

PUBLIC CHAPTER NO. 991

SENATE BILL NO. 3813

By Tate, Ford, Burks

Substituted for: House Bill No. 3994

By Lois DeBerry, Moore

AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 21, relative to pension and other post-employment obligations.

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

SECTION 1. Tennessee Code Annotated, Section 9-21-105, is amended by inserting the following language as a new, appropriately designated subdivision:

() "Certain unfunded other post-employment benefits" means non-pension benefits paid on behalf of former employees of any local government having a population in excess of one hundred fifty thousand (150,000) according to the 2000 federal census or any subsequent federal census, or the former employees' beneficiaries after separation from service. The benefits may include, but shall not be limited to, medical, prescription drugs, dental, vision, hearing, Medicare part B or part D premiums, life insurance, long-term care, and long-term disability. For purposes of this subdivision, the value of any "certain unfunded other post-employment benefits" shall be limited to the unfunded actuarial accrued liability as determined pursuant to the Governmental Accounting Standards Board Statement No. 45 and as certified by the actuarial consultant of the local government;

SECTION 2. Tennessee Code Annotated, Section 9-21-127, is amended by deleting it in its entirety and by substituting instead the following:

Local governments may issue general obligation bonds or revenue bonds under Parts 1, 2 and 3 of this chapter for certain unfunded pension obligations or for not greater than fifty percent (50%) of the value of certain unfunded other post-employment benefits if such is approved by the state funding board after receiving a recommendation by the state director of local finance. Notwithstanding any provisions of this chapter to the contrary, any bonds issued pursuant to this section shall mature at such time or times not exceeding thirty (30) years from their respective dates and the proceeds from any bonds issued for certain unfunded other post-employment benefits shall be invested in accordance with the provisions of an investment trust established pursuant to Title 8, Chapter 50, Part 12.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 6, 2008



RON RAMSEY
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 21st day of May 2008



PHIL BREDESEN, GOVERNOR