

CHARTER FOR THE CITY OF HUMBOLDT, TENNESSEE<sup>1</sup>

CHAPTER NO. 61

HOUSE BILL NO. 2022

By Representative Phelan

Substituted for: Senate Bill No. 1985

By Senator Carter

AN ACT to amend Chapter 77 of the Private Acts of 1913, as rewritten by Chapter 253 of the Private Acts of 1978, and all amendatory acts thereto, relative to the Charter of the City of Humboldt, Tennessee.

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<sup>1</sup>Priv. Acts 2001, ch. 61, is the current basic charter act for the City of Humboldt, Tennessee. The text of the basic charter act set out herein was last amended to reflect legislation passed in the 2024 session of the Tennessee General Assembly and is current with the laws from the 2024 Regular Session of the 113<sup>th</sup> Tennessee General Assembly. Sections of the charter which have been amended contain at the end of those sections the citation to the official act or acts constituting the amendment or amendments. No other changes have been made to the charter except the addition of a table of contents to facilitate its use. A list of all the acts including the basic charter appears at the end of the charter.

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.

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

SECTION 1. The Charter of the City of Humboldt, Tennessee, being Chapter 77 of the Private Acts of 1913, as rewritten by Chapter 253 of the Private Acts of 1978, and all amendatory acts thereto, is hereby amended in its entirety to read as follows:

CHAPTER 1  
INCORPORATION

Section 1. Name and Boundaries. The inhabitants residing within the following boundaries, hereinafter set out and defined, are hereby constituted a corporation and a body politic by the name and style of "The City of Humboldt". The boundaries of said city shall be as follows:

Beginning at a point in John Raines Estate land, same being 1,400 feet south of the original southwest corner of the corporate limits of the City of Humboldt, Tennessee, and said point being 1,700 feet south of the center line of Louisville & Nashville Railroad Company where it crosses the west boundary of the City of Humboldt, Tennessee, corporate limits; runs thence east through the lands of Raines, Jones, McLemore and with the north boundary line of Phelan Evans and the south boundary line of the colored cemetery, continuing on through the lands of Evans, Goodrich, Byrd, and to a point southeast of the Colony Club, in all 10,850 feet, said point being 175 feet south of Southern Bell Telephone & Telegraph Company's No. 20 pole on west side of Highway No. 45-W; runs thence north crossing said highway at 250 feet, continuing on through the lands of Mrs. Grace Hamilton with a twin red oak pointer on her north boundary line, same being 65 feet west of L. R. Campbell Estate southeast corner, continuing through the lands of said L. R. Campbell's Estate, crossing Medina Road at 3,570 feet, on through the lands of William S. Chappell, passing on the west edge of his house, and on through the lands of Mitt Hamilton, Carlos Bledsoe, Sam Maupin, passing 20 feet to the east side of Sam Maupin's house on through Oscar Hawks' land 210 feet east of his west boundary line, and through Luther and Annie Hawk's and Milligan's lands to a point 250 feet north of the center line of the Austin Peay Highway in all 9,750 feet, said point being 125 feet west of Milligan's east boundary line; thence west through the lands of Milligan, McDearmon, Senter Heirs, and with the south margin of a gravel road, crossing the Trenton and Humboldt Highway at 6,150 feet, continuing on through the lands of Frank Stallings, Sr., and Ben P. Hazelwood, said line being 30 feet north of Stallings and Hazelwood's south boundary lines, and through the lands of B. P. Hazelwood and Bonds to a point 100 feet east of the east margin of the Gibson Wells and Humboldt gravel road, and same being 150 feet east of McLeary Blakemore's northeast corner of a 41 acre tract known as the northeast corner of the Hardison 110 acre tract, 10,750 feet in all; thence south on

a line 100 feet east of Bonds' west boundary line and with the east margin of a gravel road in front of Slade Stallings' home place 4,930 feet to the north boundary line of A. J. Collinsworth land and the south side of Ethridge Street; thence west 100 feet to the northwest corner of the A. J. Collinsworth tract: thence south with the west boundary lines of Rains and others and the east boundary lines of Lee Matthews, Blakemore, and Evans, crossing the Louisville & Nashville Railroad at 2,950 feet, in all 4,650 feet, to the beginning point.

That the territory included within the above boundaries shall be and constitute the municipal corporation of the City of Humboldt, and as extended and contracted by ordinances of the city passed under the general laws of the state governing annexations and contractions; and as further amended pursuant to the general laws of the State of Tennessee, and any subsequent annexations or detachments of territory made pursuant to law.

## CHAPTER 2

### MUNICIPAL POWERS GENERALLY

Section 1. Corporate capacity. The City of Humboldt shall have perpetual succession, shall sue and be sued, implead and be impleaded, in all the courts of law, equity and in all actions whatsoever; may purchase, receive, hold, lease, sell and encumber property, real and personal, within or without the corporate limits for public or corporate purposes; and shall have the power to do all acts necessary to the government of the same.

Section 2. General powers. The City of Humboldt shall have full power and authority, acting through its Board of Mayor and Aldermen, to enact such by-laws and ordinances as may be necessary and proper to preserve the health, quiet and good order of the town; and to provide and enforce penalties for the violation thereof. The police authority of the City of Humboldt shall extend to a distance of one mile from the lawful corporate limits thereof, for the suppression of all disorderly acts and practices forbidden by the general laws of the State.

Section 3. Ordinance adoption. All ordinances passed by the Board of Mayor and Aldermen of said city, before becoming effective, shall be passed on two separate readings and at separate meetings; provided, that any ordinance may be passed at regular or called sessions on first or second reading; provided, further, that if passed at a called or special

meeting, the purpose of said call to be set out in the call, said call to be in writing and to be entered on the minutes of such call meeting; and provided, further, that all ordinances, before becoming effective, shall be entered on the ordinance book of said city and signed by the Mayor and Secretary of the Board of Aldermen, and shall also be published for one issue in a newspaper in the said city, if there be a newspaper published in said city, and, if not, then to be printed on posters and posted in front of the city hall of said city. The ordinances of said city, when entered on the ordinance book of said city or codified, may be proved in any of the courts of this State by the introduction of the ordinance book or by the code of ordinance when properly adopted by the Board of Mayor and Aldermen.

Section 4. Ordinances to remain effective. All ordinances of said city now in force under former charters of said city and not inconsistent with this Act shall remain in full force and effect until repealed by ordinance properly passed by the Board of Mayor and Aldermen of the said city.

Section 5. Powers of Taxation. The Board of Mayor and Aldermen is authorized and empowered to fix the tax rate of said city for municipal taxes on all real and personal property within the said city, and to fix the rate of privilege taxes, and to pass such revenue measures as may be necessary and not inconsistent with the laws of the State.

Section 6. Municipal Ownership and Contractual Obligations. The City of Humboldt shall continue to own all of the property-real, personal, or mixed-now owned by the said city, including the streets and alleys of said city, and all public buildings and furnishings and equipment now owned and controlled by said city under the former laws and charters and amendments to charters of said city, and in the same way and manner as heretofore owned and controlled by, said city. The City of Humboldt shall continue all valid contracts now in force made by said city under former laws and charters and in the same way and manner as heretofore.

Section 7. Franchises. The Board of Mayor and Aldermen shall have the power and authority to grant to any person, firm or corporation a franchise, exclusive or otherwise, for the operating of a utility service including but not limited to telephone, telegraph, railway or bus service, and cable television services within the corporate limits of the city and within one mile thereof, under such terms and conditions as the Board of Mayor and Aldermen may deem proper. However, no such franchise shall be granted for a period of more than twenty (20) years. Such franchise shall be granted by ordinance.

Section 8. Condemnation Proceedings. The city shall have the right to condemn real estate within or without the corporate boundaries for building sites, streets, alleys, parks, cemeteries and any and all other public and municipal purposes, but before any property can be condemned and taken by the city it shall be authorized by resolution of the Board of Mayor and Aldermen. The procedure for condemnation and taking shall be as provided by statute for the condemnation and taking of property by the State of Tennessee.

Section 9. Powers not specifically enumerated. The City of Humboldt shall have full power and authority heretofore or hereafter granted to municipalities generally or granted specifically to the City of Humboldt by the General Assembly of the State of Tennessee.

### CHAPTER 3

#### OFFICERS OF THE MUNICIPALITY

Section 1. Composition of Board of Mayor and Aldermen. The city shall be governed by a Board of Mayor and Aldermen. The Board shall consist of a Mayor and five (5) Aldermen. The Board of Mayor and Aldermen is empowered to pass all ordinances necessary for the government of said city and in the way and manner as hereinafter provided, and to have in charge, the government of the city, and to do and perform all acts necessary and proper for the government of the city not otherwise provided for by this act.

Section 2. Oath. The Mayor of said city before entering upon his duties, shall take and subscribe to an oath to support the Constitution of the United States and of the State of Tennessee, and to faithfully perform all the duties of the said office to the best of his skill and ability, and shall enter into a bond in a sum fixed by the Board of Mayor and Aldermen of Humboldt and conditioned for the faithful performance of his official duties. The Aldermen provided for by this Act, before entering upon their duties, shall take and subscribe to an oath to support the Constitution of the United States and the State of Tennessee, and to faithfully perform the duties of their office to the best of their skill and ability.

The said oaths herein provided shall be taken by any officer authorized to administer oaths in the County of Gibson; provided, the oaths of all officers except the office of Mayor may be administered by the Mayor.



Section 3. Duties of Board of Mayor and Aldermen. The duties of the Board of Mayor and Aldermen shall be to pass all laws and ordinances for the government of the city and to do and perform all acts necessary for the government of the city not otherwise conferred on the other officers and not inconsistent with the laws of the State.

Section 4. Mayor's Duties, Other. The Mayor shall also have the following duties and responsibilities:

- (a) Collect all taxes and privileges for the city.
- (b) Superintend all work upon the streets and alleys of the city.
- (c) Serve as the chief executive officer of the city and preside at meetings of the Board.
- (d) Communicate any information needed, and recommend measures the Mayor deems expedient to the Board.
- (e) Make temporary appointments of any officer or department head, except that of Alderman, arising from the absence, sickness or disability of any such officer or department head, and shall report such appointment to the Board at its next regular meeting. The Board may confirm or reject the Mayor's temporary appointments, or, at its discretion, make its own temporary appointments. The Board shall make appointments to fill vacancies in office.
- (f) Call special meetings of the Board upon adequate notice to the Board and adequate public notice. The Mayor shall state the matters to be considered at the special meeting and the action of the Board shall be limited to those matters submitted.
- (g) Countersign checks and drafts drawn upon the treasury by the Treasurer and sign all contracts to which the city is a party.
- (h) Make appointments to boards and commissions as authorized by law with Board approval.
- (i) The Mayor shall notify the Vice Mayor if he intends to be out of the city in excess of seventy-two (72) consecutive hours.

(j) Unless otherwise designated by the Board by ordinance, the Mayor shall perform the following duties or may designate a department head or department heads to perform any of the following duties:

(1) Make recommendations to the Board for improving the quality and quantity of public services to be rendered by the officers and employees of the city.

(2) Keep the Board fully advised as to the conditions and needs of the city.

(3) Report to the Board the condition of all property, real and personal, owned by the city and recommend repairs or replacements as needed.

(4) Recommend to the Board and suggest the priority of programs or projects involving public works or public improvements that should be undertaken by the city.

(5) Recommend specific personnel positions, as may be required for the needs and operations of the city, and propose personnel policies and procedures for approval of the board.

(k) With the consent and approval of the Board of Mayor and Aldermen, employ, promote, discipline, suspend and discharge all employees and department heads, in accordance with personnel policies and procedures, if any, adopted by the Board. Nothing in this charter shall be construed as granting a property interest to employees or department heads in their continued employment.

(l) Act as purchasing agent for the city in the purchase of all materials, supplies, and equipment for the proper conduct of the city's business; provided, that all purchases shall be made in accordance with policies, practices and procedures established by the Board.

(m) Along with the Board of Mayor and Aldermen serving on the Budget Committee, prepare and submit a proposed annual budget and capital program to the Board for adoption by ordinance.

(n) Such other duties as may be designated or required by the Board.

Section 5. Report by Mayor. The Mayor shall make a monthly report to the Board of Mayor and Aldermen of all receipts of the city and all disbursements.

Section 6. Board Action and Meeting Time. The Mayor of the city shall not have a vote except in case of a tie vote, but shall be presiding officer of the Board at its meetings. Three (3) Aldermen and the Mayor, or Vice-Mayor, shall constitute a quorum for the transaction of all business of the Board. The Board of Mayor and Aldermen shall meet twice per month in regular sessions, on the second and last Mondays of the month, and shall also meet upon the call of the Mayor, and Vice-Mayor in the absence of the Mayor, made in writing and served upon each member of the Board of Mayor and Aldermen or by resolution of the Board. If any member of the Board of Mayor and Aldermen should be absent from the city, service of notice of an extra or called meeting upon three (3) Aldermen of the Board shall be sufficient. A majority vote of the Board of Mayor and Aldermen voting shall be necessary for the passage of ordinances, resolutions and motions or any other action of the Board. Voting shall mean either voting yea or nay and shall not include an abstention.

Section 7. Secretary of Board. At the first meeting of the new Board of Mayor and Aldermen after each election the Aldermen shall elect one of themselves as Secretary.

The Mayor's Secretary or other designee shall take and write the minutes of the meetings of the Board and enter all Ordinances and Resolutions in Ordinance and Resolution books. Once entered, the Mayor and Secretary of the Board shall sign and attest to them.

Section 8. In addition to the officers for said corporation hereinbefore set out, there shall be hired by the Board of Mayor and Aldermen a City Treasurer; the said City Treasurer shall be hired and may be dismissed only for cause as described in the Personnel Policies and Procedure Manual of the City of Humboldt. The duties of said City Treasurer shall be to receive all funds of said city collected for municipal purposes and from the various sources, to pay out said funds upon the request of the Mayor, the Secretary of the Board of Mayor and Aldermen, or the City Clerk; all disbursements shall require two (2) signatures on all checks, such signatories limited to the Mayor, the City Treasurer, or the Secretary to the Board; the said City Treasurer to keep a correct

record of all funds received by him, and also all disbursements of same made by him; the said City Treasurer to execute a bond to the said city in the sum as the city, by its Board of Mayor and Aldermen may require, conditioned for the faithful performance of his duties as said City Treasurer and for the faithful handling of the funds coming into his hands belonging to said city. [As replaced by Priv. Acts 2008, ch. 76, § 1]

Section 9. City Attorney. The City Attorney shall be elected by the incumbent Board of Mayor and Aldermen for a term not to exceed the term of the incumbent Board of Mayor and Aldermen, and they shall fix a retainer fee to be paid monthly as other expenses of said city are paid, and shall also pay said City Attorney such other reasonable fees for services rendered as they deem proper.

Section 10. Public safety officers. (a) The Board of Mayor and Aldermen shall appoint a qualified person to serve as Chief of Police for a term not exceeding four (4) years, concurrent with the terms of the Mayor and Aldermen as described in Chapter 3, Section 19 of the city charter. The Chief of Police shall be subject to removal from office by a majority vote of the Board of Mayor and Aldermen at any time for inefficiency, neglect of duty, or for any other good cause shown.

The Chief of Police shall have direct supervision of the Humboldt Police Department, subject, however, to the direction of the Board of Mayor and Aldermen.

(b) The Board of Mayor and Aldermen shall appoint a qualified person to serve as Fire Chief for a term not exceeding four (4) years, concurrent with the terms of the Mayor and Aldermen as described in Chapter 3, Section 19 of the city charter. The Fire Chief shall be subject to removal from office by a majority vote of the Board of Mayor and Aldermen at any time for inefficiency, neglect of duty, or for any other good cause shown.

The Fire Chief of the city shall have direct supervision of the Fire Department of the city, subject, however, to the direction of the Board of Mayor and Aldermen. [As replaced by Priv. Acts 2008, ch. 76, § 2]

Section 11. Policemen. The Board of Mayor and Aldermen may also provide for the appointment of such policemen for said city as the said city Board of Mayor and Aldermen may deem necessary. The additional policemen provided for by this section shall be subject to the direction of the Chief of Police of said city; provided, however, that said policemen

and said Chief of Police shall be subject to the direction of the Board of Mayor and Aldermen.

Section 12. City Clerk. The Board of Mayor and Aldermen may elect a City Clerk for the city and fix the compensation of such clerk. The clerk shall serve at the will of the Board of Mayor and Aldermen, and shall do and perform such duties as the Mayor and Board of Mayor and Aldermen may from time to time designate and direct.

Section 13. City Judge. The Board of Mayor and Aldermen shall elect an attorney as City Judge and fix the salary therefor. The City Judge shall be elected by the incumbent Board of Mayor and Aldermen for a term not to exceed the term of the incumbent Board. In the event of the death, resignation, disability, absence or refusal to act as the City Judge, the Board of Mayor and Aldermen shall appoint another attorney to act as City Judge of the municipal court. The City Judge shall try all persons accused of the violation of the law and ordinances of the city, and is authorized and empowered to enforce the attendance of witnesses by subpoenas issued from the court and is empowered to do and perform all the duties of the police court for the municipality and to assess civil penalties and collect the same, and issue all orders and process necessary to the enforcement of the judgments of the court.

Section 14. Clerk of the Court. The City Judge of the City Court shall appoint a Clerk of the Court. The Clerk and the City Judge are authorized to issue warrants, subpoenas, and other process for the orderly conduct of the court and to tax the issuance of such processes as a part of the costs of each case. The cost shall be as from time to time are fixed by the Board of Mayor and Aldermen by resolution.

Section 15. Compensation.

(a)

(1) Mayor. The Mayor of the City of Humboldt shall be paid a salary of fifty thousand dollars (\$50,000) per year, with an increase of one thousand five hundred (\$1,500) per year for a period of four (4) years and then with an annual increase of one thousand dollars (\$1,000) per year for a period of four (4) years to be paid in twelve (12) equal monthly installments.

(2) Effective date. The salary of the mayor shall take effect at the beginning of the term of the mayor who takes office after the passage and local approval of this act.

(b) Aldermen. The Aldermen of the City of Humboldt shall receive Three Hundred Dollars (\$300) per month. Such salary shall not take effect until the beginning of the next term of each Alderman.

(c) Secretary of the Board of Mayor and Aldermen. The Secretary of the Board of Mayor and Aldermen shall receive a salary of Three Hundred Fifty Dollars (\$350) per year beginning January, 1992 and in addition thereto, shall receive as do other Aldermen, Three Hundred Dollars (\$300) per month beginning January, 1992. [As amended by Priv. Acts 2003, ch. 50]

Section 16. Other Employees and Compensation. The Mayor of the City of Humboldt shall, subject to the approval of the Board of Mayor and Aldermen, employ such office assistants or clerks as may be necessary for the proper and efficient administration of the business of the city. The compensation of such employees shall be fixed or approved by the Board of Mayor and Aldermen.

Section 17. The City Treasurer shall, prior to taking office, take the same oath as herein provided for the Mayor, and shall enter into a bond in the minimum amount of Fifty Thousand Dollars (\$50,000); however, the Board of Mayor and Aldermen may by resolution require a higher amount. All other officers, officials, and employees of the city who handle city funds shall be bonded in the amount set by resolution of the Board of Mayor and Aldermen.

Section 18. Records and Reports.

(a) City Treasurer. The City Treasurer provided for in this act shall make a monthly report to the Board of Mayor and Aldermen of said city, setting forth a full financial statement of the affairs of said city. The City Treasurer shall keep the several separate accounts of the said city in a way and manner so as to show how the funds of the city have been expended, and shall keep all checks drawn on him properly filed as a part of the records of said city. It shall be the duty of the City Treasurer to keep records of all checks and attached purchase orders, check requests and invoices or other supporting documents.

(b) Secretary of Board. It shall be the duty of the Secretary of the Board of Mayor and Aldermen to review those expenditure records of the City Treasurer as enumerated in Section 18(a) of this charter. The Secretary of the Board of Mayor and Aldermen and the Mayor of said city shall publish in a newspaper, published in the county, an annual statement showing the financial condition of said city.

Section 19. The regular election date of the city shall be the first Tuesday of November in every other odd-numbered year, beginning in 1997. On the first Tuesday in November, 1997, and each and every four (4) years thereafter, the Mayor and Aldermen shall be elected for terms of four (4) years, and shall take office on the first day of January following their election, except that such officers shall take office on January 2 in those years when the first day of January is a Sunday.

Section 20. City Divided Into Wards. For the purposes of electing Aldermen, the city shall be divided into five (5) wards corresponding to the five (5) voting precincts of the city. One (1) Alderman shall be elected from each ward.

Section 21. Qualifications. The qualified voters residing in each ward shall only vote for the candidates from their ward and shall not vote for candidates in other wards. The Mayor and Aldermen and any candidate for such offices shall be a resident of and domiciled in the city; and in the case of Aldermen, they shall be residents of and domiciled in the ward they represent. Any member of the Board who moves his residence of domicile away from the ward in which he or she was elected shall result in forfeiture of the office, which shall be immediate.

Non-residents of Humboldt who own legal title to real property located inside the city limits and which is listed on the city tax rolls shall be qualified to vote in municipal elections, if such property owners reside in the State of Tennessee. Such non-residents shall vote in the ward or precinct where their real property is located, and if they own real property in more than one ward or precinct, they shall choose and vote in only one ward or precinct.

Section 22. Election Runoff. In any election for Mayor or Aldermen, if no candidate receives a majority of the votes in such election, there shall be held a runoff election on the third Tuesday in December after such election. The two candidates receiving the highest number of votes in the regular election shall be candidates in any such runoff election.

Section 23. Conduct Of Elections. In all municipal elections held for the purpose of electing city officials or for any other municipal purposes, the poll shall be open at such times and places as set by the County Election Commission and requested by resolution of the Board of Mayor and Aldermen, but in no event shall the polls be open for a period of less than ten (10) consecutive hours.

Section 24. Vacancies. In case of the absence or a temporary vacancy in the office of Mayor by sickness or otherwise, where such temporary vacancy does not extend beyond sixty (60) days, or for a period not exceeding sixty (60) days following a permanent vacancy in the office of the Mayor, by death, resignation, or otherwise, and pending the election by the Board of Mayor and Aldermen by a special election of a new Mayor as hereinafter provided, the Secretary of the Board of Mayor and Aldermen shall for such time become Vice-Mayor and shall be vested with all the rights, duties and authority of the Mayor, except that the Vice-Mayor shall also have the right to vote. In the event of a permanent vacancy in the office of the Mayor by reason of death, resignation, or otherwise, within twelve (12) months of the expiration of the term of office, the Board of Mayor and Aldermen shall elect a person to fill the unexpired term who may or may not be a member of the Board of Mayor and Aldermen. Such election shall be by a majority vote of the members of the Board of Mayor and Aldermen. In the event of a permanent vacancy in the office of Mayor by death, resignation, or otherwise, more than twelve (12) months before the expiration of the term, or when there is a tie vote in the election of the Mayor, such vacancy shall be filled by a special election to be called immediately by the Board of Mayor and Aldermen, by ordinance or resolution, and which election shall be held according to the laws governing any other municipal election, according to the general election laws of the state.

In the event of a vacancy in the office of a member of the Board of Mayor and Aldermen, at any time within the term, by death, resignation or otherwise, the remaining members of the Board of Mayor and Aldermen shall elect a person to fill the unexpired term. Such election shall be by majority vote of the Board. In the event of a tie vote the Mayor may cast the deciding ballot.

Section 25. Termination date of present city officials. All of the present officers of said city shall hold their respective offices until their present terms expire or until their successors are elected and qualified.



## CHAPTER 4

## SPECIAL BOARDS &amp; DEPARTMENTS

## Section 1. Board of Education.

(a) In accordance with Tennessee Code Annotated, Section 49-2-201, the public school system of the city shall be administered by a board of education consisting of five (5) members, one (1) each of whom shall be residents of, and elected from, five (5) districts of substantially equal population as established by resolution of the Board of Mayor and Aldermen. In order to establish staggered terms of office in accordance with Tennessee Code Annotated, Section 49-2-201(a)(1), in the first election held under that statute in November, 1993, the members elected from districts two (2) and four (4) shall be elected for a term of two (2) years, and the members elected from districts one (1), three (3), and five (5) shall be elected for a term of four (4) years. In the election held in November, 1995, and each and every two (2) years thereafter, school board members shall be elected for a term of four (4) years.

(b) If no candidate in a district receives a majority of votes in any election for the board of education, a runoff election shall be held between the two (2) candidates receiving the highest number of votes at the same time and in the same manner prescribed in Chapter 3, Section 22 of the City Charter.

(c) Members of the board of education shall be registered voters in the county and in the city.

Section 2. Park Commission composition and terms. The Board of Mayor and Aldermen of the City of Humboldt, shall be and are empowered to elect or appoint a Park Commission for the City of Humboldt. The Commission shall be composed of seven (7) members, one (1) of whom shall be appointed by the Mayor from the membership of the Board of Mayor and Aldermen of the city, and the other six (6) members shall be appointed by the Board of Mayor and Aldermen of the city. The terms of members of the Board of Park Commissioners, except for the member appointed from the membership of the Board of Mayor and Aldermen, whose term shall be no longer than his term as a member of the Board of Mayor and Aldermen, shall be for a term of five (5) years. However, the present members of the present Park Commission shall serve until the first Monday in January of the third year after their

appointments, where-upon their successors shall be elected for a five (5) year term from that date.

It shall be the duty of each succeeding Board of Mayor and Aldermen of said city at the first regular meeting after their election and qualification to appoint the three (3) members composed as aforesaid as Park Commissioners are above set forth, and with the same qualifications.

Section 3. Duties of Park Commission. The duties of said Park Commission shall be to have general supervision and control of any present or future parks and public ground belonging to said city, including the grass plats along streets of the said city; and shall have full authority and power for the beautifying and improvement of any such park or parkways and grass plats in said city. Provided, however, that said Park Commission cannot purchase property or incur debts of any kind or character without the approval of said Board of Mayor and Aldermen of said city.

Section 4. Public Library and Library Board. There is hereby established a City Public Library pursuant to Tennessee Code Annotated, Section 10-3-101, et seq., such library to be known as the City of Humboldt Public Library. The operation of this library shall be exclusively in the library board, such board to be composed of seven (7) members, the seven (7) members to be appointed as hereinafter set forth by the Board of Mayor and Aldermen. The library and the library board shall commence operation September 1, 1973, and the terms of the first members of the library board shall commence September 1, 1973. The members of the library board and their successors shall serve without salary. The terms, of the first members of the library board shall be three (3) members serving one (1) year, two (2) members serving two (2) years, and two (2) members serving three (3) years. After the original terms of each member, all successors shall serve for a term of three (3) years. Not more than five (5) members constituting the library board shall be of the same sex.

Section 5. There is hereby created a Board of Public Utilities for the operation of the electric, natural gas and water and sewer utilities of the city. Said Board shall be appointed and shall have the powers and duties authorized by Tennessee Code Annotated, Title 7, Chapter 52, as such chapter may be amended.

Section 6. The city is authorized to transfer to the Humboldt Utilities Authority all its right, title, and interest in and to all the assets currently operated for the city by Humboldt Utilities, 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 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 Humboldt Utilities Authority in accordance with the terms of this section shall not be deemed a disposition of assets for purposes of Tennessee Code Annotated, § 7-52-132. [As added by Priv. Acts 2024, ch. 41, § 34]

Section 7. The city hereby grants a franchise to the Humboldt Utilities Authority to provide within the corporate limits of the city of Humboldt any and all of the services that it is authorized to provide under applicable law in accordance with the provisions and requirements of the Humboldt Utilities Authority Act. [As added by Priv. Acts 2024, ch. 41, § 34]

Section 8. Upon the transfer of assets from the city to the Humboldt Utilities Authority, the jurisdiction and control of the utility systems of the city of Humboldt shall be transferred to the Humboldt Utilities Authority, and the Humboldt board of public utilities shall cease to exist. [As added by Priv. Acts 2024, ch. 41, § 34]

## CHAPTER 5

### FISCAL AFFAIRS

Section 1. Corporate indebtedness. All of the indebtedness of said City, including the bonded indebtedness of said city heretofore contracted under the former charters and amendments to charters of said city, shall continue to be a just and binding obligation upon the City of Humboldt according to the provisions thereof.

Section 2. Delinquent taxes. The Board of Mayor and Aldermen shall enforce the payment of delinquent taxes as now provided by charter.

Section 3. Borrowing monies. The Board of Mayor and Aldermen of the City of Humboldt is authorized and empowered to borrow money and to execute the notes of the city for the same to run not longer than

five (5) years from the date thereof, and to draw interest at a rate not to exceed the maximum contractual rate authorized by State law for individual or corporate borrowing; to be used for the purpose of paying any outstanding floating indebtedness of said city, and overdraft accounts, and outstanding notes as the same become due, and said notes when authorized by the Board of Mayor and Aldermen by resolution to be executed by the Mayor of said city and the Secretary of the Board of Mayor and Aldermen of said city.

Section 4. Issuance of notes. The authority to issue notes under this Act shall be continuing and the full faith and credit of the City of Humboldt may be pledged to the payment of the notes, and interest thereon, that may be issued from time to time under the authority of this Act, and the Board of Mayor and Aldermen shall levy and collect, in addition to all other taxes required, a tax sufficient to pay the interest on said notes and the principal as the same mature; in accordance with the provisions of general law, no notes issued under the authority of this Act shall be subject to taxation by the State of Tennessee or by any county or municipality thereof; notes under this Act may be issued without regard to any debt limit or assessed valuation of property.

Section 5. Assessments. All taxes levied on real and personal property shall become due and payable on October 1 st of the year for which they are assessed, and shall be paid on or before the first day of March of the year following the year for which they are assessed.

Section 6. Report on delinquencies. Taxes for municipal purposes not paid by March 1 st of the year following the year for which they are assessed shall become delinquent, and it shall be the duty of the Mayor to make a report to the Board of Mayor and Aldermen of all delinquent taxes by May 1 st of said year. Said report to set forth fully a list and description of property on which the taxes are delinquent, with the respective names of the owners thereof. Said report shall be prima facie evidence that said taxes reported in said report as delinquent are delinquent.

Section 7. Recovery of delinquent taxes. The Board of Mayor and Aldermen may then institute a suit to recover the delinquent taxes against the delinquents in the Chancery Court at Humboldt, Tennessee, and may join as many as twenty (20) delinquent defendants in one complaint, the said suit to be conducted in the same way and manner as other causes in Chancery. The certified report of list of delinquents made by the Mayor shall be prima facie evidence that said taxes set forth in said report as delinquent are delinquent.

Section 8. Lien against property. A lien shall exist on all property for the taxes assessed against said property from January 1 st of the taxing year, said lien to be enforced by decree of the Chancery Court in said proceedings said lien to cover the costs, penalties, and attorney's fees as hereinafter provided.

Section 9. Penalty. There shall be added to all taxes not paid before the delinquent date a penalty of one-half percent (1/2%) and interest of one percent (1%) on the first day of each month.

In the event said taxes and interest have not been paid prior to the filing of the complaint for the enforcement of the tax lien as hereinbefore provided, there shall be added to each delinquent an additional ten percent (10%) as compensation for the attorney for the filing and prosecution of the suit to enforce said lien, and statutory court costs.

In the event any property shall be sold in any suit for the enforcement of said lien, said property may be redeemed by the owner or his heirs or devisees within two (2) years from the date of the sale upon payment to the purchaser at said sale the amount paid by said purchaser together with a percentage increase per annum as set forth by the state statute for redemption of property.

Section 10. Financial contracts. The Board of Mayor and Aldermen of said city shall have the power to make all necessary contracts connected with the financial affairs of said city, and to provide by proper resolution for temporary loans and bank overdrafts necessary to meet the financial needs of said city.

Section 11. Special taxes. The Board of Mayor and Aldermen shall have the right to levy a special tax for cemeteries, streets, parks, and public libraries and public-school purposes. Said Board of Mayor and Aldermen, by resolution of said Board, may make such arrangements with the Humboldt Cemetery Society as it may deem expedient for the expenditure of the special cemetery tax. The Board of Mayor and Aldermen of said city may also make such arrangements as it may deem expedient with any organization in said city having as its aim and purpose the civic improvement of said city, for the expenditure of special civic improvement taxes.

Section 12. Enforcement. The city may, by ordinance, make rules and regulations and impose penalties for the violation of the provisions of this Act and for the enforcement of the provisions hereof and for the collection of the tax herein levied.

Section 13. In lieu of tax, electric system. In the interpretation of this Act, the following definitions of terms shall apply:

(a) Electric System. The Electric System of the City of Humboldt, Tennessee, including all tangible and intangible property and resources of every kind and description used or held for use in the purchase, transmission, distribution and sale, but not the generation, of electric energy.

(b) Electric Operations. All activities associated with the establishment, development and administration of the Electric System, and the business of supplying electricity and associated services to the public, including without limitation, the generation, purchase and sale of electric energy and the purchase, use and consumption thereof by ultimate consumers.

(c) Net Plant Value. The depreciated original cost of the tangible property, as shown on the books of the Electric System including materials and supplies, used and held for use in the transmission and distribution of electric energy.

(d) Tax Equivalent. The amount transferred to the general fund of the City of Humboldt from the revenue of its Electric System as payments in lieu of taxes or other charges on the Electric System and electric operations.

(e) Fiscal Year. Twelve months beginning July 1 and ending June 30.

Section 14. Distribution of tax. Not later than thirty (30) days after a tax equivalent is transferred to the general fund of the city, the Board of Mayor and Aldermen shall distribute to the county in which the city's Electric System is located the following amount:

Ten percent (10%) of said tax equivalent.

After determining the respective shares, there shall be deducted from any county share, and not distributed, any taxes on other charges imposed in the fiscal year on the Electric System or electric operations by that county.

CHAPTER 6

HUMBOLDT UTILITIES AUTHORITY ACT

Section 1. This act shall be known and may be cited as the "Humboldt Utilities Authority Act". [As added by Priv. Acts 2024, ch. 41]

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

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

(2) "Authority" means the Humboldt Utilities Authority created by this act;

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

(4) "Board of aldermen" means the board of aldermen of the city of Humboldt, and includes the mayor of the city of Humboldt in case of a tie vote as provided by the city charter;

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

(6) "City" or "city of Humboldt" means the city of Humboldt, Tennessee;

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

(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) "Humboldt Utilities" means the board of public utilities of the city of Humboldt, which does business as Humboldt Utilities;

(14) "Improve" means to construct, reconstruct, improve, repair, extend, enlarge, or alter;

(15) "Improvement" means any improvement, extension, betterment, or addition to any system;

(16) "Municipality" means any county or incorporated city or town within or outside the state;

(17) "Person" means any natural person, firm, association, corporation, limited liability company, business trust, partnership, governmental entity, or other entity of any kind;

(18) "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);

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

(20) "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 in this act, 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;

(21) "Telecommunications service" means telephone, cable television, voice, data, or video transmissions, video programming, internet access and related services, load control, meter reading, appliance monitoring, power exchange, and billing, or any other telecommunications services or similar or component service that may be provided, as allowed by law, including servicing and repairing related equipment, regardless of the facilities used;

(22) "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

(23) "Water service" means the procurement, treatment, and distribution of water for domestic use or any other purpose for which water can be used. [As added by Priv. Acts 2024, ch. 41]

### Section 3.

(a) A governmental authority, to be known as the Humboldt Utilities Authority, is hereby created and constituted. The authority shall be a public corporation in perpetuity under the corporate name of the Humboldt Utilities 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, telecommunications, and electric utility systems within or outside the corporate limits of the city of Humboldt, and such other utility systems as a municipal water, wastewater, gas, telecommunications, or electric utility is authorized by the general laws of the state of Tennessee to own or operate.

(b) The authority may elect to adopt one (1) or more assumed corporate names other than its true corporate name. Before conducting affairs in this state under an assumed corporate name or names, the authority shall, for each assumed corporate name, pursuant to resolution by its board of directors, execute and file an application with the secretary of state setting forth the true corporate name of the authority as stated in this act, that the

authority intends to transact business under an assumed corporate name, and the assumed corporate name that it proposes to use. An authority may, by resolution of its board of directors, amend or withdraw any of its assumed corporate names by filing notice of such amendment or withdrawal with the secretary of state. [As added by Priv. Acts 2024, ch. 41]

#### Section 4.

(a) The authority shall have the power and is authorized, effective immediately upon the effective date of this act, either singly or jointly with one (1) or more persons, municipalities, or federal agencies, or with the state, or with one (1) 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 Humboldt, 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 Humboldt; provided, the system shall be operated as a financially separate system independent of, and financially separate from, the other utility systems of the authority and managed by the water division of the authority; and provided, further, the authority shall not exercise any of the powers granted in this subdivision (a)(3) 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 to the extent the authority succeeds to the rights and powers of Humboldt Utilities or 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 Humboldt, 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 Humboldt; provided, the system shall be operated as a financially separate system independent of, and financially separate from, the other utility systems of the authority and managed by the wastewater division of the authority; and provided, further, the authority shall not exercise any of the powers granted in this subdivision (a)(4) 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 to the extent the authority succeeds to the rights and powers of Humboldt Utilities or 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 Humboldt, 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 Humboldt; provided, the system shall be operated as a separate system financially independent of, and financially separate from, the other utility systems of the authority and managed by the gas division of the authority; and provided, further, the authority shall not exercise any of the powers granted in this subdivision (a)(5) 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 to the extent the authority succeeds to the rights and powers of Humboldt Utilities or 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 Humboldt, a system for the furnishing of electrical 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 Humboldt; provided, the system shall be operated as a financially separate system independent of, and financially separate from, the other utility systems of the authority and

managed by the electric division of the authority; and provided, further, the authority shall not exercise any of the powers granted in this subdivision (a)(6) wholly or partly within the legal boundaries of an incorporated city or town or electric cooperative, except to the extent the authority succeeds to the rights and powers of Humboldt Utilities or except as allowed by law, without the consent of the governing body of such city, town, or cooperative;

(7) To acquire, construct, improve, furnish, equip, finance, own, operate, and maintain, within and outside the corporate limits of the city of Humboldt, a system for the furnishing of telecommunications service and to provide telecommunications service to any person, governmental entity, or other user or consumer of telecommunications services within or outside the city of Humboldt. The system shall be operated as a financially separate system independent of, and financially separate from, the other utility systems of the authority; provided:

(A) To the extent that the authority, or any joint venture, partnership, or cooperative arrangement of which the authority is a party, or any limited liability company or not-for-profit corporation of which the authority is a member provides telephone or telegraph services, the authority, or such other entity, shall be subject to regulation by the Tennessee public utility commission in the same manner and to the same extent as other certified providers of such services, including, but not limited to, rules or orders governing anticompetitive practices, and shall be considered as and have the duties of a public utility, as defined in Tennessee Code Annotated, § 65-4-101, but only to the extent necessary to effect such duties and only with respect to the authority's provision of telephone and telegraph services;

(B) The authority shall have all the powers and authority conferred upon municipalities by Tennessee Code Annotated, §§ 7-52-401 - 7-52-403; 7-52-405; 7-52-406; 7-52-601 - 7-52-605, but excluding any requirement under § 7-52-603(a)(1)(A) to create multiple divisions for telecommunications services;

and 7-52-609 - 7-52-611. In the exercise of such powers, the authority shall be subject to all the obligations, restrictions, and limitations imposed upon municipalities by those sections and imposed upon providers of the services described in those sections by federal law. All actions authorized by those sections to be taken by the board or supervisory body having responsibility for a municipal electric plant shall be authorized to be taken by the board of directors of the authority and all powers granted to a municipal electric system under those statutes shall be exercised by the electric division of the authority;

(C) Nothing in this subdivision (a)(7) shall operate to restrict or impair in any way the ability of the authority to acquire, construct, improve, furnish, equip, finance, own, operate, and maintain a telecommunications system or to offer or provide telecommunications services through one (1) or more other systems of the authority, if such system and services are related to the provision of services of such system or the operation of the system, including, without limitation, load control, meter reading, appliance monitoring, power exchange, billing, or any other similar or component service; and

(D) Notwithstanding this chapter to the contrary, the authority shall be subject to the territorial limitations set forth in Tennessee Code Annotated, § 7-52-601 in the same manner and to the same extent as such limitations apply from time to time to a municipal electric system providing services pursuant to § 7-52-601;

(8) To fix, levy, charge, and collect such rates, 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 in this act based on cost, sound economy, public good, and prudent business operations, which rates, fees, rents, tolls, or charges shall be established by the board without the necessity of review or approval by any municipality, the state, or any commission or authority thereof or any federal

agency other than as provided in appropriate federal statutes or contracts, as directed by the Tennessee board of utility regulation pursuant to Tennessee Code Annotated, §§ 7-82-702 - 7-82-703, and as provided in subdivision (a)(7);

(9) 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 therefor 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;

(10) 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 reasonable;

(11) 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;

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

(13) To accept and distribute excess receipts for bona fide economic development or community assistance purposes pursuant to programs approved by the board in the same manner, to the same extent, and subject to the same requirements as apply to energy authorities under Tennessee Code Annotated, § 7-36-107(a)(12), as amended from time to time;

(14) 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;

(15) To make and execute any and all contracts and instruments necessary or convenient for the full exercise of the powers granted in this act, 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 in this act 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 in this act, 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 Gibson County, Tennessee;

(16) To sell, exchange, or interchange any of the commodities or services authorized to be provided in this act 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 in this act, inside or outside this state, and to transmit, transport, and distribute any such commodities or services both for itself and on behalf of others;

(17) 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;

(18) 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 under this act;

(19) To use any right-of-way, easement, or other similar property right necessary or convenient in connection with the acquisition, improvement, operation, or maintenance of one (1) or more systems, held by this state, the associated municipality, or any other municipality; provided, that such other municipality shall consent to such use;



(20) 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 under this act, and management and purchasing services associated therewith;

(21) 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;

(22) 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 Humboldt Utilities without diminution and to participate in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapter 35, Part 2;

(23) To enter into joint ventures and cooperative arrangements with one (1) 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 in this act or to exercise any of the powers set forth in this act;

(24) Upon the effective date of this act and upon proper action by the city of Humboldt, 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, and upon such action, hold all the rights as existed with Humboldt Utilities without diminution;

(25) To manage and operate utility systems owned by other persons. Such management or operating agreements shall be consistent with subdivision (a)(3), as applicable;

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

(27) To assist persons to whom electric power, gas, energy, water, wastewater, or telecommunications is sold in installing fixtures, appliances, apparatus, and equipment of all kinds and character and, in connection therewith, to purchase, acquire, lease, sell, distribute, make loans, provide service contracts, and repair such fixtures, appliances, apparatus, and equipment and sell, assign, transfer, endorse, pledge, and otherwise dispose of notes or other evidences of indebtedness any and all types of security therefor;

(28) To have such powers as are now or hereafter authorized for utility systems of municipalities within this state; and

(29) To do any and all acts and things authorized by this act 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.

(b) The authority's water and wastewater systems shall have all the powers, authority, duties, obligations, requirements, and oversight that are conferred and imposed upon municipalities and a municipality's water and wastewater system in Tennessee Code Annotated, Title 68, Chapter 221. All actions authorized and required by Tennessee Code Annotated, Title 68, Chapter 221 to be taken by the board or supervisory body having responsibility for a municipality's water or wastewater system shall be authorized to be taken by the board of directors of the authority, and all powers, authority, duties, obligations, requirements, and oversight granted to and required of a municipality's water and wastewater system under Tennessee Code Annotated, Title 68, Chapter 221 shall be exercised by the water and wastewater divisions of the authority.

(c) The authority is and shall be considered a utility system for purposes of Tennessee Code Annotated, Title 7, Chapter 82, Part 7, to the extent that any part of the authority, including the authority's infrastructure, accounts, management, and policies, is part of or relates to the authority's water, wastewater, and natural gas systems. [As added by Priv. Acts 2024, ch. 41]

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. [As added by Priv. Acts 2024, ch. 41]

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 by resolution of the board:

(1) Selection and employment of the president, 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. Nothing in this chapter shall prevent the board from entering into an employment contract with the president. The president shall select, employ, and discharge all employees and fix their duties and compensation;

(2) Issuance of bonds of the authority and the encumbering of assets of the authority, to the extent authorized in this act, 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; and

(7) 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 president 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. [As added by Priv. Acts 2024, ch. 41]

#### Section 7.

(a) The board of directors of the authority shall consist of five (5) directors, one (1) of whom shall be a member of the board of aldermen. The initial board of directors shall be composed of the members of the Humboldt board of public utilities, who shall serve as directors for the unexpired terms of their appointment to the Humboldt board of public utilities, and who shall take office and begin exercising the powers granted under this act immediately upon the effective date of this act. All subsequent appointments shall be for four (4) year terms and shall be subject to the approval of the board of aldermen. Each term of office shall commence on July 1 and end on June 30 of the fourth full year of the term. The board of directors shall fill each vacancy created by an expiring term and gain approval of the board of aldermen not later than June 10 prior to the expiration of the term of office of any director; the appointment to be effective on the immediately following June 30. The board of directors shall fill each vacancy created by the death, resignation, or removal of any director and shall gain the approval of the board of aldermen not later than ninety (90) days after the event causing the vacancy, and such director shall serve the remaining term of the director whose position became vacant. Except as provided in Section 8, 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 July of each subsequent year, the board of directors shall select from the board's membership a chairman and a secretary. No additional compensation shall be paid to a director for serving as chairman or secretary. The board shall also have a recording secretary, who need not be a member of the board and who shall be appointed by the president, 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 president 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 three (3) 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.

(d) Each director shall be a customer of the authority or work for a person who is a customer of the authority and shall be at least twenty-five (25) years of age. Each director shall give bond in the sum of ten thousand dollars (\$10,000), with good security, conditioned to faithfully perform the duties of his office and shall take and subscribe an oath or make affirmation to uphold the Constitution and laws of the state of Tennessee, and faithfully to discharge the duties of his office. No director shall be an employee of the authority or the city, except that no more than one (1) director may be a member of the board of aldermen who shall be appointed by the board of directors in accordance with subsection (a), and who shall not be eligible to serve beyond his or her term of office as a member of the board of aldermen. No other director shall hold any full-time, salaried public office or be elected to public office.

(e) The board of directors shall be allowed necessary traveling and other expenses while engaged in the business of the board, plus an allowance for attendance at meetings in the same manner and to the same extent as is provided for directors of municipal electric systems under Tennessee Code Annotated, § 7-52-110. Such expenses shall constitute a cost of operation and maintenance of the authority. [As added by Priv. Acts 2024, ch. 41]

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 aldermen of the city of Humboldt, but only after preferment of formal charges by resolution of a majority of the members of the board of aldermen. [As added by Priv. Acts 2024, ch. 41]

Section 9.

(a) The board shall appoint a president, 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 business and affairs of the authority. The salary of the president shall be fixed by the board, and the board may enter into an employment contract with the president for a term of no more than five (5) years containing such terms as the board may deem advisable. The president may be removed by the board, subject to any provisions contained in an employment contract with the president.

(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, all powers of the authority granted under this act shall be exercised by the president and the various officers and employees of the authority.

(c) The president 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 president shall appoint each system division head and all other executive officers of the authority, and the president or the president's designee shall hire all employees of the authority. All executive officers and employees of the authority shall serve at the pleasure of the president, and the president shall be responsible for maintaining an adequate workforce for the authority.

(e) Subject to the terms of Section 6 and Section 10, the president is authorized to acquire and dispose of all property, real and personal, necessary to effectuate the purposes of this act. 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 president, or his designee or designees, the signature thereof to be binding upon the authority; provided, however, the execution by the president 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 shall first be approved by resolution of the board.

(g) The president 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. [As added by Priv. Acts 2024, ch. 41]

#### Section 10.

(a) 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 president, the president's designee, or such other officer, executive officer, or person as may be authorized by the board, 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 but not less than one hundred thousand dollars (\$100,000), 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 president, the president's designee, or such other officer, executive officer, or person as may be authorized by the board, on behalf of the authority, shall be authorized to execute all contracts, purchase orders, and other documents necessary 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 subsection (a) shall provide for competitive bidding, but may provide exceptions to any competitive bidding requirements where exceptions are provided to municipalities, municipal electric systems, municipal utilities, or energy acquisition corporations under the general law. The purchasing policy may also provide procedures for documentation of compliance with purchasing procedures and such other provisions and terms as the board deems necessary.

(b) In addition to the authorization set forth in subsection (a), the president may let other contracts with the

approval of the supervisory board, or pursuant to the purchasing policy or other delegation of authority adopted by the board; provided, that purchasing exceeding in cost the amount specified in subsection (a) must, before a contract is let or work is done, be advertised by the president or the president's designee for bids in accordance with the purchasing policy of the authority.

(c) Notwithstanding a provision of this act to the contrary, the authority shall not have any power to dispose of all or substantially all of the electric, gas, water, or wastewater system of the authority, except upon the concurrence and consent of the governing body of the city of Humboldt and, in the case of the disposition of the electric plant, upon further approval of a majority of those voting in a referendum called by the governing body of the associated municipality in accordance with Tennessee Code Annotated, § 7-52-132. For purposes of establishing compliance with Tennessee Code Annotated, § 7-52-132, the board shall be deemed the "supervisory body," the electric plant of the authority shall be deemed an "electric plant," and such compliance shall be determined in the same manner and to the same extent as if the authority were operated as the electric system of the associated municipality. [As added by Priv. Acts 2024, ch. 41]

#### 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 set forth in this subsection (a).

(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 (1) 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 Humboldt 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. The proceeds of such bonds may be used in the same manner and to the same extent as permitted under subsection (b).

(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 transmission costs, 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-month period shall not exceed sixty percent (60%) of total electrical power or gas purchases for the same period, and all bonds issued during such period shall be retired and paid in full on, or before, the end of such period. The bonds shall be sold in such manner, at such price, and upon such terms and conditions as may be determined by the board. No bonds shall be issued under this subsection (d) 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 office of the comptroller of the treasury. 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.

(e) The authority shall have the power and is authorized to issue its bonds to finance in whole or in part the cost of the acquisition of electrical power purchased from the Tennessee Valley Authority on a current or long-term prepaid purchase basis and pledge to the punctual payment of any such bonds and interest thereon its rights in such contracts and an amount of the revenues from its electric system, or of any part of such system, sufficient to

pay the bonds and interest as the same shall become due and create and maintain reasonable reserves therefor. Such amount shall consist of all or any part or portion of such revenue, and the board in determining the cost of the acquisition of electrical power under this subsection (e) may include all costs and estimated costs of the issuance of the bonds, and all engineering, inspection, fiscal, and legal expenses.

(f) Bonds issued under this act 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.

(g) The authority is further subject to Tennessee Code Annotated, § 7-36-113(g)(i) that are applicable to private act utility authorities, as such provisions may be amended from time to time. [As added by Priv. Acts 2024, ch. 41]

#### Section 12.

(a) No bonds shall be issued or assumed under this act 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 under this act 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 under this act, 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 (d) are in compliance with the guidelines or rules adopted or promulgated by the state funding board, as set forth in Tennessee Code Annotated, § 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 or rules adopted or promulgated by the state funding board in accordance with the provisions of Tennessee Code Annotated, § 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 (d)(1) or (2), a request shall be submitted 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 or rules 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 or rules and shall report thereon to the authority. If the report of the comptroller of the treasury or the comptroller's designee finds that the contract or agreement complies with the guidelines or rules of the state funding board or the comptroller of the treasury shall fail to report within the fifteen-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 or rules 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 or rules, then the authority is not authorized to enter into such contract or agreement. The guidelines or rules 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 Gibson County, Tennessee. Nothing in the selection of laws of another state or nation shall alter, impair, or modify the rights, privileges, and obligations of the authority as a governmental entity under this chapter and under the laws of this state.

(5) Prior to the adoption or promulgation by the state funding board of guidelines or rules with respect to the contracts and agreements authorized in subdivisions (d)(1) and (2), the authority may enter into such contracts or agreements to the extent otherwise authorized by the general laws of this state. [As added by Priv. Acts 2024, ch. 41]

Section 13. In order to secure the payment of the principal and interest on the bonds issued under this act, 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, § 9-21-306 and Tennessee Code Annotated, § 7-34-110 as such provisions shall from time to time be amended. [As added by Priv. Acts 2024, ch. 41]

Section 14. No owner or owners of any bonds issued under this act, shall ever have the right to compel any exercise of the taxing powers of this state, the city of Humboldt, or any other municipality or political subdivision of this 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 this state, any municipality, or any other political subdivision therein. [As added by Priv. Acts 2024, ch. 41]

Section 15. Bonds issued under this act bearing the signature of the president in office on the date of the signing thereof shall be valid and binding obligations, notwithstanding that before the delivery thereof and payment therefor 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. [As added by Priv. Acts 2024, ch. 41]

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 granted under this act; it being the intention of this section 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 this state. [As added by Priv. Acts 2024, ch. 41]

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 Gibson 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 be 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 Gibson County to require the board of the authority to account as if it were the trustee of an express trust. [As added by Priv. Acts 2024, ch. 41]

#### Section 18.

(a) The authority shall not be operated for gain or profit or primarily as a source of revenue for the city of Humboldt 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 Humboldt or any other municipality, this state, or any political subdivision to carry out its purpose. A system of the authority shall not subsidize another system, unless the systems are operated as a combined system in accordance with the terms of this act, in which case the combined system shall be self-supporting. The authority shall keep such books and records as may be required to properly account for the reasonable distribution of joint or common expenses between the systems of the authority.

(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 of this act; and

(4) To establish proper reserves for the system. [As added by Priv. Acts 2024, ch. 41]

Section 19.

(a) 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 any owner 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.

(b) If a conflict arises between this section and the Perfection, Priority and Enforcement of Public Pledges and Liens Act, compiled in Tennessee Code Annotated, Title 9, Chapter 22, the Perfection, Priority and Enforcement of Public Pledges and Liens Act shall control. [As added by Priv. Acts 2024, ch. 41]

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 of this act, 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 this state. [As added by Priv. Acts 2024, ch. 41]

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 Humboldt 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, 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, and payments made from revenues of the telecommunication system shall be made in accordance with Tennessee Code Annotated, §§ 7-52-404 and

7-52-606. Payments made from revenues of the water and wastewater systems shall be made by agreement with the affected municipality. To the extent not otherwise addressed in Tennessee Code Annotated, Title 7, Chapter 52, Parts 4 and 6, in connection with the provision of telecommunications service, the authority shall be subject to all other state and local fees and charges imposed upon private providers of such services. The authority shall make payments in lieu of taxes to the city of Humboldt, accruing from and after the effective date of this act, on the same basis as payments are currently being made by Humboldt Utilities immediately prior to the formation of the authority. [As added by Priv. Acts 2024, ch. 41]

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 Humboldt. Such services shall be provided as economically feasible as soon as practical after the annexation becomes effective. [As added by Priv. Acts 2024, ch. 41]

Section 23. All moneys of the authority, from whatever source derived, shall be deposited in one (1) or more banks or trust companies and, to the extent required of political subdivisions of this state, 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. [As added by Priv. Acts 2024, ch. 41]

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 described in Section 23;

(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, at the time of investment, 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, at the time of investment, in either of the two (2) highest rating categories by a nationally recognized rating agency of such obligations;

(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, at the time of investment, in the two (2) highest rating categories by a nationally recognized rating agency of such obligations;

(9) The authority's own bonds or notes; or

(10) Any additional investments authorized to be made by a municipal utility system in this state. [As added by Priv. Acts 2024, ch. 41]

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 Humboldt. [As added by Priv. Acts 2024, ch. 41]

Section 26. The authority is and shall be considered a political subdivision for purposes of Tennessee Code Annotated, Title 65, Chapter 4. [As added by Priv. Acts 2024, ch. 41]

Section 27. The board shall be considered a governing body for purposes of Tennessee Code Annotated, Title 8, Chapter 44. [As added by Priv. Acts 2024, ch. 41]

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. [As added by Priv. Acts 2024, ch. 41]

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. [As added by Priv. Acts 2024, ch. 41]

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. [As added by Priv. Acts 2024, ch. 41]

Section 31. The powers conferred by this part shall be in addition and supplemental to the powers conferred by any other law. [As added by Priv. Acts 2024, ch. 41]

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. [As added by Priv. Acts 2024, ch. 41]

Section 33. It shall be a condition of the transfer of the systems from the city of Humboldt to the authority that upon such transfer, the authority shall either retire the city bonds associated with such systems by the payment thereof in full upon transfer, defease such 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 such city bonds. Upon the assumption by the authority of such 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 Humboldt and to preserve and protect the contract rights vested in the owners of such bonds and other obligations. [As added by Priv. Acts 2024, ch. 41]

SECTION 2. All acts or parts thereof in conflict with the provisions of this Act are hereby repealed.

SECTION 3. The provisions of this Act are hereby declared to be severable. If any of its sections, provisions, exceptions, sentences, clauses, phrases or parts be held unconstitutional, invalid or void, the remainder of this Act shall continue in full force and effect, it being the legislative intent, now hereby expressed and declared, that this Act would have been adopted even if such unconstitutional, invalid or void matter had not been included therein.

SECTION 4. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the Board of Mayor and Aldermen of the City of Humboldt at a regular or called meeting of the Board. Its approval or non-approval shall be certified by the Mayor and Secretary of the Board of Mayor and Aldermen to the Secretary of State.

SECTION 5. For the purpose of approving this Act, it shall take effect on becoming a law, the public welfare requiring it, but for all other purposes, it shall become effective upon being approved as provided in Section 4.

PASSED: June 7, 2001

s/Jimmy Naifeh  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

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

APPROVED this 19 th day of June 2001

s/Don Sundquist  
DON SUNDQUIST, GOVERNOR

PRIVATE ACTS COMPRISING THE CHARTER OF THE CITY OF  
HUMBOLDT, TENNESSEE

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YEAR	CHAPTER	SUBJECT
2001	61	Repealed and replaced charter act of 1978.
2003	50	Amended chapter 3, § 15(a), relative to compensation of the mayor.
2008	76	Amended chapter 3, § 8, relative to the city treasurer, and chapter 3, § 10 relative to public safety officers.
2024	41	Amended chapter 4, §§ 6-8, relative to Humboldt Utilities Authority; and added chapter 6 relative to the Humboldt Utilities Authority Act.