



# State of Tennessee

**Justin P. Wilson, State Comptroller**

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## **New Law to Bring Greater Accountability and Transparency to Utility Districts in Tennessee**

Comptroller Justin P. Wilson praised members of the General Assembly for approving legislation that will bring sweeping changes to the way utility districts operate and report information to the public.

“I have often said that sunlight is the best disinfectant,” Comptroller Wilson said. “And this legislation will bring more information about utility districts into the sunlight. I want to thank all the members of the General Assembly who voted for these reforms, but particularly Sen. Ken Yager and Rep. Ryan Haynes, who sponsored the bill and worked to ensure its passage.”

“This bill is about accountability, whether we’re talking about water loss, expenditure of ratepayer funds or the selection process for the boards of directors of utility districts,” Sen. Yager said. “This legislation makes significant changes to the Utility District Law of 1937 that will give greater conformity across the state in the way we select our boards of directors and it will also ensure greater transparency and accountability.”

“I am proud to have had the opportunity to work with Comptroller Justin P. Wilson and his office on this important legislation that will bring more transparency and accountability to the public utility districts,” Rep. Haynes added.

Among other changes, the new law will:

- Require all district expenditures to be for utility-related purposes.
- Require all travel expenses and related costs to be included in the districts’ spending reports that are published in newspapers annually.
- Change the way utility district directors are chosen in 41 utility districts so that the county mayors will have input into the process rather than have the districts’ boards of directors handle appointments on their own.
- Require gas utility districts to charge rates sufficient to cover all their expenses and debt obligations.
- Require approval from the Comptroller’s office for any notes or bonds issued by gas utility districts.
- Require gas utility districts to file copies of their annual budgets with the Comptroller’s office if they have any outstanding debt.
- Allow the state’s Utility Management Review Board and Water and Wastewater Financing Board to determine the manner in which utility districts and municipal utility systems report unaccounted-for water.

The legislation, SB 741/HB 876, awaits Gov. Haslam's signature.

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