The three year continuing education period begins January 1 after the year the commissioner completes or is required to complete the initial training and education requirements.
- Commissioner training and continuing education will be paid for by the utility districts.
- The curriculum for the training and continuing education courses must be submitted to the Comptroller for review and approval.

- Commissioner training and continuing education may be provided by any association or organization with appropriate knowledge and experience with of utility districts, by an association of gas utility districts or by utility districts.
- Each commissioner shall certify by January 31 of each year the training and continuing education courses attended during the prior calendar year by filing an annual written statement with the utility district on a form developed by the Comptroller. The filing of this annual statement is not mandated for gas utility districts.
- A commissioner who fails to file an annual statement is not eligible to receive any compensation until the annual statement is filed. This provision does not apply to gas utility district commissioners.
- A commissioner who fails to meet the training and continuing education requirements before the end of the commissioner's term of office is not eligible for re-appointment or re-election to another term of office.
- Commissioner training and education requirements apply to governing board members of utility districts created by public or private act and governing board members of any water or sewer authority.
- A utility district which provides both water and natural gas shall comply with the training and continuing education requirements for a utility district commissioner for the service for which the utility district has the most customers.

New Commissioner Eligibility Requirement

- To be eligible to serve on a utility district board of commissioners, a person must either reside in the utility district or be a customer of the utility district.
- A person who only owns real property within a utility district's boundaries is no longer eligible to serve as a utility district commissioner.
- Persons sitting as commissioners on the effective date of this bill who are eligible to serve because they own real property within the utility district will be allowed to serve out their current terms.

Reporting of Commissioner Absenteeism at Board Meetings

- When a commissioner misses four consecutive regular board meetings or more than one-half of the regular board meetings in a calendar year, the utility district must report these absences in writing to the county mayor of the county in which the commissioner resides or is a utility district customer.
- The utility district's written report to the county mayor shall be sent within 30 days after a commissioner misses four consecutive board meetings or within 30 days after the end of a calendar year when a commissioner has missed at least one-half of the board meetings in that calendar year.

Commissioner Suspension upon Indictment

- A commissioner who is indicted for misconduct in office is suspended from office upon the indictment until the final disposition of the criminal proceeding or the expiration of the commissioner's term of office whichever occurs first.
- The county mayor of the county in which the commissioner resides or is a customer shall appoint an interim commissioner to fill the vacancy during the suspension of office.
- A suspended commissioner is ineligible to receive any compensation or benefits provided by state law during the suspension.
- If the criminal proceeding against the commissioner is terminated by a finding of not guilty or is dismissed on the merits, the commissioner shall resume office.

UMRB Hearings on Commissioner Removal

This bill permits the location of hearings by the UMRB for contested cases involving the removal of utility district commissioners to be held in Nashville.