

**PUBLIC CHAPTER NO. 958**

**HOUSE BILL NO. 2703**

**By Representative Montgomery**

Substituted for: Senate Bill No. 2565

By Senator Overbey

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 32 and Title 7, Chapter 33, relative to special assessments and improvement bonds.

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

SECTION 1. Tennessee Code Annotated, Section 7-32-134, is amended by adding the following sentence to the end of subsection (a):

Where an assessment is levied against a parcel of property that is subject to or becomes subject to a horizontal property regime, a condominium regime, a time-share regime or a vacation club regime, the officers of the organization representing the owners of interests in such parcel of property or managing such property on behalf of the owners of interests in such parcel of property may enter into such agreement to pay the assessment by installments and such agreement shall be binding upon all owners of interests in property represented in such organization or managed by such organization.

SECTION 2. Tennessee Code Annotated, Section 7-33-121, is amended by adding the following language as a new subsection:

(f) For purposes of calculating the "applicable formula rate" under § 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 pursuant to this chapter 33 by any municipality or other public entity, the language "four (4) percentage points above the average prime loan rate" in the definition of "formula rate" in § 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 bonds or other obligations issued on or before June 30, 2012.

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

**PASSED: May 10, 2010**



KENT WILLIAMS, SPEAKER  
HOUSE OF REPRESENTATIVES



RON RAMSEY  
SPEAKER OF THE SENATE

APPROVED this 26th day of May 2010



PHIL BREDESEN, GOVERNOR