

CHARTER FOR THE CITY OF BROWNSVILLE, TENNESSEE¹

CHAPTER NO. 124

SENATE BILL NO. 2830

By Mr. Speaker Wilder

Substituted for: House Bill No. 2851

By Crain

AN ACT Continuing the corporate existence of the City of Brownsville, Tennessee, providing a new Charter for such corporation, and repealing Chapter 128 of the Private acts of 1991, Chapter 76 of the Private Acts of 1991, and any other Acts amendatory thereto.

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
1. Incorporation, name and general powers	C-4
2. Definitions	C-4
3. Corporate boundaries	C-5
4. Powers of city enumerated	C-5

¹Priv. Acts 1994, ch. 124, is the current basic charter act for the City of Brownsville, Tennessee. The text of the basic charter act set out herein includes all its amendments through the 2019 session of the Tennessee General Assembly. No changes have been made to the charter except the addition of a table of contents to facilitate its use. A list of all the private acts including the basic charter appears at the end of the charter.

Acts which did not expressly or in effect amend any particular section or part of the basic charter, but which supplemented it, have been placed after the basic charter act as "Related Acts."

Acts of a temporary nature with no general or continuing application, such as bond authorization and validation acts have not been included in this compilation.

<u>SECTION</u>	<u>PAGE</u>
5. Election of mayor and aldermen; terms of such officers; ward boundaries; qualifications to serve as elected officials; elections	C-8
6. Gift or promise from candidate deemed a misdemeanor	C-9
7. Board of mayor and aldermen--powers; compensation; meetings; majority to constitute a quorum	C-9
8. Mayor shall preside at meetings of the board; shall have voice and vote; shall be recognized as ceremonial head of city	C-10
9. Vice-mayor	C-10
10. Vacancies of the board of mayor and aldermen	C-11
11. Aldermen to act on all matters as a body; mayor's power to delegate authority to board members	C-11
12. Ordinances	C-12
13. Departments and offices of the city	C-12
14. Mayor--other duties	C-12
15. City clerk--appointment; duties	C-13
16. City attorney	C-13
17. City judge	C-13
18. Salaries of city employees	C-15
19. Appointment and promotion of city employees	C-15
20. Adoption of supplementary rules and regulations governing employment by the city	C-16
21. Oath of office	C-16
22. Performance or fidelity bond	C-16

<u>SECTION</u>	<u>PAGE</u>
23. Misdemeanor to solicit or give any valuable consideration in connection with employment by the city government or in connection with any city election	C-16
24. Acceptance of free or preferred services by officers or employees	C-17
25. Fiscal year	C-17
26. Budget	C-17
27. Amendments to and adoption of the budget	C-17
28. Mayor to control expenditures	C-17
29. Contracts/agreements made in violation of charter/ordinances	C-18
30. Mayor may sell obsolete property	C-18
31. Contractors to have bond	C-18
32. Property subject to property tax	C-18
33. Omitted property to be added by clerk	C-18
34. Setting of tax rate	C-18
35. Property taxes--notice to taxpayers; delinquent taxes subject to penalty and interest	C-19
36. Collection of delinquent taxes	C-19
37. City may contract with county for collection of taxes	C-19
38. Excusing taxes; correcting errors	C-19
39. Disbursements	C-19
40. Official depository	C-20

<u>SECTION</u>	<u>PAGE</u>
41. Board has power to contract	C-20
42. Adoption of general laws or public acts	C-20
43. Acts repealed	C-20
44. Severability clause	C-20
45. Passage of this act	C-20
46. Date of effect	C-21

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

Incorporation, Name and General Powers

SECTION 1. The City of Brownsville, Tennessee, shall continue as a body politic and corporate by the name and style of "Board of Mayor and Aldermen of Brownsville, Tennessee", and this Act shall constitute its complete Charter. The City of Brownsville shall have perpetual succession, may sue and be sued, plead and be impleaded, in all the Courts of law and equity, and in all actions whatsoever, and may have and use a common seal and change it at pleasure.

Definitions

SECTION 2. As used in this Charter the following words and terms shall have the following meanings:

(a) "Alderman" shall mean a person elected to the office of Alderman as provided in this Charter.

(b) "Board of Mayor and Aldermen" and "Board" shall mean the legislative body of the City, which shall be composed of the Mayor and four (4) Aldermen elected as provided in this Charter.

(c) "Elector" shall mean a qualified voter residing within the City for a period of at least twenty (20) days or as otherwise set forth in Tennessee Code Annotated, Section 2-1-102, preceding an election or who is otherwise lawfully registered to vote at an address within the City limits under the laws of the State of Tennessee. Electors shall be eligible to vote for candidates for Aldermen only for the ward where the elector

resides or is lawfully registered to vote, in the manner described in the manner described in Section 5.

(d) "Nonpartisan" shall mean without any designation or candidates as members or candidates of any State or national political party or organization.

(e) "Wards" shall mean the area from which Aldermen are elected as prescribed by ordinance.

(f) The masculine shall include the feminine, and the singular shall include the plural and vice versa, except when the contrary intention is manifest.

Corporate Boundaries

SECTION 3. The boundaries of the City shall be those fixed by Chapter 298 of the Private Acts of 1943, all Acts amendatory thereof, and such annexations made pursuant to law and in accordance with the provisions of the Consent Decree Between Certain Plaintiffs and The City of Brownsville, Acting Through the Board of Mayor and Aldermen for the City of Brownsville, Civil Action No. 92-1139, United States District Court for the Western District of Tennessee, Eastern Division, entered October 27, 1993 (hereinafter referred to as "Consent Decree").

SECTION 4. Powers of City Enumerated. The City shall have power:

(a) To levy and provide for the collection of taxes on all property subject to taxation.

(b) To levy and collect privilege taxes on businesses, privileges, occupations, trades and professions, and to levy and collect any other kind of tax not prohibited to cities by the Constitution or general law.

(c) To levy and collect registration fees on motor vehicles operated within the City. Such registration fees may be graduated according to the tonnage capacities, weight or horsepower of motor vehicles.

(d) To appropriate and borrow money as authorized in this Charter, and to authorize the expenditure of money for any municipal purpose.

(e) To acquire land, including improvements thereon, easements, or limited property rights thereto, by purchase, gift or condemnation, for public use, for present or future use by the City, to reserve industrial sites, to provide open spaces, to encourage proper development of the community or for the general welfare of the community. Such acquisitions may be within or outside the City.

(f) To operate a telecommunications system. To grant franchises or make contracts for public utilities and public services, not to exceed a period of twenty-five (25) years. Such franchises and contracts may provide for rates, fares, charges, regulations, and standards and conditions of service, subject to regulation by the Tennessee Public Service Commission or other State or federal agency having jurisdiction in such matters.

(g) To provide for the acquisition, construction, building, operation maintenance of: public ways, parks, public grounds, cemeteries, markets and market houses, public buildings, libraries, sewers, drains, sewage treatment plants, airports, hospitals, waterworks, docks, gas works, marinas, forests, tree and shrub nurseries, heliports, terminals, parking garages and lots, industrial sites and buildings; charitable, educational, recreational, sporting, cultural, curative, corrective, detention, penal, and medical institutions, agencies, and facilities; and any other public improvements inside or outside the City; and to regulate the use thereof; and for such purposes property may be either acquired or taken under applicable laws.

(h)¹ To make regulations to secure the general health, safety and welfare of the inhabitants and to prevent, abate and remove nuisances, including but not limited to old or dilapidated buildings which are so out of repair as to be unsafe, unsanitary or unsightly. The City shall have the power to abate and remove nuisances at the expense of the owner or owners, and the expense, including fines, penalties and interest, shall be secured by lien upon the property for which the expenditure is made.

(i) To prescribe standards of health and sanitation and to provide for the enforcement of such standards.

¹The former subsection (h) was deleted by Priv. Acts 2007, ch. 33, § 1. Subsequent subsections were renumbered by the compiler though the act did not contain instructions to do so.

(j) To provide for the collection and disposal of garbage, rubbish and refuse. Charges may be imposed to cover the costs of such service which, if unpaid, shall be collectible in the same manner as taxes or other debts.

(k) To define, regulate and prohibit any act, practice, conduct or use of property, that would be detrimental, or likely to be detrimental, to the health, morals, safety, security, peace or general welfare of inhabitants of the City.

(l) To establish minimum standards for and to regulate building construction and repair, electrical wiring and equipments, gas installations and equipment, fixed mechanical equipment, plumbing, and housing, for the health, sanitation, cleanliness, safety and comfort of the inhabitants of the City, and to provide for the enforcement of such standards.

(m) To provide regulations establishing standards of weights and measures and to enforce compliance with such standards.

(n) To regulate, license and prohibit the keeping or running-at-large of animals and fowls, and to provide for the impoundment of same in violation of any ordinance or lawful order, and to provide for their disposition by sale, gift or humane killing when not redeemed as provided by ordinance.

(o) To regulate and license vehicles operated for hire in the City, to limit the number of such vehicles, to license the operators thereof, to require public liability insurance on such vehicles, and to regulate and rent parking spaces in public ways for the use of such vehicles.

(p) To provide that the violation of any ordinance, rule, regulation or order shall be punishable by a civil penalty or forfeiture not to exceed the amount provided for in state law, and costs.

(q) To plan for the orderly development of the community, including economic, physical, educational and cultural aspects and to institute programs to effectuate such plans.

(r) To exercise and have all other powers, functions, rights, privileges and immunities granted by general laws or necessary or desirable to promote or protect the safety, health, peace, security, good order, comfort, convenience, morals and general welfare of the City and its inhabitants, and all implied powers necessary to carry into execution

all powers granted in this Charter as fully and completely as if such powers were enumerated herein. No enumeration of particular powers in this Charter shall be held to be exclusive of others nor restrictive of general words and phrases granting powers, but shall be held to be in addition to such powers unless expressly prohibited to cities by the constitution or general laws of the state. [As amended by Priv. Acts 2007, ch. 33, § 1]

Election of Mayor and Aldermen; Terms of Such Officers;

Ward Boundaries; Qualifications to Serve as Elected Officials;

Elections

SECTION 5. (a) The officers to be chosen in a nonpartisan election by the electors of Brownsville shall be the Mayor and four (4) Aldermen, with the Mayor elected at-large and the Aldermen elected by district or ward, these terms being synonymous whenever used in this Charter. The terms of all such officers to be elected by the people shall begin after taking the oath of office at the next regularly scheduled meeting of the City of Brownsville Board of Mayor and Aldermen following their election, and they shall hold their respective offices until their successors are duly elected and qualified, or until a vacancy exists as described in Section 10.

(b) The ward boundaries are prescribed and authorized by ordinance enacted as presented on August 10, 1993, and as reflected in the City's official minutes, and as further reflected and attached to and incorporated into the Consent Decree between certain plaintiffs and the City of Brownsville, acting through the Board of Mayor and Aldermen for the City of Brownsville, executed on October 25, 1993. They may be changed or revised by ordinance duly adopted by the Board of Mayor and Aldermen of the City of Brownsville in any manner consistent with the provisions of such Consent Decree.

(c) To be qualified to be a candidate or to serve as an elected official of the City of Brownsville, Tennessee, a person must be at least twenty-one (21) years of age prior to his or her taking office; be a citizen of the State of Tennessee; be a bona fide resident of the City of Brownsville, Tennessee, in the ward for which he or she is a candidate, and be a qualified voter in the City of Brownsville, Tennessee.

(d) Beginning with the 1994 mayoral election, the Mayor shall be elected every four (4) years and shall serve a four (4) year term. A

regularly scheduled election will be held on the third Tuesday in June, 1994 for the office of Mayor and all four (4) Aldermen positions, at which the candidate residing in Ward No. 1 who receives the highest number of votes cast, and the candidate residing in Ward No. 3 who receives the highest number of votes cast, shall be declared elected as Aldermen from those wards and shall serve and hold office for two (2) years, or until their successors shall have been duly elected and qualified. Beginning with the regularly scheduled 1996 elections the candidates from Wards 1 and 3 with the highest number of votes shall be elected for four (4) year terms, it being the intention of this Charter to preserve the staggered term provisions set forth in the pre-existing Charter, Chapter 76 of the Private Acts of 1991. At the election to be held on the third Tuesday of June, 1994, the candidate residing in Ward No. 2 who receives the highest number of votes cast, and the candidate residing in Ward No. 4 who receives the highest number of votes cast, shall be declared elected as Aldermen for those wards and shall serve and hold office for four (4) years, or until their successors shall have been duly elected and qualified.

(e) After the election on the third Tuesday in June, 1994, all future regularly scheduled elections shall be held on the third Tuesday in June of even-numbered years. The terms of those elected shall begin at the first regularly scheduled meeting after the election commission has certified the results of the election. Nothing in this Section shall be construed to prevent an Alderman from running for re-election, so long as he or she remains a qualified candidate as defined in Section 5 (c).

Gift or Promise From Candidate Deemed a Misdemeanor

SECTION 6. Giving or promising to any person or persons any office, employment, money, benefit or anything of value, by or on behalf of any candidate, is a violation of law and any person found to have violated such prohibition is ineligible to hold an office or position of employment in the City government for a period of five (5) years.

Board of Mayor and Aldermen--Powers; Compensation;

Meetings; Majority to Constitute a Quorum

SECTION 7. (a) The Mayor and four (4) Aldermen, one (1) for each ward identified in Section 5, elected under this Charter shall compose the Board of Mayor and Aldermen, in which is vested all corporate, legislative and other powers of the City, except as otherwise provided in this Charter.

(b) The compensation and benefits of the Mayor and Aldermen shall be set and changed only by ordinance, except that such compensation and benefits as the Mayor and the Aldermen are receiving at the time of the adoption of this Charter shall continue until changed by ordinance. The salary of the Mayor and/or any Alderman shall not be changed during the term of office. The Mayor and Aldermen may be reimbursed for actual and necessary expenses incurred in the conduct of their official duties.

(c) The Board of Mayor and Aldermen shall meet regularly at least once every month at the times and places prescribed by ordinance. The Board shall meet in special session by notice of the Mayor or any two (2) Aldermen if such notice is served on the other members of the Board or as agreed upon by a duly adopted motion at a regular or special meeting.

(d) A majority of the Board, excluding any vacancies, shall constitute a quorum. The ayes and nays of all votes shall be recorded in the journal. The Board may by ordinance adopt rules and by-laws to govern the conduct of its business, including procedures and penalties for compelling the attendance of absent members. The Board may subpoena and examine witnesses and order the production of books and papers.

Mayor Shall Preside at Meetings of the Board;

Shall Have Voice and Vote; Shall be Recognized as

Ceremonial Head of City

SECTION 8. The Mayor shall preside at meetings of the Board, and shall have a voice and vote on any matter. He shall be recognized as the ceremonial head of the City. He shall be the officer to accept process against the City, and shall perform other duties imposed by this Charter and by ordinances not inconsistent with this Charter.

Vice-Mayor

SECTION 9. There shall be a Vice-Mayor who shall be elected at the first meeting after each election by the Board from among their number. The term of office of the Vice-Mayor shall be for a period of two (2) years. The Vice-Mayor shall perform the duties of the Mayor during his temporary absence or inability to act. In case of vacancy in the officer of Mayor, the Vice-Mayor shall complete the unexpired term, or until the next regular City election, whichever shall occur first. If the Vice-Mayor is completing a term in the office of Mayor, his

position as an Alderman shall become vacant and the Board shall fill the vacancy as provided in SECTION 10. The Board shall select another of their number to complete the unexpired term of the Vice-Mayor.

Vacancies of the Board of Mayor and Aldermen

SECTION 10. The Board of Mayor and Aldermen shall declare that a vacancy exists if the Mayor or an Alderman resigns, dies, moves his residence from the City, is convicted of malfeasance or misfeasance in office, a felony, a violation of this Charter or the election laws of the State, or a crime involving moral turpitude, fails to attend any meetings of the Board for a period of ninety (90) days with no extenuating circumstances or has been continuously disabled for a period of at least six (6) months so as to prevent him from discharging the duties of his office. The Board of Mayor and Aldermen shall, within a period of sixty (60) days from the date on which a vacancy was declared, appoint a qualified person who meets the requirements set forth in Section 5 (c), to fill the vacancy for the remainder of the unexpired term or until the next regular City election, whichever shall occur first. If the next regular City election occurs prior to the expiration of the term, a special election shall be held, at the same time as the regular City election, to fill the remainder of the unexpired term. Notwithstanding any other provision in this Section, if a vacancy as described in this Section occurs and is filled within six (6) months of a regularly scheduled City election, the special election provided for in this Section shall not be held.

Aldermen to Act on All Matters as a Body; Mayor's

Power to Delegate Authority to Board Members

SECTION 11. The Aldermen shall act on all matters as a body. The Mayor is hereby given the authority to delegate to any Board member any authority he deems appropriate. The Board shall deal with the various agencies, officers and employees of the City, solely through the Mayor, and shall not give orders to any subordinates of the Mayor, either publicly or privately. Nothing herein contained shall prevent the Board from conducting such inquiries into the operation of the City government and the conduct of the City's affairs as it may deem necessary. All members of the Board of Aldermen shall have the same rights, responsibilities, privileges and powers exercised by all other Aldermen. No attempt shall be made, nor rules or other measures passed or practices adopted that have the purpose or effect of preventing any Aldermen from participating fully or fairly in all matters that come before the Board of Mayor and Aldermen.

Ordinances

SECTION 12. Any action of the Board having a regulatory or penal effect, awarding franchises, or required to be done by ordinance under this Charter or the general laws of the State, shall be done only by ordinance. All ordinances adopted must have three (3) affirmative votes. Other actions may be accomplished by resolutions or motions. Ordinances and resolutions shall be in written form before being introduced. The enacting clause of ordinances shall be "Be it ordained by the Board of Mayor and Aldermen of the City of Brownsville." Every ordinance must be approved on two (2) readings and there shall be no more than one (1) reading on any one (1) day. Ordinances shall take effect upon final reading and adoption unless a different effective date is designed in the ordinance.

Departments and Offices of the City

SECTION 13. The City government shall be organized into such departments and offices as shall be provided by ordinance. The Board shall determine by ordinance the functions and duties of all departments and offices. The Board may establish, abolish, merge or consolidate offices, positions of employment and departments; may provide that the same person shall fill any number of offices and positions of employment; and may transfer or change the functions and duties of offices, positions of employment and departments.

Mayor--Other Duties

SECTION 14. The Mayor shall have the powers of a business manager; he shall have supervision and control of all the administrative affairs of the City; he shall be its chief executive. He shall have access to all of the books, records, offices and papers of every kind pertaining to the City's business and require their proper and safe keeping. He shall present in writing or verbally to the Board his recommendations of the needs of the City at any time he deems advisable. The Mayor shall have control over all municipal improvements and property. The Mayor shall take all proper measures for the preservations of public order and preservation of the peace and he may call upon the Governor for military aid. The Mayor shall appoint, subject to confirmation by the Board, the City Clerk and any other employee who is designated a department head by ordinance. The Mayor, subject to confirmation by the Board, shall have authority to make appointments, promotions and transfers of employees; to make demotions, suspensions and removals of officers and employees for cause.

City Clerk--Appointment; Duties

SECTION 15. The Mayor, shall appoint, subject to confirmation by the Board, a City Clerk, who shall serve at the will of the Board for an indefinite term. The City Clerk shall keep and preserve the City seal and all official records not required by law or ordinance to be filed elsewhere; attend all meetings of the Board and maintain a journal showing the proceedings of all such meetings, the Aldermen present and absent, each motto considered, the title of each resolution and ordinance considered and the vote on each question; and prepare and certify copies of official records. The City Clerk shall act as tax collector and issue receipts for taxes collected and enter on the tax books the payment of taxes on the date on which they are collected. The City Clerk may act as treasurer and shall receive and keep safely all funds of the City and shall pay out the same upon warrants signed by the Mayor and City Clerk. One (1) Alderman may sign in place of either the Mayor or City Clerk. In the absence, disability or disqualification of the City Judge, the City Clerk will have all the powers and duties of the City Judge as granted in this Charter, insofar as allowed by the laws of the State of Tennessee. [As amended by Priv. Acts 2007, ch. 33, § 2]

City Attorney

SECTION 16. The Mayor, subject to confirmation by the Board, shall appoint a City Attorney to serve at the will and pleasure of the Board. The City Attorney shall be responsible for advising the Board and officers and employees concerning legal aspects of their duties and responsibilities; approving as to form and legality all contracts, deeds, bonds, ordinances, resolutions, motions and other official documents; and performing such other duties as may be prescribed by the Board.

City Judge

SECTION 17. (a) There is created for the City of Brownsville a City Court, and the office of City Judge to preside over such City Court. The City Judge shall be appointed by, and serve at the will of, the Board of Mayor and Aldermen. The Court shall have original and exclusive jurisdiction of all violations of municipal ordinances, and shall be clothed with the same powers as the Court of General Sessions, touching the arrest and preliminary trial, discharging, binding over or punishing of all persons charged with offenses against the state committed in the City of Brownsville.

(b) A session of the Court shall be held on as many days as are necessary, in order to efficiently transact the business coming before such Court.

(c) The Judge of the Court and the Clerk of the Court are authorized and empowered to administer oaths and affirmations.

(d) All process issuing from the Court shall be signed by the Judge, or City Clerk and they shall have the power to issue search warrants or warrants for the arrest of persons charged with the violation of the ordinances of the City, insofar as allowed by the laws of the State of Tennessee.

(e) Every person arrested on the charge of violating an ordinance of the City, or on process issuing from such Court, shall be presented to the Court for trial.

(f) An appeal may be taken in all cases involving the violation of an ordinance of the City to the Circuit Court of Haywood County, Tennessee, such appeal to be conditional as is now prescribed by statute for the appeal of all civil cases from the judgment of the Court of General Sessions.

(g) The City Judge shall be a lawyer by practice and profession engaged in the active practice of law, a person of good moral character and shall have been for one (1) year prior to his appointment a bona fide resident of Haywood County, Tennessee, and shall have been a licensed lawyer for at least one (1) year prior to his appointment. The City Judge shall not act as an attorney for any litigant in any civil or criminal suit involving an issue of fact or law upon which he has made a determination as City Judge. If a conflict of interest arises as described in the preceding sentence and the City Clerk is unable or unwilling to hear the matter, the City Judge shall be empowered to appoint a Special Judge, possessing all of the qualifications of the regular Judge, except that residency in Haywood County is not a prerequisite, to act in his stead on such matter or matters. Such appointment shall be copied on the minutes of the Court, and the Special Judge shall take the same oath and be clothed with the same powers, as to those matters, as the regular City Judge. The Special Judge shall be paid on a pro-rata basis or in some other amount reasonable under the circumstances as set forth in subsection (h) for the regular Judge, provided that all such expenditures be submitted in a timely fashion to the Board of Mayor and Aldermen, and provided further that the Board specifically authorizes the expenditure of all sums exceeding two hundred dollars (\$200).

(h) The salary of the City Judge shall be fixed by the Board of Mayor and Aldermen, payable in equal monthly installments. In the case of a vacancy by resignation, death or otherwise in the office of City Judge, such vacancy shall be filled by appointment of the Board of Mayor and Aldermen of the City, who upon his qualification shall hold office to act in his room and stead, and the Special Judge shall take the same oath and be clothed with the same powers pro tempore as the Regular Judge; or in the temporary absence or during the disability of the City Judge for any cause, the City Clerk shall continue to have power and authority to try and dispose of all cases and all matters coming before City Court, and he shall continue to be clothed with the same powers and duties as he now is clothed and vested with, insofar as authorized by the laws of the State of Tennessee. The City Clerk shall continue to have concurrent jurisdiction and authority as is vested in the City Judge under this act.

(i) Such City Judge, before entering upon the performance of his duties, shall take the same oath as the Mayor and Aldermen of the City, the oath to be administered by the Mayor or City Clerk.

(j) The City Clerk of the City of Brownsville is empowered to administer oaths and affirmations, collect and receive all fines, fees, penalties and costs which he shall pay into the City Treasury, issue and to process search warrants, arrest warrants and to take bail in any case of which the City Court has jurisdiction, and to approve all appeal bonds, and he shall keep dockets and other Court records.

Salaries of City Employees

SECTION 18. Only the offices and positions of employment provided for in the annual budget, as approved by the Board, shall be filled. In determining salaries, due consideration shall be given to duties, responsibilities, technical knowledge and skill required to satisfactorily perform the work, and availability of persons having the qualifications desired.

Appointment and Promotion of City Employees

SECTION 19. The appointment and promotion of employees of the City shall be on a basis of merit, considering technical knowledge required to perform satisfactorily the work, experience in the particular or similar line of work and administrative or supervisory qualifications.

Adoption of Supplementary Rules and Regulations

Governing Employment by the City

SECTION 20. The Board may adopt supplementary rules and regulations governing employment by the City, not inconsistent with the provisions of this Charter.

Oath of Office

SECTION 21. Before a person takes any office in the City government, he shall subscribe to the following oath or affirmation, administered by the Clerk or the Mayor: "I solemnly swear (or affirm) that I will support the Constitution and will obey the laws of the United States and of the State of Tennessee, that I will, in all respects, observe the provisions of the Charter and ordinances of the City of Brownsville, and that I will faithfully discharge the duties of the office of _____."

Performance or Fidelity Bond

SECTION 22. The Mayor and every officer, agent and employee of the City having duties embracing the receipt, disbursement, custody or handling of money, and other officers and employees designated by the Board shall give fidelity bond or faithful performance bond, as determined by the Board with some surety company authorized to do business in the State of Tennessee, in such amount as shall be prescribed by the Board. All such bonds and sureties thereto shall be subject to approval by the Board and the cost of such bonds shall be paid by the City.

Misdemeanor to Solicit or Give any Valuable Consideration in

Connection With Employment by the City Government or

in Connection with any City Election

SECTION 23. No person shall directly or indirectly give, render or pay any money, service or other valuable consideration to any person for or on account of or in connection with employment by the City Government. No person shall orally, by letter, or otherwise solicit or be in any manner concerned in soliciting any assessment, subscription or contribution from any employee of the City in connection with any City election. Any person who by himself or with others willfully or corruptly violates any provision of this section commits a violation.

Upon a judicial finding thereof with respect to an officer or employee of the City, such officer or employee shall immediately forfeit and vacate the office or position held and be ineligible to hold any office or position of employment in the City Government for a period of five (5) years thereafter.

Acceptance of Free or Preferred Services by Officers or Employees

SECTION 24. No officer or employee shall accept any free or preferred service, benefits or concessions from any person, company or firm regulated by or doing business with the City.

Fiscal year

SECTION 25. The fiscal year of the City Government shall begin on the first day of July and shall end on the thirtieth day of June of the succeeding year.

Budget

SECTION 26. Prior to the beginning of each fiscal year, the Mayor shall submit to the Board a proposed budget for the next fiscal year, showing separately for the general fund and each other fund the following: (a) revenue and expenditures during the preceding year, (b) estimated revenue and expenditures for the current fiscal year, (c) estimated revenue and recommended expenditures for the next fiscal year, and (d) any other information and data, such as work programs and unit costs, in justification of recommended expenditures that may be considered necessary by the Mayor. A copy of the budget in full shall be filed with the City Clerk for public inspection and a copy shall be furnished to each Alderman.

Amendments to and Adoption of the Budget

SECTION 27. The Board shall adopt the budget with such modifications as the Board considers necessary or desirable. If emergency conditions prevent the adoption of a budget before the beginning of the new fiscal year, the appropriations of the last fiscal year shall become the appropriations for the new fiscal year. Amendments may be made to the original budget at any time during a current fiscal year.

Mayor to Control Expenditures

SECTION 28. The Mayor shall be responsible for controlling expenditures of the various agencies of the City Government to accomplish

maximum efficiency and economy. No expenditures shall be made in excess of appropriations.

Contracts/Agreements Made in Violation of Charter/Ordinances

SECTION 29. Any contract or agreement made in violation of the provisions of this Charter or ordinances of the City shall be void and no expenditure shall be made thereunder. Every officer and employee who shall knowingly make or participate in any such contract or agreement, or authorize or make any expenditure thereunder, and their sureties on their official bonds, and every person who shall knowingly receive such a payment, shall be jointly and severally liable to the City for the full amount so paid or received. A violation of this section by any officer or employee shall be cause for his removal.

Mayor May Sell Obsolete Property

SECTION 30. The Mayor may sell or dispose of, subject to approval of the Board, City property or any real estate which is obsolete, surplus or unusable.

Contractors to Have Bond

SECTION 31. Before any contract is awarded, the contractor shall give a bond for the faithful performance of the contract, with a surety company authorized to transact business in Tennessee, in an amount equal to one hundred percent (100%) of the contract price.

Property Subject to Property Tax

SECTION 32. All property subject to taxation shall be subject to the property tax levied by the City.

Omitted Property to be Added by Clerk

SECTION 33. The City Clerk will report and have added to the assessment rolls any taxable property that may have been omitted by the county assessor. Such property shall be appraised and assessed at the same ratio as other property of the same class located in the City.

Setting of Tax Rate

SECTION 34. The Board shall make a tax levy, expressed as fixed rate per one hundred dollars (\$100) of assessed valuation, not later than ninety (90) days prior to the tax due date. In the event of Board's failure to do so, the prior year's tax rate shall continue in effect.

Property Taxes--Notice to Taxpayers; Delinquent

Taxes Subject to Penalty and Interest

SECTION 35. The due dates of property taxes shall be fixed by ordinance. The City shall send tax bills to taxpayers, showing the assessed valuations, amount of taxes due, tax due dates, and information as to delinquency shall be subject to penalty, or interest which shall be fixed by ordinance. On and after the date when such taxes become delinquent, the tax records of the City shall have the force and effect of a judgment of a Court of Record.

Collection of Delinquent Taxes

SECTION 36. The Board may provide by ordinance for the collection of delinquent taxes by distress warrants issued by the Mayor to be executed by any police officer of the City under the laws governing execution of such process from a justice of the peace; or by the county trustee as provided by general law; or by the City Attorney acting in accordance with general laws providing for the collection of delinquent City or County taxes; by garnishment; by suits in chancery; or by any two (2) or more of the foregoing methods, or by the use of any other available legal processes and remedies.

City May Contract with County for Collection of Taxes

SECTION 37. The City may contract with the county for the collection of City taxes. The contract may provide for reasonable fees to be paid to the County for this service.

Excusing Taxes; Correcting Errors

SECTION 38. No officer or employee of the City shall have the authority to excuse taxes, special assessments or other charges due the City, but errors may be corrected when authorized by the Board.

Disbursements

SECTION 39. All disbursements, except for any agency of the City administered by a Board or Commission, shall be made by checks signed by the City Clerk and countersigned by the Mayor. The Board may designate any Alderman to sign such checks in the absence or disability of the Mayor or City Clerk.

Official Depository

SECTION 40. The Board shall designate an official depository or depositories for deposit and safekeeping of funds of the City, with such collateral security as may be deemed necessary by the Board.

Board Has Power to Contract

SECTION 41. In addition to other powers granted in this Charter, the Board shall have power to contract and cooperate with any other municipality or other political subdivision of the State, or with an elective or appointive official thereof or with any duly authorized agency of the federal or State government, for the exercise of any power or function which the City is authorized to undertake by this Charter.

Adoption of General Laws or Public Acts

SECTION 42. Notwithstanding any provision of this Charter, the Board may elect to operate under or adopt any general law or public act available to municipalities of the State, in lieu of or in addition to provisions of this Charter.

Acts Repealed

SECTION 43. When this Act becomes applicable as the Charter of the City of Brownsville, Tennessee, the following acts are hereby repealed: Chapter 128 of the Private Acts of 1991; and Chapter 76 of the Private Acts of 1991.

Severability Clause

SECTION 44. If any article, section, subsection, paragraph, sentence or part of this Charter shall be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect or impair any other parts of this Charter unless it clearly appears that such other parts are necessarily dependent upon the part or parts held to be invalid or unconstitutional. It is the legislative intent in enacting this Charter that each article, section, subsection, paragraph, sentence or part be enacted separately and independently of each other.

Passage of this Act

SECTION 45. To be applicable as the Charter of the City of Brownsville, this Act must be approved by a two-thirds (2/3) vote of the governing body; such vote to be taken not more than one hundred twenty (120) days after the effective date of this Act. The Mayor shall, within ten (10) days thereafter, certify to the

Secretary of State the results of such vote. Provided, however, that nothing in this Charter shall be construed to challenge or otherwise affect the form of relief set forth in the Consent Decree previously referenced.

Date of Effect

SECTION 46. For the purpose of approving or rejecting the provisions of this Act, it shall take effect on becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 45, or as required under the Consent Decree.

PASSED: February 28, 1994

s/John S. Wilder
JOHN S. WILDER,
SPEAKER OF THE SENATE

s/Jimmy Naifeh
JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 3 day of March 1994

s/Ned McWherter
NED McWHERTER, GOVERNOR

RELATED ACTS

PAGE

Priv. Acts 2008, ch. 107,
"Brownsville Energy Authority" C-23

HOUSE BILL NO. 4261

By Mr. Speaker Naifeh and Representative Shaw

Substituted for: Senate Bill No. 4264

By Senator Wilder

AN ACT to create the Brownsville Energy Authority and to amend Chapter 124 of the Private Acts of 1994; as amended by Chapter 33 of the Private Acts of 2007; and any other acts amendatory thereto, relative to the charter of the City of Brownsville, Tennessee.

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

SECTION 1. This act shall be known and may be cited as the "Brownsville Energy Authority Act".

SECTION 2. As used in this act, unless the context clearly requires otherwise:

(1) "Acquire" means to construct or to acquire by purchase, lease, leasepurchase, devise, gift, exercise of the power of eminent domain, or exercise of any other mode of acquisition;

(2) "Authority" means the Brownsville Energy Authority created by this act;

(3) "Board" means the board of directors of the authority;

(4) "Bonds" means bonds, interim certificates, notes, debentures, leasepurchase agreements, and all other evidences of indebtedness either issued by or the payment of which has been assumed by the authority;

(5) "City" or "City of Brownsville" means the city of Brownsville, Tennessee;

(6) "City bonds" means bonds of the city of Brownsville issued to finance or refinance any of the systems, as more fully described in Section 11(c) hereof;

(7) "City board" means the legislative body of the city of Brownsville;

(8) "Dispose" means to sell, lease, convey, or otherwise transfer any property or any interest in property of the authority;

(9) "Electric service" means the furnishing of electric power and energy for lighting, heating, power, or any other purpose for which electric power and energy can be used;

(10) "Energy" means any and all forms of energy no matter how or where generated or produced;

(11) "Federal agency" means the United States of America, the president of the United States of America, the Tennessee Valley Authority, and any other authority, agency, instrumentality, or corporation of the United States of America heretofore or hereafter created by or pursuant to any act or acts of the Congress of the United States;

(12) "Gas service" means the furnishing of various types of gas and related energy for heating, processing, lighting and any other purpose for which gas and its related products can be used;

(13) "Improve" means to construct, reconstruct, improve, repair, extend, enlarge, or alter.

(14) "Improvement" means any improvement, extension, betterment, or addition to any System;

(15) "Municipality" means any county or incorporated city or town within or outside the State;

(16) "Person" means any natural person, firm, association, corporation, limited liability company, business trust, partnership or governmental entity.

(17) "Refunding bonds" means bonds of the authority issued to refund all or any part of bonds of the authority or the city bonds, as more fully described in Section 11(b) and (c) hereof;

(18) "State" means the state of Tennessee;

(19) "System" means any plant, works, system, facility, property, or parts thereof, together with all appurtenances thereto, used or useful in connection with the furnishing of any of the services and commodities authorized to be provided herein, including generation or production facilities, transmission facilities, storage facilities, distribution and collection facilities, and all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and all appurtenances, contracts, leases, franchises and other intangibles relating to the foregoing;

(20) "Wastewater service" means the collection, transportation and treatment of water discharged from residential, commercial, industrial or other processes for final discharge to the environment; and

(21) "Water service" means the procurement, treatment, and distribution of water for domestic use or any other purpose for which water can be used.

SECTION 3. A governmental authority, to be known as the Brownsville Energy Authority, is hereby created and constituted. The authority shall be a public corporation in perpetuity under the corporate name of the Brownsville Energy Authority, and shall under that name be a political subdivision of the state and a body politic and corporate. The authority is created for the purpose of planning, acquiring, constructing, improving, furnishing, equipping, financing, owning, operating, and maintaining water, wastewater, gas and electric utility systems within or outside the corporate limits of the city of Brownsville, and such other utility systems as a municipal water, wastewater, gas or electric utility is authorized by the general laws of the state of Tennessee to own or operate.

SECTION 4. The authority shall have the power and is authorized, effective immediately upon the effective date of this act, either singly or jointly with one or more persons, municipalities, or federal agencies, or with the state, or with one or more agencies or instrumentalities of the state or any municipality:

(1) To sue and be sued;

(2) To have a seal and alter the same at pleasure;

(3) To acquire, construct, improve, furnish, equip, finance, own, operate and maintain, within or outside the corporate limits of the city of Brownsville, a system for the furnishing of water service and to provide water service to any person, governmental entity, or other user or

consumer of water services within or outside the city of Brownsville; provided, the system shall be operated as a separate system independent of and separate from the other utility systems of the authority; and provided, further, the authority shall not exercise any of the powers granted in this subsection wholly or partly within the legal boundaries of an incorporated city or town or a utility district incorporated pursuant to the Utility District Act of 1937, as amended, or any other municipal entity, except as allowed by law, without the consent of the governing body of such city, town, utility district, or municipal entity;

(4) To acquire, construct, improve, furnish, equip, finance, own, operate and maintain within or outside the corporate limits of the city of Brownsville, a system for providing wastewater service to any person, governmental entity, or other user or consumer of wastewater services within and outside the city of Brownsville; provided, the system shall be operated as a separate system independent of, and separate from, the other utility systems of the authority; and provided, further, the authority shall not exercise any of the powers granted in this subsection wholly or partly within the legal boundaries of an incorporated city or town or a utility district incorporated pursuant to the Utility District Act of 1937, as amended, or any other municipal entity, except as allowed by law, without the consent of the governing body of such city, town, utility district, or municipal entity;

(5) To acquire, construct, improve, furnish, equip, finance, own, operate and maintain within or outside the corporate limits of the city of Brownsville, a system for the furnishing of gas and related products and to provide gas service to any person, governmental entity, or other user or consumer of gas services within or outside the city of Brownsville; provided, the system shall be operated as a separate system independent of, and separate from, the other utility systems of the authority; and provided, further, the authority shall not exercise any of the powers granted in this subsection wholly or partly within the legal boundaries of an incorporated city or town or a utility district incorporated pursuant to the Utility District Act of 1937, as amended, or any other municipal entity, except as allowed by law, without the consent of the governing body of such city, town, utility district, or municipal entity;

(6) To acquire, construct, improve, furnish, equip, finance, own, operate and maintain within or outside the corporate limits of the city of Brownsville, a system for the furnishing of electric service and to provide electric service to any person, governmental entity, or other user or consumer of electric services within or outside the city of Brownsville; provided, the system shall be operated as a separate system independent

of, and separate from, the other utility systems of the authority; and provided, further, the authority shall not exercise any of the powers granted in this subsection wholly or partly within the legal boundaries of an incorporated city or town or electric cooperative, except as allowed by law, without the consent of the governing body of such city, town or cooperative;

(7) To fix, levy, charge and collect such fees, rents, tolls or other charges for the use of, or in connection with, any system of the authority as shall be consistent with the provision of the services or sale or other disposition of the commodities provided by the various utilities authorized herein at reasonable cost based on sound economy, public good, and prudent business operations, which fees, rents, tolls or charges shall be established by the board without the necessity of review or approval by any other municipality, the state, or any commission or authority thereof or any federal agency other than as provided in appropriate federal statutes or contracts or as hereinafter provided in this subsection (7); provided, however, that a copy of the schedule of the current rates and charges in effect from time to time shall be kept on public file at the main office of the authority.

The following rate changes shall be submitted to the City board for review but shall not require the approval of the City board:

(A) Changes in the charges provided for in the Schedule of Rates and Charges of any power contract with the Tennessee Valley Authority and any adjustments to such charges required or approved by the Tennessee Valley Authority;

(B) Changes in propane rates; and

(C) Changes in natural gas rates as a result of purchased gas adjustments.

Except as indicated in the immediately preceding paragraph, no base rate change shall be effective for electric, gas, water, sewer, or propane without the approval of the City board. If the City board has not approved such rate change within sixty (60) days after such proposed change has been submitted to the City board by the authority, a committee consisting of three persons acceptable to a majority of the City board and to a majority of the board of directors of the authority shall determine whether the rate change should be approved, and unless such a committee is appointed and such committee approves the rate change, such rate change will not become effective;

(8) To acquire, hold, own and dispose of property, real and personal, tangible and intangible, or interests therein, in its own name, subject to mortgages or other liens or otherwise and to pay therefore in cash or on credit through installment payments, and to secure the payment of all or any part of any installment obligations in connection with any acquisition;

(9) To have complete control and supervision of any system of the authority and to make such rules and regulations governing the rendering of service thereby as may be just and equitable

(10) To contract debts, borrow money, issue bonds, and enter into lease purchase agreements to acquire, construct, improve, furnish, equip, extend, operate or maintain any system or systems, or any part thereof, or to provide the authority's share of the funding for any joint undertaking or project, and to assume and agree to pay any indebtedness incurred for any of the foregoing purposes;

(11) To accept gifts or grants of money or property, real or personal, and voluntary and uncompensated services or other financial assistance from any person, state agency, federal agency, or municipality, for, or in aid of, the acquisition or improvement of any system;

(12) To condemn either the fee or such right, title, interest, or easement in property as the board may deem necessary for any of the purposes mentioned in this act, and such property or interest in such property may be so acquired whether or not the same is owned or held for public use by corporations, associations, or persons having the power of eminent domain, or otherwise held or used for public purposes, and such power of condemnation may be exercised in the mode or method of procedure prescribed by Tennessee Code Annotated, Title 29, Chapter 16, as amended or changed, or in the mode or method of procedure prescribed by any other applicable statutory provisions now in force or hereafter enacted for the exercise of the power of eminent domain; provided, however, that where title to any property sought to be condemned is defective, it shall be passed by decree of court; provided, further, that where condemnation proceedings become necessary the court in which such proceedings are filed shall, upon application by the authority and upon the posting of a bond with the clerk of the court in such amount as the court may deem commensurate with the value of the property, order that the right of possession shall issue immediately or as soon and upon such terms as the court, in its discretion, may deem proper and just;

(13) To make and execute any and all contracts and instruments necessary or convenient for the full exercise of the powers herein granted, and in connection therewith to stipulate and agree to such covenants, terms and conditions and such term or duration as shall be appropriate, including, but without limitation, contracts for the purchase or sale of any of the commodities or services authorized herein to be provided by the authority, and carry out and perform the covenants, terms and conditions of all such contracts and instruments. In connection with any contract to acquire or sell any of the commodities or services authorized herein, the authority may enter into commodity price exchange or swap agreements, agreements establishing price floors or ceilings, or both, or other price hedging contracts with any person or entity under such terms and conditions as the authority may determine, including, without limitation, provisions permitting the authority to indemnify or otherwise pay any person or entity for any loss of benefits under such agreement upon early termination thereof or default thereunder. When entering into any such contract or arrangement or any such swap, exchange or hedging agreement evidencing a transaction bearing a reasonable relationship to this state and also to another state or nation, the authority may agree in the written contract or agreement that the rights and remedies of the parties thereto shall be governed by the laws of this state or the laws of such other state or nation; provided, that jurisdiction over the authority shall lie solely in the courts of Haywood County, Tennessee;

(14) To sell, exchange or interchange any of the commodities or services authorized to be provided herein either within or outside the state and to establish prices to be paid for such commodities or services and establish pricing structures with respect thereto, including provision for price rebates, discounts, and dividends; and, in connection with any such sales, exchanges or interchanges, to act as agent for such consumers, to secure contracts and arrangements with other entities or persons, to make contracts for the sale, exchange, interchange, pooling, transmission, distribution, or storage of any of the commodities or services authorized to be provided herein, inside or outside this state, and to transmit, transport and distribute any such commodities or services both for itself and on behalf of others;

(15) To make contracts and execute instruments containing such covenants, terms, and conditions as may be necessary, proper or advisable for the purpose of obtaining loans from any source, or grants, loans or other financial assistance from the state or any federal agency, and to carry out and perform the covenants and terms and conditions of all such contracts and instruments;

(16) To enter on any lands, waters, and premises for the purpose of making surveys, soundings, and examinations in connection with the acquisition, improvement, operation, or maintenance of any system and the furnishing of any of the services herein;

(17) To provide to any municipality, person, federal agency, the state or any agency or instrumentality thereof, transportation and storage capacity for any of the commodities or services authorized herein, and management and purchasing services associated therewith;

(18) To employ, engage, retain and pay compensation to such officers, agents, consultants, professionals and employees of the authority as shall be necessary to operate the systems, manage the affairs of the authority and otherwise further the purposes of the authority and the exercise of the powers thereof, and to fix their compensation and to establish a program of employee benefits, including a retirement system;

(19) To establish a retirement system for all employees of the authority and to maintain all rights and benefits of employees as they existed under the retirement system of the Brownsville Utility Department without diminution and to participate in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapter 35, Part 2;

(20) To enter into joint ventures and cooperative arrangements with one or more persons, including the formation of a partnership, limited liability company or not-for-profit corporation to accomplish any of the purposes set forth herein or to exercise any of the powers set forth herein;

(21) Immediately upon the effective date of this act, to commence operating the systems and to exercise exclusive control and direction of the systems and, upon proper action by the city, to accept title to the assets and assume the liabilities of the systems;

(22) To do business under one or more trade names, including "Brownsville Utilities Department", "Brownsville Utilities Board" and "BUD";

(23) To manage and operate utility systems owned by other persons and entities;

(24) To enter into mutual aid agreements with other utility systems; and

(25) To do any and all acts and things herein authorized or necessary or convenient to carry out the powers expressly given in this act under, through or by means of its own officers, agents, and employees, or by contracts with any person, federal agency, or municipality.

SECTION 5. Each system of the authority shall operate independently of the others and shall be self-sustaining, except insofar as the board may by resolution combine any of the systems which in the opinion of the board shall be advisable and economical and which by the general laws of the state or any federal laws or any contracts or indentures are not required to be operated separately.

SECTION 6.

(a) The affairs of the authority and the exercise of the powers of the authority shall be vested in the board of directors. The following powers shall be exercised directly by the board:

(1) Selection and employment of the general manager who shall serve as the chief executive officer of the authority, who shall serve at the pleasure of the board and whose compensation shall be set by the board. All other officers and employees of the authority shall be selected, employed and discharged pursuant to procedures approved by the general manager;

(2) Issuance of bonds of the authority and the encumbering of assets of the authority, to the extent authorized herein, to secure any such bonds;

(3) Approval of rates of each of the systems;

(4) Approval of the annual budget of each of the systems;

(5) Adoption of by-laws for the conduct of the business of the board;

(6) Selection of a certified public accountant or accountants to perform audits of the books and affairs of the authority;

(7) Selection of engineers and attorneys to perform services for the authority; and

(8) Adoption of a purchasing policy for the authority as hereinafter provided and the approval of purchases and disposition of property in accordance with the terms thereof.

(b) All other powers of the authority shall be exercised by the general manager of the authority and the officers, agents and employees of the authority, unless the board, acting by resolution, shall revoke the delegation of any such powers.

SECTION 7.

(a) The board of directors of the authority shall consist of three (3) directors who shall be appointed as hereinafter provided in this Section 7. The initial board of directors shall be composed of the members of the board of utility commissioners of the Brownsville Utility Department, who shall serve as directors for the unexpired terms of their appointment to the board of utility commissioners, and who shall take office and begin exercising the powers herein granted immediately upon the effective date hereof. All subsequent appointments shall be for four (4) year terms. Each term of office shall commence on January 1 and end on December 31 of the fourth full year of the term.

Not later than December 1 prior to the expiration of the term of office of any director, the board of directors shall appoint, subject to the approval of the city board, a person (who may be the director whose term is expiring) to fill the vacancy created by an expiring term. In the event the city board does not approve the person thus appointed by the board of directors, the board of directors shall appoint some other person, subject to the approval of the city board. The term of office of any director thus appointed and approved by the city board shall be effective immediately following January 1.

If any member of the board of directors shall die, resign or be removed, the board of directors shall appoint, subject to the approval of the city board, a person to fill the vacancy thus created. In the event the city board does not approve the person that is appointed by the board of directors, the board of directors shall appoint some other person subject to approval of the city board. The term of any director thus appointed and approved by the city board shall be effective immediately upon approval by the city board and to be for the then unexpired term of the member who died, resigned or was removed.

Except as provided in Section 8 hereof, each director shall hold office until his successor is appointed, approved and qualified and each director shall be eligible for reappointment.

(b) Immediately upon their qualification as a board, and in January of each subsequent year, the board of directors shall select from the board's membership a chairman and a vice-chairman. No additional compensation shall be paid to a director for serving as chairman or vice-chairman. The board shall have a recording secretary, who need not be a member of the board and who shall be appointed by the general manager, subject to the approval by the board. The recording secretary shall record all minutes of the board, keep and maintain all books and records of the board and perform such other duties as the general manager shall determine.

(c) The board shall hold regular monthly meetings and special meetings as may be necessary for the transaction of the business of the authority. Special meetings of the board may be called by the chairman or, in the absence or disability of the chairman, by any board member. No meeting of the board shall be held unless a majority of the directors are present. All acts of the board shall be by a vote of two (2) or more directors. Resolutions of the board shall be effective upon adoption after one (1) reading and may be adopted at the same meeting at which they are introduced. The time and place of all meetings will be set by the board. The compensation of directors for serving on the board shall be in an amount fixed by resolution of the board, but shall not exceed the compensation permitted to be paid to members of a board of public utilities under Section 7-52-110 from time to time in effect.

Each director shall be a resident of the City and shall be at least thirty (30) years of age.

SECTION 8. Any director may be removed from office for cause upon a vote of two-thirds (2/3) of the members of the board of directors of the authority and a vote of two-thirds (2/3) of the members of the city board of the city of Brownsville, but only after preferment of formal charges by resolution of a majority of the members of the board of directors of the authority.

SECTION 9.

(a) The board shall appoint a general manager, as provided in Section 6, who shall be chief executive officer of the authority and who shall be qualified by training and experience for the general management of the acquisition, improvement and operation of the business and affairs

of the authority. The salary of the general manager shall be fixed by the board. The general manager shall serve at the pleasure of the board.

(b) Within the limits of the funds available therefor and subject to exercise by the board of the powers reserved to it pursuant to Section 6 hereof, all powers of the authority granted herein shall be exercised by the general manager and the various officers and employees of the authority.

(c) The general manager shall have charge of the management and operation of the systems and the enforcement and execution of all rules, regulations, programs, plans and decisions made or adopted by the board.

(d) The general manager shall appoint all personnel of the authority, all of whom shall serve at the pleasure of the general manager, and the general manager shall be responsible for maintaining an adequate work force for the authority and establishing a compensation structure for the work force.

(e) Subject to the terms of Section 10 hereof, the general manager is authorized to acquire and dispose of all property, real and personal, necessary to effectuate the purposes of this part. The title of such property shall be taken in the name of the authority.

(f) All contracts, agreements, indentures, trust agreements and other instruments necessary or proper in carrying out the purposes and powers of the authority or in conducting the affairs of the authority or in operating the systems of the authority shall be executed by the general manager, or his designee or designees, the signature thereof to be binding upon the authority; provided, however, the execution by the general manager of any such contract, agreement, indenture, trust agreement or instrument implementing or evidencing the exercise of powers reserved to the board pursuant to Section 6 hereof shall first be approved by resolution of the board.

(g) The general manager shall cause to be kept full and proper books and records of all operations and affairs of the authority and shall cause to be kept separate books and accounts for each system, so that these books and accounts will reflect the financial condition of each division separately, and may require that the moneys and securities of each division be placed in separate funds to the end that each division shall be self-sustaining. All divisions will be audited annually by an independent certified public accountant selected by the board of directors.

SECTION 10. The board shall adopt a policy governing all purchases of services or property, whether real or personal, all leases and lease-purchases and the disposition of all property of the authority. The policy shall authorize the general manager, or his designee or designees, to enter into contracts and agreements for the purchase of services or property, real or personal, leases and lease-purchases, disposition of property of the authority with a value not exceeding an amount from time to time established by the board, and providing for board approval for such purchases, leases, lease-purchases and dispositions in excess of such amount. Subject to the terms of the purchasing policy relating to board approval, the general manager, or his designee or designees, on behalf of the authority, shall be authorized to execute all contracts, purchase orders and other documents necessary or proper in connection with the purchase of property or services and the disposition of property of the authority, including deeds of conveyance of real property. The policy authorized by this section shall provide for competitive bidding in appropriate circumstances, exceptions to any competitive bidding requirements when competitive bidding is not practical, procedures for the purchase of commodities such as natural gas and other energy sources traded in public markets, procedures for documentation of compliance with purchasing procedures and such other provisions and terms as the board deems necessary or desirable.

SECTION 11.

(a) The authority shall have power and is authorized to issue its bonds for the construction, acquisition, reconstruction, improvement, betterment or extension of any system of the authority or to assume and to agree to pay any indebtedness incurred for any of the foregoing purposes. The proceeds of the sale of any bonds may be applied to:

(1) The payment of the costs of such construction, acquisition, reconstruction, improvement, betterment or extension;

(2) The payment of the costs associated with any such construction, acquisition, reconstruction, improvement, betterment or extension, including engineering, architectural, inspection, legal and accounting expenses;

(3) The payment of the costs of issuance of such bonds, including underwriter's discount, financial advisory fee, preparation of the definitive bonds, preparation of all public offering and marketing materials, advertising, credit enhancement, and legal, accounting, fiscal and other similar expenses;

(4) The payment of interest during the period of construction and for six (6) months thereafter on any money borrowed or estimated to be borrowed;

(5) Reimbursement of the authority for moneys previously spent by the authority for any of the foregoing purposes;

(6) The establishment of reasonable reserves for the payment of debt service on such bonds, or for repair and replacement to the system of the authority for whose benefit the financing is being undertaken, or for such other purposes as the board shall deem necessary and proper in connection with the issuance of any bonds and operation of the system for whose benefit the financing is being undertaken;

(7) The contribution of the authority's share of the funding for any joint undertaking for the purposes hereinabove set forth; and

(8) The contribution by the authority to any subsidiary or separate entity controlled by the authority for the purposes hereinabove set forth.

(b) The authority shall have the power and is hereby authorized to issue its bonds to refund and refinance outstanding bonds of the authority heretofore or hereafter issued or lawfully assumed by the authority. The proceeds of the sale of the bonds may be applied to:

(1) The payment of the principal amount of the bonds being refunded and refinanced;

(2) The payment of the redemption premium thereon, if any;

(3) The payment of unpaid interest on the bonds being refunded, including interest in arrears, for the payment of which sufficient funds are not available, to the date of delivery or exchange of the refunding bonds;

(4) The payment of interest on the bonds being refunded and refinanced from the date of delivery of the refunding bonds to maturity or to, and including, the first or any subsequent available redemption date or dates on which the bonds being refunded may be called for redemption;

(5) The payment of the costs of issuance of the refunding bonds, including underwriter's discount, financial advisory fee, preparation of the definitive bonds, preparation of all public offering and marketing materials, advertising, credit enhancement, and legal, accounting, fiscal and other similar expenses, and the costs of refunding the outstanding bonds, including the costs of establishing an escrow for the retirement of the outstanding bonds, trustee and escrow agent fees in connection with any escrow, and accounting, legal and other professional fees in connection therewith; and

(6) The establishment of reasonable reserves for the payment of debt service on the refunding bonds, or for repair and replacement to the system of the authority for whose benefit the financing is being undertaken, or for such other purposes as shall be deemed necessary and proper in connection with the issuance of the refunding bonds and operation of the system for whose benefit the financing is being undertaken. Refunding bonds may be issued to refinance and refund more than one issue of outstanding bonds, notwithstanding that such outstanding bonds may have been issued at different times. Refunding bonds may be issued jointly with other refunding bonds or other bonds of the authority. The principal proceeds from the sale of refunding bonds may be applied either to the immediate payment and retirement of the bonds being refunded or, to the extent not required for the immediate payment of the bonds being refunded, to the deposit in escrow with a bank or trust company to provide for the payment and retirement at a later date of the bonds being refunded.

(c) The authority shall have the power and is authorized to issue its bonds to retire all bonds of the city of Brownsville issued to finance or refinance any of the systems, and, to the extent permitted by contracts with any of the owners of the city bonds, to assume and agree to pay when due the city bonds, retire the city bonds, or deposit in escrow funds sufficient, together with earnings thereon, to retire the city bonds at maturity or upon redemption.

(d) The authority shall have the power and is hereby authorized to issue bonds in anticipation of the collection of revenues from the system for whose benefit the financing is undertaken for the purpose of financing electrical power or gas purchases, including storage costs and pipeline capacity costs. Any such bonds shall be secured solely by a pledge of, and lien on, the revenues of the system for whose benefit the financing is undertaken. The principal amount of bonds which may be issued

during any twelve (12) month period shall not exceed sixty percent (60%) of total electrical power or gas purchases for the same period, and all notes issued during such period shall be retired and paid in full on, or before, the end of such period. The notes shall be sold in such manner, at such price and upon such terms and conditions as may be determined by the board. No notes shall be issued under this subsection unless the electric system or gas system, as applicable, has positive retained earnings as shown in the most recent audited financial statements of the system, and the system has produced positive net income in at least one (1) fiscal year out of the three (3) fiscal years next preceding the issuance of the bonds as shown on the audited financial statements of the system. No bonds issued under this subsection shall be issued without first being approved by the state director of local finance in accordance with the Local Government Public Obligations Act, compiled in Tennessee Code Annotated, Title 9, Chapter 21. If revenues of such system are insufficient to pay all such bonds at maturity, any unpaid bonds may be renewed one (1) time for a period not to exceed one (1) year or otherwise liquidated as approved by the comptroller of the treasury or the director of the division of local finance.

(e) Bonds issued hereunder as a part of an issue the last maturity of which is not later than five (5) years following the date of issue shall be issued, and referred to, as notes.

SECTION 12.

(a) No bonds shall be issued or assumed hereunder unless authorized to be issued or assumed by resolution of the board, which resolution may be adopted at the same meeting at which it is introduced by a majority of all members thereof then in office, and shall take effect immediately upon adoption. Bonds authorized to be issued hereunder may be issued in one (1) or more series, may bear such date or dates, mature at such time or times, not exceeding forty (40) years from their respective dates, bear interest at such rate or rates, payable at such time or times, be in such denominations, be in such form, either coupon or registered, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution or resolutions may provide. Bonds may be issued for money or property at competitive or negotiated sale for such price or prices as the board, or its designee, shall determine.

(b) Bonds may be repurchased by the authority out of any available funds at a price not to exceed the principal amount thereof and

accrued interest, and all bonds so repurchased shall be cancelled or held as an investment of the authority as the board may determine.

(c) Pending the preparation or execution of definitive bonds, interim receipts or certificates or temporary bonds may be delivered to the purchasers of bonds.

(d)

(1) With respect to all or any portion of any issue of bonds issued hereunder, at any time during the term of the bonds, and upon receipt of a report of the comptroller of the treasury or the comptroller's designee finding that the contracts and agreements authorized in this subsection are in compliance with the guidelines, rules or regulations adopted or promulgated by the state funding board, as set forth in Tennessee Code Annotated, Section 7-34-109(h), the authority, by resolution of the board, may authorize and enter into interest rate swap or exchange agreements, agreements establishing interest rate floors or ceilings or both, and other interest rate hedging agreements under such terms and conditions as the board may determine, including, without limitation, provisions permitting the authority to pay to, or receive from, any person or entity any loss of benefits under such agreement upon early termination thereof or default under such agreement.

(2) The authority may enter into an agreement to sell bonds (other than its refunding bonds) under this act providing for delivery of its bonds on a date greater than ninety (90) days and not greater than five (5) years (or such greater period of time if approved by the comptroller of the treasury or the comptroller's designee), from the date of execution of such agreement or to sell its refunding bonds providing for delivery thereof on a date greater than ninety (90) days from the date of execution of the agreement and not greater than the first optional redemption date on which the bonds being refunded can be optionally redeemed resulting in cost savings or at par, whichever is earlier, only upon receipt of a report of the comptroller of the treasury or the comptroller's designee finding that the agreement or contract of the authority to sell its bonds as authorized in this subsection is in compliance with the guidelines, rules or regulations adopted or promulgated by the state funding board in accordance with the provisions of Tennessee Code Annotated, Section 7-34-109(h). Agreements to sell bonds and refunding bonds for delivery ninety (90) days or less from the date

of execution of the agreement do not require a report of the comptroller of the treasury or the comptroller's designee.

(3) Prior to the adoption by the board of a resolution authorizing a contract or agreement described in subdivision (1) or (2), a request shall be submitted in accordance with Tennessee Code Annotated, Section 9- 21-130, to the comptroller of the treasury or the comptroller's designee for a report finding that such contract or agreement is in compliance with the guidelines, rules or regulations of the state funding board. Within fifteen (15) days of receipt of the request, the comptroller of the treasury or the comptroller's designee shall determine whether the contract or agreement substantially complies with the guidelines, rules or regulations and shall report thereon to the municipality. If the report of the comptroller of the treasury or the comptroller's designee finds that the contract or agreement complies with the guidelines, rules or regulations of the state funding board or the comptroller of the treasury shall fail to report within the fifteen (15) day period, then the authority may take such action with respect to the proposed contract or agreement as it deems advisable in accordance with the provisions of this section and the guidelines, rules or regulations of the state funding board. If the report of the comptroller of the treasury or the comptroller's designee finds that such contract or agreement is not in compliance with the guidelines, rules or regulations, then the authority is not authorized to enter into such contract or agreement. The guidelines, rules or regulations shall provide for an appeal process upon a determination of noncompliance.

(4) When entering into any contracts or agreements facilitating the issuance and sale of bonds, including contracts or agreements providing for liquidity and credit enhancement and reimbursement agreements relating thereto, interest rate swap or exchange agreements, agreements establishing interest rate floors or ceilings or both, other interest rate hedging agreements, and agreements with the purchaser of the bonds, evidencing a transaction bearing a reasonable relationship to this state and also to another state or nation, the authority may agree in the written contract or agreement that the rights and remedies of the parties thereto shall be governed by the laws of this state or the laws of such other state or nation; provided, that jurisdiction over the authority shall lie solely in the courts of Haywood County, Tennessee.

(5) Prior to the adoption or promulgation by the state funding board of guidelines, rules or regulations with respect to the contracts and agreements authorized in subsections (1) and (2), the authority may enter into such contracts or agreements to the extent otherwise authorized by the general laws of the state.

SECTION 13. In order to secure the payment of the principal and interest on the bonds issued hereunder, or in connection with such bonds, the authority has the power to secure such bonds and to covenant as to the bonds as set forth in Tennessee Code Annotated, Section 9-21-305 and Section 7-34-110 as such provisions shall from timeto-time be amended.

SECTION 14. No owner or owners of any bonds issued hereunder shall ever have the right to compel any exercise of the taxing powers of the state, the city of Brownsville, or any other municipality or political subdivision of the state to pay such bonds or the interest thereon. Each bond issued under this act shall recite in substance that such bond, including the interest thereon, is payable solely from the revenues pledged to the payment thereof, and that the bond does not constitute a debt of the state, any municipality or any other political subdivision therein.

SECTION 15. Bonds issued hereunder bearing the signature of the general manager in office on the date of the signing thereof shall be valid and binding obligations, notwithstanding that before the delivery thereof and payment therefore any or all the persons whose signatures appear thereon shall have ceased to be officers. The validity of any bonds shall not be dependent on, or affected by, the validity or regularity of any proceedings relating to the acquisition or improvement of the system or systems for which such bonds are issued. The resolution or resolutions authorizing bonds may provide that the bonds shall contain a recital that they are issued pursuant to this act, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

SECTION 16. In connection with the issuance of bonds and in order to secure the payment of its bonds, the authority shall have power:

(1) To pledge all or any part of its revenues;

(2) To vest in a trustee or trustees the right to enforce any covenant made to secure, to pay, or in relation to its bonds, to provide for the powers and duties of such trustee or trustees, to limit the liabilities thereof, and to provide the terms and conditions upon which the trustee or trustees or the holders of bonds or any amount or proportion of them may enforce any such covenant; and

(3) To make such covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds or which, in the absolute discretion of the board, tend to make the bonds more marketable notwithstanding that such covenants, acts and things may restrict or interfere with the exercise of the powers herein granted; it being the intention hereof to give the authority power to do all things in the issuance of bonds, and for their security, that a private business corporation can do under the general laws of the state.

SECTION 17. In addition to all other rights and remedies, any holders of bonds of the authority, including a trustee for bondholders, shall have the right:

(1) By mandamus or other suit, action or proceeding at law or in equity, to enforce the bondholder's rights against the authority and the board of the authority, including the right to require the authority and such board to fix and collect rates and charges adequate to carry out any agreement as to, or pledge of, the revenues produced by such rates or charges, and to require the authority and such board to carry out any other covenants and agreements with such bondholders and to perform their duties under this act;

(2) By action or suit in equity to enjoin any acts or things which may be unlawful or a violation of the rights of such holder or holders of bonds;

(3) By suit, action or proceeding in the chancery court of Haywood County to obtain an appointment of a receiver of any system or systems of the authority or any part or parts thereof. If such receiver is appointed, such receiver may enter and take possession of such system or systems or part or parts thereof and operate and maintain same, and collect and receive all fees, rents, tolls or other charges thereafter arising therefrom in the same manner as the authority itself might do and shall dispose of such money in a separate account or accounts and apply the same in accordance with the obligations of the authority as the court shall direct; and

(4) By suit, action or proceeding in the chancery court of Haywood County to require the board of the authority to account as if it were the trustee of an express trust.

SECTION 18.

(a) The authority shall not be operated for gain or profit or primarily as a source of revenue to the city of Brownsville or any other

person or entity. The authority shall, however, prescribe and collect reasonable rates, fees or charges for the services, facilities and commodities made available by it, and shall revise such rates, fees or charges from time-to-time whenever necessary so that each system, or any combined systems as authorized herein, shall be and always remain self-supporting, and shall not require appropriations by the city of Brownsville or any other municipality, the state or any political subdivision to carry out its purpose. Any one system of the authority shall not subsidize any other system, unless the systems are operated as a combined system in accordance with the terms hereof, in which case the combined system shall be self-supporting.

(b) The rates, fees, or charges prescribed for each system shall be such as will produce revenue at least sufficient:

- (1) To provide for the payment of all expenses of operation and maintenance of such system;
- (2) To pay when due principal of, and interest on, all bonds of the authority payable from the revenues of such system;
- (3) To pay any payments in lieu of taxes authorized to be paid pursuant to the terms hereof; and
- (4) To establish proper reserves for the system.

SECTION 19. Any pledge of, or lien on, revenues, fees, rents, tolls or other charges received or receivable by the authority to secure the payment of any bonds of the authority, and the interest thereon, shall be valid and binding from the time that the pledge or lien is created or granted and shall inure to the benefit of the owner or owners of any such bonds until the payment in full of the principal thereof and premium and interest thereon. The priority of any pledge or lien with respect to competing pledges or liens shall be determined by the date such pledge or lien is created or granted. Neither the resolution nor any other instrument granting, creating, or giving notice of the pledge or lien need be filed or recorded to preserve or protect the validity or priority of such pledge or lien.

SECTION 20. So long as the authority owns any of the systems, the property and revenue of such system shall be exempt from all state, county and municipal taxation. Any bonds issued by the authority pursuant to the provisions hereof, and the income therefrom, shall be exempt from all state, county and municipal taxation, except inheritance, transfer and estate taxes, and except as otherwise provided by the general laws of the state.

SECTION 21. The authority is authorized to pay or cause to be paid from the revenues of each of the systems for each fiscal year payments in lieu of taxes to the city of Brownsville or such other municipality as shall properly receive said payments; provided, that payments from the electric system revenues shall be made and computed in accordance with the provisions of the Municipal Electric Plant Law of 1935, codified at Tennessee Code Annotated, Title 7, Chapter 52, and payments from the gas system revenues shall be made and computed in accordance with the provisions of the Municipal Gas System Tax Equivalent Law of 1987, codified at Tennessee Code Annotated, Title 7, Chapter 39, Part 4. Payments made from revenues of the water system shall be made by agreement with the affected municipality. The authority shall make payments in lieu of taxes to the city of Brownsville, accruing from and after the effective date hereof, from the gas system revenues and the electric system revenues on the same basis as payments are currently being made by the Brownsville Utility Department.

SECTION 22. The authority shall provide water service, wastewater service, gas service, and electric service to all areas that are hereafter lawfully and properly annexed within the corporate limits of the city of Brownsville. Such services shall be provided as soon as practical after the annexation becomes effective. For purposes of this Section 22, the authority shall have powers granted to the city under general law to provide utility services in annexed areas.

SECTION 23. All moneys of the authority, from whatever source derived, shall be deposited in one (1) or more banks or trust companies and, if the authority shall so require, such accounts shall be continuously insured by an agency of the federal government or secured by a pledge of direct obligations of the United States of America or of the state of Tennessee having an aggregate market value, exclusive of accrued interest, at all times at least equal to the balance on deposit in such account or accounts. Such securities shall either be deposited with the authority or held by a trustee or agent satisfactory to the authority. In lieu of any pledge of such securities, said deposits may be secured by a surety bond or bonds which shall be in form, sufficiency and substance satisfactory to the authority.

SECTION 24. All funds of the authority are authorized to be invested as follows:

- (1) Direct obligations of the United States government or any of its agencies;
- (2) Obligations guaranteed as to principal and interest by the United States government or any of its agencies;

(3) Certificates of deposit and other evidences of deposit at state- and federally-chartered banks, savings and loan institutions or savings banks deposited and collateralized as otherwise required by law;

(4) Repurchase agreements entered into with the United States or its agencies or with any bank, broker-dealer or other such entity so long as the obligation of the obligated party is secured by a perfected pledge of full faith and credit obligations of the United States or its agencies;

(5) Guaranteed investment contracts or similar agreements providing for a specified rate of return over a specified time period with entities rated in one (1) of the two (2) highest rating categories of a nationally recognized rating agency;

(6) The local government investment pool created by Tennessee Code Annotated, Title 9, Chapter 4, Part 7;

(7) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers and rated in either of the two (2) highest rating categories by a nationally recognized rating agency of such obligations; or

(8) Obligations of any state of the United States or a political subdivision or instrumentality thereof, secured solely by revenues received by, or on behalf of, the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of the principal and interest on such obligations, rated in the two (2) highest rating categories by a nationally recognized rating agency of such obligations.

SECTION 25. In the event that the authority shall cease to exist, all of its assets remaining after all of its obligations and liabilities have been satisfied or discharged shall pass to, and become the property of, the city of Brownsville.

SECTION 26. The authority is and shall be considered a political subdivision for purposes of Tennessee Code Annotated, Title 65, Chapter 4.

SECTION 27. The board shall be considered a governing body for purposes of the Open Meetings Act, codified at Tennessee Code Annotated, Title 8, Chapter 44.

SECTION 28. The authority shall be considered a governmental entity for purposes of the Tennessee Governmental Tort Liability Act, codified at Tennessee Code Annotated, Title 29, Chapter 20.

SECTION 29. The authority shall be considered a public agency for purposes of the Interlocal Cooperation Act, codified at Tennessee Code Annotated, Title 12, Chapter 9.

SECTION 30. The authority shall be considered a municipality for the purposes of the Energy Acquisition Corporation Act, codified at Tennessee Code Annotated, Title 7, Chapter 39, and may be an associated municipality of an energy acquisition corporation under Tennessee Code Annotated, Title 7, Chapter 39 and the board shall be a governing body for purposes of Tennessee Code Annotated, Title 7, Chapter 39.

SECTION 31. The powers conferred by this part shall be in addition and supplemental to the powers conferred by any other law.

SECTION 32. This act shall not affect rights and duties that matured, penalties that were incurred or proceedings that were begun before its effective date.

SECTION 33. Chapter 124 of the Private Acts of 1994, and all other acts amendatory thereto, is amended by adding the following language as new sections 44, 45 and 46 and by renumbering current sections 44, 45 and 46 as sections 47, 48 and 49:

Section 44. The city is authorized to transfer to the Brownsville Energy Authority all its right, title and interest in and to all the assets currently operated for the city by the Brownsville Utility Department, including all real and personal property, tangible or intangible, and any right or interest in any such property, whether or not subject to mortgages, liens, charges or other encumbrances, and all appurtenances, contracts, leases, franchises and other intangibles. The transfer shall be authorized by resolution of the Board of Mayor and Aldermen of the city adopted on one (1) reading and shall be accomplished through documents and instruments authorized by said resolution and executed by such officers of the city as shall be designated by said resolution. A transfer to the Brownsville energy authority in accordance with the terms hereof shall not be deemed a disposition of assets for purposes of Tennessee Code Annotated, Section 7-52-132.

Section 45. The city is hereby authorized, by resolution of the Board of Mayor and Aldermen to grant a franchise to the Brownsville

Energy Authority to provide within the corporate limits of the city of Brownsville any and all of the services that it is authorized to provide under applicable law upon such terms and conditions as shall be prescribed by the Board of Mayor and Aldermen. Section 46. Upon the Brownsville Energy Authority Act, Chapter ___ of the Private Acts of 2008 becoming effective, the jurisdiction and control of the utility systems of the city of Brownsville shall be transferred to the Brownsville Energy Authority, and Brownsville Utility Department and the board of utility commissioners shall cease to exist.

SECTION 34. It shall be a condition of the transfer of the systems from the city of Brownsville to the authority that upon such transfer the authority shall either retire the city bonds by the payment thereof in full upon transfer, defease the city bonds by depositing funds in irrevocable escrow for the payment of these bonds, or assume and agree to pay in full principal of and interest on the city bonds. Upon the assumption by the authority of the city bonds and its agreement to pay those bonds when due, the authority shall be fully obligated to pay when due, principal, premium and interest with respect to those bonds with the same force and effect as if those bonds were issued by the authority. Bonds issued pursuant to this section shall be secured by, and payable from, the revenues of the respective system in the same way as other bonds of the authority issued pursuant to this act. The transfer of each of the systems shall be accomplished in such a manner as not to impair the obligations of contract with reference to the city bonds and other legal obligations of the city of Brownsville and to preserve and protect the contract rights vested in the owners of such bonds and other obligations.

SECTION 35. If any provision of this act or the application thereof to any person or circumstance is held to be invalid, such invalidity shall not affect any other provision or application of the act which can be given effect without the invalid provisions or application, and to that end the provisions of this act are declared to be severable.

SECTION 36. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of the city of Brownsville. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body and certified by him to the Secretary of State.

SECTION 37. For purposes of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective as provided in Section 36.

PASSED: May 20, 2008

JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

RON RAMSEY, SPEAKER
SENATE OF STATE

APPROVED this 13th day of June 2008

PHIL BREDESEN, GOVERNOR

APPROVED this 13th day of June 2008

CHARTER AND RELATED ACTS FOR THE CITY OF
BROWNSVILLE, TENNESSEE

YEAR	CHAPTER	SUBJECT
1994	124	Basic charter act.
2007	33	§ 4, deleted subsection(h); § 15, deleted "a resident of Brownsville, from the first line and corrected a typo in the second line.
2008	107	Brownsville Energy Authority. (See related Acts at the end of the charter.)