

PUBLIC CHAPTER NO. 982**HOUSE BILL NO. 3601****By Representative Fitzhugh****Substituted for: Senate Bill No. 3692****By Senator McNally**

AN ACT to amend Tennessee Code Annotated, Title 9, Chapters 9 and 21, regarding public finance.

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

SECTION 1. Tennessee Code Annotated, Section 9-9-101, is amended by deleting the existing language and inserting the following:

(a) The state funding board shall be composed of the governor, the commissioner of finance and administration, the state treasurer, the secretary of state, and the comptroller of the treasury. The governor shall serve as the chair, and the comptroller shall serve as the vice chair and secretary. The board has the power to prescribe its rules and regulations and govern its meetings and procedures as it may deem advisable. A majority of the board constitutes a quorum and the confirming vote of at least three (3) members of the board is required.

(b) References to the "state sinking fund board" or the "board for the liquidation of the state debt", appearing elsewhere in this code, are deemed references to the state funding board.

SECTION 2. Tennessee Code Annotated, Section 9-9-202(f), is amended by adding the phrase "or officer" between the words "member" and "of" in each instance where they appear.

SECTION 3. Tennessee Code Annotated Section 9-9-205(a)(2) and (3) are amended by deleting the number "2011" and substituting instead "2012".

SECTION 4. Tennessee Code Annotated, 9-9-204 is amended by adding the following as a new sentence which shall expire as of June 30, 2012:

However, in applying § 47-14-103, and related provisions of title 47, chapter 14, to bonds issued by the funding board pursuant to this chapter, the effective rate of interest on any such bond with respect to which the funding board has made elections under § 54AA(d)(1)(C) of the Internal Revenue Code of 1986, to have § 54AA of apply to such bond, and §54AA(g)(2)(B) of the Internal Revenue Code of 1986 to have Section 54AA(g) apply to such bond, shall be determined by reducing the interest payable by the funding board with respect to such bond by the amount of payments from the treasury department of the United States of

America that the funding board expected, at the time of the issuance of such bond, to receive with respect to such bond under § 6431(b) of the Internal Revenue Code of 1986, as a result of the foregoing elections.

SECTION 5. Tennessee Code Annotated Section 9-21-132(a) is amended by deleting the number "2010" and substituting instead "2012".

SECTION 6. Tennessee Code Annotated, Title 9, Chapter 21, Part 1 is amended by adding the following new section which shall expire as of June 30, 2012:

9-21-1__. In applying § 47-14-103, and related provisions of title 47, chapter 14, to bonds issued by local governments pursuant to this chapter, the effective rate of interest on any such bond with respect to which the local government has made elections under § 54AA(d)(1)(C) of the Internal Revenue Code of 1986, to have § 54AA apply to such bond, and §54AA(g)(2)(B) of the Internal Revenue Code of 1986 to have Section 54AA(g) apply to such bond, shall be determined by reducing the interest payable by the local government with respect to such bond by the amount of payments from the treasury department of the United States of America that the local government expected, at the time of the issuance of such bond, to receive with respect to such bond under § 6431(b) of the Internal Revenue Code of 1986, as a result of the foregoing elections.

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

PASSED: May 13, 2010



KENT WILLIAMS, SPEAKER
HOUSE OF REPRESENTATIVES



RON RAMSEY
SPEAKER OF THE SENATE

APPROVED this 27th day of May 2010


PHIL BREDESEN, GOVERNOR