



State of Tennessee

PUBLIC CHAPTER NO. 758

SENATE BILL NO. 2935

By Johnson, Stevens

Substituted for: House Bill No. 2930

By Lamberth, Gant, Lynn, Hicks, Matthew Hill, Hazlewood, White

AN ACT to authorize the state of Tennessee, acting by resolutions of its funding board, to issue and sell its bonds and bond anticipation notes to provide for acquisition of equipment and sites, and erection, construction, and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments, and extraordinary repairs to existing structures, for construction of highways, and repair, replacement, or rehabilitation of bridges, and for grants to any county, metropolitan government, incorporated town, city, special district of the state, or any governmental agency or instrumentality of any of them; to make grants to industrial development corporations to provide for acquisition of equipment and acquisition, site preparation, erection, construction, and equipment of sites and buildings; and infrastructure improvements and development; and to provide for the expenditure of said funds; to issue its debt in excess of the authorized amount to fund discount and costs of issuance; and to provide for the expenditure of said funds. This act makes appropriations for an indefinite period of time for the purpose of allocating the proceeds of the bonds and notes authorized by this act.

WHEREAS, the General Assembly recognizes the importance to the economic welfare and prosperity of the State of promoting economic growth, employment, and community development in the State and has in the past created the Department of Economic and Community Development to further such development and authorized the department to seek businesses to locate in the State; and

WHEREAS, the department intends to enter into agreements with Volkswagen Group of America Chattanooga Operations, LLC, to locate a new facility in Hamilton County; and

WHEREAS, this new facility will provide a substantial number of jobs and promote further economic growth, employment, and community development not only in Hamilton County but in the State as a whole; and

WHEREAS, the General Assembly finds that making grants to the Industrial Development Board of the City of Chattanooga, Tennessee, for acquisition of equipment and acquisition, site preparation, erection, construction, and equipment of sites and buildings, and infrastructure improvements and development in support of the location of Volkswagen Group of America Chattanooga Operations, LLC, in Tennessee, in accordance with agreements with them to be entered into and approval of the project by the State Building Commission, will serve the public purpose of promoting economic and community development in the State and for its inhabitants as a body, and is related to the function of the Department of Economic and Community Development in furthering such growth; and

WHEREAS, the department intends to enter into agreements with Amazon.com Services LLC, to locate a new facility in Davidson County; and

WHEREAS, this new facility will provide a substantial number of jobs and promote further economic growth, employment, and community development not only in Davidson County but in the State as a whole; and

WHEREAS, the General Assembly finds that making grants to the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County, Tennessee, for acquisition of equipment and acquisition, site preparation, erection, construction, and equipment of

sites and buildings, and infrastructure improvements and development in support of the location of Amazon.com Services LLC, in Tennessee, in accordance with agreements with them to be entered into and approval of the project by the State Building Commission, will serve the public purpose of promoting economic and community development in the State and for its inhabitants as a body, and is related to the function of the Department of Economic and Community Development in furthering such growth; now, therefore,

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

SECTION 1. The state of Tennessee, acting by resolutions of its funding board, is hereby authorized and empowered to issue and sell direct general obligation bonds of the state of Tennessee in amounts not to exceed two hundred twenty-one million six hundred ninety-six thousand dollars (\$221,696,000) to effectuate the purposes specified in Section 4 of this act. Further, the funding board is authorized to sell bonds in amounts not to exceed two and one-half percent (2.5%) of the amounts specified above and authorized in Section 4, for the purpose of funding discount and costs of issuance. Such bonds may be issued and sold in one (1) block or in several installments and separately or together with other general obligation bonds of the state of Tennessee as the board may determine, either at public or private sale as provided by law.

SECTION 2. The bonds and the interest bearing coupons attached thereto, if any, shall be in such form, mature at such time or times within twenty (20) years from the date of their issuance subject to Section 7 of this act, be executed in such manner, be payable at such place or places both as to principal and interest, and be in such denominations and bear such rate or rates of interest, payable in such manner, as the funding board shall by resolution direct; provided, however, that the maximum rate determined by the funding board in no instance shall exceed the legal rate as provided in Tennessee Code Annotated, Section 47-14-103. The bonds and interest payable thereon shall be exempt from taxation by the state of Tennessee or by any county, municipality, or taxing district of the state except inheritance, transfer, and estate taxes.

SECTION 3. When the bonds are so issued and sold, they shall be direct general obligations of the state of Tennessee for the payment of which well and truly to be made according to the tenor, effect, and terms thereof the full faith and credit of the state, together with its taxing power, shall irrevocably be pledged; and the bonds as authorized in this act shall be issued agreeable to the terms of Tennessee Code Annotated, Title 9, Chapter 9; and they shall be financed, retired, and paid both as to principal and interest as provided in that chapter and shall be subject to the terms and conditions therein and herein contained. When the bonds are sold and proceeds paid over to the state treasurer, the funds shall be paid out by the treasurer and the proper fiscal officers of the state, as provided by general law and this act, but only, except for accrued interest paid as part of the purchase price on order of the proper administrative authorities of the agency or department in this act named for the benefit of which such bonds have been authorized and only to the extent such bonds have in fact been issued for the benefit of such agency or department.

SECTION 4. The proceeds of any and all issues of bonds authorized in this act shall be allocated to the following departments:

(1) Department of Finance and Administration in the amount of fifty-two million eighty-five thousand dollars (\$52,085,000) and expended for the purposes of acquisition of equipment and sites, and erection, construction, and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments, and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporated town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission. Such grants so identified and approved are determined to be for a public purpose.

(2) Department of Finance and Administration in the amount of fifty million dollars (\$50,000,000) and expended for the purpose of making grants to The Industrial Development Board of the City of Chattanooga for the Volkswagen Group of America Chattanooga Operations, LLC, project and expended for the purpose of acquisition of equipment and acquisition, site preparation, erection, construction, and equipment of sites and buildings, and infrastructure improvements and development, including, but not limited to, sewer, water, utility, and rail infrastructure, whether or not such infrastructure is owned by the Industrial Development Board of the City of Chattanooga.

(3) Department of Finance and Administration in the amount of sixty-five million dollars (\$65,000,000) and expended for the purpose of making grants to The Industrial Development Board of the Metropolitan Government of Nashville and Davidson County for the Amazon.com Services LLC, project and expended for the purpose of acquisition of equipment and acquisition, site preparation, erection, construction, and equipment of sites

and buildings, and infrastructure improvements and development, including, but not limited to, sewer, water, utility, and rail infrastructure, whether or not such infrastructure is owned by the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County.

(4) Department of Finance and Administration in the amount of thirty-two million nine hundred eleven thousand dollars (\$32,911,000) to be allocated and expended for purposes of the University of Memphis STEM Research and Classroom Building and the acquisition of equipment and sites, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments and extraordinary repairs to existing structures.

(5) Department of Finance and Administration in the amount of twenty-one million seven hundred thousand dollars (\$21,700,000) to be allocated and expended for purposes of the Tennessee Board of Regents – TCAT Chattanooga Advanced Manufacturing Building and the acquisition of equipment and sites, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments and extraordinary repairs to existing structures.

(6) In its discretion the funding board is authorized to issue bonds in amounts not to exceed two and one-half percent (2.5%) of the amounts specified above in subdivisions (1) through (5), the proceeds of which are to be allocated to such departments as determined by the funding board and expended for the purpose of funding discount and the costs of issuance.

SECTION 5. The proper authorities enumerated in this act and charged with the duty of expending the funds shall have authority to proceed with the projects authorized in this act and for that purpose may hire an architect or architects, advertise for bids, and award contracts, all within the provisions of the general law, expressly including Tennessee Code Annotated, Title 4, Chapter 15, and rules of the state building commission, and in agreement with the terms of this act. No contract, including a contract for architectural services, involving a project authorized by this act, which is subject to the approval of the state building commission, shall be entered into unless and until that contract shall have been approved by the state building commission. The foregoing provisions shall not apply to any grants authorized in this act, but the department of finance and administration, charged with the duty of expending funds, shall have the authority to enter into such grant contracts and perform in accordance with their terms only after the projects have been approved by the state building commission.

SECTION 6. The allocation made to each agency or department as provided in Section 4 may be applied as determined by the funding board to bear its appropriate portion of discount and costs of issuance.

SECTION 7. Pending the issuance of the definite bonds authorized by this act, the state of Tennessee, acting by resolutions of its funding board, is authorized and empowered to issue and sell, either at public or private sale, together with accrued interest thereon, its interest-bearing bond anticipation note or notes. Such note or notes shall be authorized by resolution of the funding board. The note or notes shall bear such date or dates, bear interest at such rate or rates, be in such denominations, be in such form, be executed in such manner, be payable in such medium of payment, at such place or places, and mature on such date or dates, subject to such terms and conditions as such resolution or resolutions may provide. In its discretion, the funding board may provide that a bond anticipation note or any renewal of such note may mature more than five (5) years from the date of issue of the original note; provided, that an amortization schedule of repayment of principal is established for the project funded by the note and provisions are made such that any note or renewal note or bond refunding such note attributed to the financing of such project shall be redeemed or retired no later than either twenty-five (25) years from the date of issue of such original note or twenty (20) years from the date the project is completed and placed in full service, whichever is earlier. Provisions of general law with respect to authentication, execution, and registration of general obligation bonds of the state of Tennessee shall also apply to the notes to the extent applicable. The note or notes and the interest payable thereon shall be exempt from taxation by the state of Tennessee or by any county, municipality, or taxing district of the state except inheritance, transfer, and estate taxes. Any resolution or resolutions of the funding board authorizing the issuance of such bond anticipation note or notes shall provide that the same are issued in anticipation of the bonds authorized under this act and shall further provide that the full faith and credit and taxing power of the state of Tennessee are pledged to the payment thereof.

In its discretion the funding board is authorized to issue bond anticipation notes, the proceeds of which are to be allocated to the funding board and expended for the purpose of funding discount and the costs of issuance, as part of the two and one-half percent (2.5%) additional amounts authorized by Section 4 of this act.

SECTION 8. No bonds shall be issued under the authority of this act until such time as the general assembly has appropriated sufficient funds to pay the first year's obligation of principal and interest on the amount of bonds to be issued and the state funding board has determined that such funds are available.

SECTION 9. Notwithstanding any other provision of this act to the contrary, the bonds and bond anticipation notes authorized by this act may be designated "college savings bonds" and be issued pursuant to the provisions of the Baccalaureate Education Savings for Tennessee Act, Chapter 190, Public Acts of 1989.

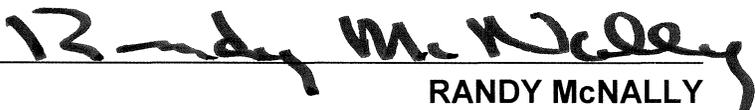
SECTION 10. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 11. No expenditure of public funds pursuant to this act shall be made in violation of the provisions of Title VI of the Civil Rights Act of 1964, as codified in 42 United States Code 2000(d).

SECTION 12. This act shall take effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 2935

PASSED: June 19, 2020



RANDY McNALLY
SPEAKER OF THE SENATE



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 30 day of June 2020



BILL LEE, GOVERNOR