

**PUBLIC CHAPTER NO. 1097**

**HOUSE BILL NO. 3334**

**By Representatives Harry Brooks, Coley, Fincher, Hardaway**

Substituted for: Senate Bill No. 3234

By Senators Gresham, Henry, Overbey, Kelsey, Black

AN ACT to amend Tennessee Code Annotated, Title 49, relative to the establishment of a financial literacy program.

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

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 7, is amended by adding the following as a new appropriately designated part:

49-7-\_\_\_\_. This part shall be known and may be cited as the "Financial Literacy Program Act of 2010".

49-7-\_\_\_\_.

(a) There is hereby created the Tennessee Financial Literacy Commission for the purpose of raising funds, developing, managing and implementing the plans and programs described in this part. Such educational programs include, but are not limited to, financial literacy education programs for elementary school students and their parents and the promotion of financial literacy in college savings.

(b) The commission shall be administered by a board of directors, which shall be selected pursuant to the provisions of this part.

(c) In addition to the powers granted by any other provisions of this part, the board shall have the powers necessary or convenient to carry out the purposes and provisions of this part, the purposes and objectives of the commission and the powers delegated by any other law of this state including, but not limited to, the following express powers:

(1) Incorporate the commission as a nonprofit corporation under the Tennessee Nonprofit Corporation Act and after such incorporation, to apply for tax exempt status under 26 U.S.C. § 501(c)(3);

(2) Upon such incorporation, have all the rights and powers of a nonprofit corporation under the Tennessee Nonprofit Corporation Act;

(3) Request from any branch, department, division, board, bureau, commission or other agency of the state or any entity that receives state funds, such information as will enable the commission to perform the duties required by this part;

(4) Enter into mutual agreements with any state or local government, or subdivision thereof, or any for-profit or not-for-profit entity authorizing the commission to use any facility within the control or jurisdiction of such entity; or for the rendering of any services by any such entity to the commission or by the commission to any such entity, which are for or in connection with the commission's activities;

(5) Make, execute and deliver contracts, conveyances and other instruments necessary to the exercise and discharge of the powers and duties of the board;

(6) Contract for the provision of all or any part of the services necessary for the management and operation of the commission, and for the development, management and implementation of the plans and programs described in this part;

(7) Contract with consultants as necessary or desirable to carry out its responsibilities under this part;

(8) Promote, advertise and publicize the commission;

(9) Coordinate and promote financial literacy and education efforts at the state and local level, including promoting partnerships among state, and local governments, nonprofit organizations, including the commission, and private enterprises; and

(10) To procure and enter into any personal, professional or other type services contract in such manner and under such terms as may be prescribed by the board without regard to the requirements or the provisions of title 12, chapter 4.

49-7-\_\_\_\_\_.

(a) The commission's board of directors shall be composed of eleven (11) members, three of whom shall be the state treasurer, ex officio; the commissioner of financial institutions, ex officio; and the commissioner of education, ex officio.

(b) The non-ex officio members shall be appointed as follows: four (4) members shall be chosen by the speaker of the senate and four (4) members shall be chosen by the speaker of the house of representatives. In making appointments to the board, the speaker of the house and the speaker of the senate shall appoint individuals who are actively involved in financial literacy; provided, however, one such

individual appointed by the speaker of the house shall be a teacher or administrator of a Tennessee public elementary school and another such individual appointed by the speaker of the senate shall be a parent of a Tennessee public elementary school student. The speaker of the house may consider for appointment the names of individuals recommended by the following boards: Tennessee Bankers Association board of directors; Tennessee Credit Union League board of directors; Tennessee Consumer Finance Association board of directors; and Tennessee Education Association board of directors. The speaker of the senate may consider for appointment the names of individuals recommended by the following boards: Tennessee Society of Certified Public Accountants board of directors; Tennessee Jump \$tart Coalition board of directors; Tennessee Cash Advance Association board of directors; and Tennessee State Parent Teacher Association board or other governing board of a Tennessee state parent-teacher organization or association. The speaker of the house and the speaker of the senate shall strive to ensure that at least one (1) person serving on the board is sixty (60) years of age or older or is female and that at least one (1) person serving on the board is a member of a racial minority.

(c) The term of office for each appointed director shall be four (4) years; provided, however, that in order to stagger such terms, two (2) of the speaker of the senate's initial appointees shall serve terms of four (4) years, two (2) of the speaker of the house's initial appointees shall serve terms of four (4) years, one (1) of the speaker of the senate's initial appointees shall serve terms of three (3) years, one (1) of the speaker of the house's initial appointees shall serve terms of three (3) years, one (1) of the speaker of the senate's initial appointees shall serve terms of two (2) years, and one (1) of the speaker of the house's initial appointees shall serve terms of two (2) years. Each director shall serve until the director's successor is appointed, and if a vacancy occurs on the board, it shall be filled in the same manner as the original appointment. An appointment to fill a vacancy occurring before the expiration of a term is for the remainder of the unexpired term.

(d) Each ex officio member of the board may designate a member of the ex officio member's respective staff to attend meetings of the commission or its committees and to exercise the ex officio member's right to vote in the ex officio member's absence.

(e) The board shall annually elect a chair and vice chair from its membership. The board shall also elect a secretary and such other officers as it deems necessary to perform the business of the commission. Such officers and the ex officio members, or the ex-officios' designees, shall comprise the executive committee. The board may also appoint advisory boards or committees to report to the executive committee as deemed necessary.

(f) A majority of the members of the board serving shall constitute a quorum for the transaction of business at a meeting of the board. Voting upon action taken by the board shall be conducted by a majority vote of

the members present at the meeting of the board. The board shall meet at the call of the chair and as may be otherwise provided in any bylaws, rules or regulations promulgated by the board. Meetings of the board may be held anywhere within the state.

(g) The business of the board shall be conducted at meetings of the board held in compliance with title 8, chapter 44. All records of the board shall be made available to the public in compliance with title 10, chapter 7.

(h) The board is attached to the department of the treasury for all administrative purposes, including fiscal and personnel operations. Further, nothing in this part or any other law, except title 9, chapter 8, shall be construed as a waiver of the State's 11th Amendment immunity or of the State's sovereign immunity for the commission, the corporation, its directors, officers or employees.

(i) The directors shall serve without compensation but shall receive reasonable reimbursement for actual and necessary travel expenses in accordance with the travel regulations promulgated by the department of finance and administration and approved by the attorney general and reporter.

49-7-\_\_\_\_\_.

(a) The purposes of the commission are to:

(1) Formulate and implement educational programs to improve the financial literacy of the citizens of the state of Tennessee, including but not limited to, elementary school students and parents;

(2) Educate the public in Tennessee about effective personal management of financial resources including, but not limited to, college savings and retirement savings;

(3) Design, implement and disseminate publications and website media to promote financial literacy education;

(4) Establish and maintain a website that would serve as a clearinghouse and coordinated entry point for assessing information about financial literacy programs as well as publications, grants, and materials promoting enhanced financial literacy and education;

(5) Make grants and awards to implement and improve programs for financial literacy education; and

(6) Initiate educational programs and campaigns deemed advisable by the board that are designated to promote financial literacy education.

(b) The board of directors has the authority to adopt a charter, bylaws and to promulgate such reasonable substantive and procedural rules, regulations and policies as the board deems necessary to further the purposes of the commission. Any rules and regulations proposed by the board of directors shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(c) The commission has the authority to raise funds, including corporate funding, and to solicit and accept monetary gifts, including monetary gifts made by will, trust or disposition, grants, and other monetary aids from any personal source, to promote its activities and to support its ongoing programs; provided, that the commission does not have the authority to borrow money or guarantee any obligation without the express, prior approval of the state funding board.

49-7-\_\_\_\_\_.

(a) Counsel for the treasury department shall serve as the attorney to the commission.

(b) Notwithstanding subsection (a) or any other provision of law to the contrary, in cases where the interest of the commission requires additional counsel, the treasurer, with the approval of the attorney general and reporter, is authorized to contract with such additional counsel, who shall be paid such compensation for services as the treasurer may deem just.

49-7-\_\_\_\_\_.

(a) Funds of the commission shall be used exclusively for the purposes and activities sets forth in this part and shall be invested by the state treasurer in accordance with § 9-4-603.

(b) Any reserve balance remaining unexpended at the end of a fiscal year in the commission's account shall not revert to the general fund but shall be carried forward into the subsequent fiscal year.

(c) Notwithstanding any provision of the law to the contrary, interest accruing on investments and deposits of the commission shall be credited to the commission's account, shall not revert to the general fund, and shall be carried forward into the subsequent fiscal year.

49-7-\_\_\_\_\_. The commission shall be subject to examination and audit by the comptroller of the treasury in the same manner as prescribed for the department of the treasury.

49-7-\_\_\_\_\_. The commission shall report annually to the general assembly on the activities of the commission for the preceding year. The first such report shall be due not later than February 1, 2011.

SECTION 2. The Tennessee Financial Literacy Commission, created by Section 1 of this act, shall terminate on June 30, 2012, pursuant to § 4-29-118, unless continued by the general assembly.

SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: June 3, 2010**

  
KENT WILLIAMS, SPEAKER  
HOUSE OF REPRESENTATIVES

  
RON RAMSEY  
SPEAKER OF THE SENATE

**APPROVED this 23rd day of June 2010**

  
PHIL BREDESEN, GOVERNOR