

PUBLIC CHAPTER NO. 1117

SENATE BILL NO. 2041

By McNally, Henry, Burchett

Substituted for: House Bill No. 1987

By Fitzhugh, Tindell

AN ACT to amend Tennessee Code Annotated, Title 4 and Title 9, relative to public finance and public funds.

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

SECTION 1. Tennessee Code Annotated, Section 9-13-202, is amended by deleting the existing section and substituting instead the following:

The general assembly finds and declares that it is in the best interests of the citizens of this state that local governments be fiscally responsible and utilize sound financial management principles in serving their citizens. The general assembly notes that there are certain conditions and circumstances in which local governments must have emergency technical and financial assistance if they are to better serve their citizenry or, in the case of economic distress due to natural disaster, must have the financial flexibility to stabilize their financial condition. It is the intent of this part to provide procedures whereby local governments may acquire such emergency technical and financial assistance provided and guaranteed by the state or, in the case of natural disaster, may obtain adequate financing, thus enabling such local governments to stabilize their financial condition and to meet their current operational and debt service costs.

SECTION 2. Tennessee Code Annotated, Section 9-13-203, is amended by deleting the existing subsection (4) and substituting instead the following:

(4) "Local government" means any incorporated city or town, metropolitan government, or county, including enterprise funds or such government entity, or utility district for purposes of Sections 9-13-206 and 9-13-212.

SECTION 3. Tennessee Code Annotated, Section 9-13-206, is amended by deleting the existing section and substituting instead the following:

Notwithstanding the provisions of any other law to the contrary, the legislative body of any local government is hereby authorized to issue notes which may mature beyond the close of the fiscal year in which such notes are issued, when such notes either (1) are approved by the comptroller or his designee and guaranteed by the state funding board, or (2) approved by the comptroller or his designee in the case of economic distress due to natural disaster certified by the Federal Emergency Management Agency (FEMA).

SECTION 4. Tennessee Code Annotated, Section 9-13-210, is amended by adding the following as a new first sentence:

The comptroller shall report to the state funding board at the next meeting of the state funding board following any approval of note issuance pursuant to Section 9-13-206.

SECTION 5. Tennessee Code Annotated, Section 9-13-212, is amended by deleting the phrase "parts 1, 4, and 6" in the second sentence and substituting instead the phrase "Parts 1, 4, 6, and 8".

SECTION 6. Tennessee Code Annotated, Section 9-4-5107, is amended by adding the following as new subsection (c):

(c) For purposes of this section, the term "revenues" includes amounts allowable (without regard to any offset) to any such debt issuers from the federal government with respect to qualified bonds.

SECTION 7. This act shall take effect upon becoming law, the public welfare requiring it.

PASSED: June 8, 2010



RON RAMSEY
SPEAKER OF THE SENATE



KENT WILLIAMS, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 29th day of June 2010



PHIL BREDESEN, GOVERNOR