

**PUBLIC CHAPTER NO. 693**

**SENATE BILL NO. 3131**

**By Finney**

Substituted for: House Bill No. 3204

By Eldridge, Shaw, Hardaway, McManus

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 39 and Title 45, Chapter 5, relative to maximum interest rates charged on debt of energy acquisition corporations.

WHEREAS, given the current economic situation, it is in the best interest of energy acquisition corporations to have the greatest flexibility with respect to the issuance of debt; and

WHEREAS, in allowing energy acquisition corporations to have the greatest flexibility with respect to the issuance of their debt, the general assembly desires to clarify and increase the maximum rate that may be charged on debt issued by energy acquisition corporations; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Section 7-39-305, is amended by adding the following as a new subsection (l) at the end of such section:

(l) For purposes of calculating the "applicable formula rate" under Section 47-14-103 and the related provisions of Title 47, Chapter 14, to determine the maximum effective rate applicable to bonds or other obligations issued by energy acquisition corporations, the language "four (4) percentage points above the average prime loan rate" in the definition of "formula rate" in Section 47-14-102(7) shall be replaced with the language "seven (7) percentage points above the average prime loan rate". This subsection shall apply to any bonds or other obligations issued by energy acquisition corporations on or before June 30, 2012.

SECTION 2. This act shall take effect upon becoming law, the public welfare requiring it.

**PASSED: March 15, 2010**



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RON RAMSEY  
SPEAKER OF THE SENATE



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KENT WILLIAMS, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 31st day of March 2010



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PHIL BREDESEN, GOVERNOR