



# State of Tennessee

## PUBLIC CHAPTER NO. 890

SENATE BILL NO. 2352

By Gresham

Substituted for: House Bill No. 2127

By Harry Brooks, Ragan

AN ACT to amend Tennessee Code Annotated, Section 49-7-2004, relative to exempt institutions.

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

SECTION 1. Tennessee Code Annotated, Section 49-7-2004(a)(6), is amended by deleting the subdivision in its entirety and substituting instead the following:

(6) Any postsecondary educational institution that:

(A) Has had its primary campus domiciled in the same state for at least twenty (20) consecutive years and continues to have its primary campus domiciled in that state;

(B) Is accredited by an accrediting agency recognized by the United States department of education and has been accredited by a recognized accreditor for at least twenty (20) consecutive years;

(C) Is chartered where its primary campus is domiciled as a not-for-profit entity and has continuously been so chartered for at least twenty (20) consecutive years;

(D) Meets and maintains financial standards deemed acceptable by the accreditor for the purpose of maintaining accreditation and the United States department of education for the purpose of being a Title IV eligible institution; and

(E) Completes an information request form under subdivision (b)(3);

SECTION 2. Tennessee Code Annotated, Section 49-7-2004(b)(3), is amended by deleting the subdivision in its entirety and substituting instead the following:

(3) A three-year federal financial aid cohort default rate of thirty percent (30%) or higher for three (3) consecutive years or any single year over forty percent (40%) as reported by the United States department of education, office of postsecondary educational institutional data system.

SECTION 3. Tennessee Code Annotated, Section 49-7-2004(b), is amended by designating the existing language as subdivision (1) and by adding the following language as new subdivisions (2) and (3):

(2) Any institution deemed to be exempt under subdivision (a)(6) as it existed prior to the effective date of this act shall continue to be exempt as long as the institution registers with the commission under subdivision (b)(3).

(3) Postsecondary educational institutions that are exempt under subdivision (a)(6) shall annually complete an information request form. The information request form shall be created by the commission and shall require, at a minimum:

(A) The name of a contact person and related information such as an email address and telephone number;

(B) A description of the complaint process used by the postsecondary educational institution and the related complaint contact information;

(C) A brief description of the postsecondary educational institution's activities in Tennessee, including enrollment or recruitment;

(D) The number of Tennessee residents enrolled during the past fiscal year; and

(E) If applicable, documentation demonstrating that the postsecondary educational institution meets the exemption requirements of subdivision (a)(6).

SECTION 4. Tennessee Code Annotated, Section 49-7-2004(c), is amended by deleting the subdivision in its entirety and substituting instead the following:

(c) Notwithstanding any provision of this section to the contrary, an institution that has lost its exemption due to the occurrence of one (1) of the conditions listed in subdivisions (b)(1)(A)-(C) shall not be required to reestablish the twenty (20) consecutive year standards in order to regain its exempt status. Instead, the commission shall have the authority to reinstate the exemption once the condition that caused the loss of exemption has, in the opinion of the commission, been remedied.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.

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PASSED: April 14, 2014

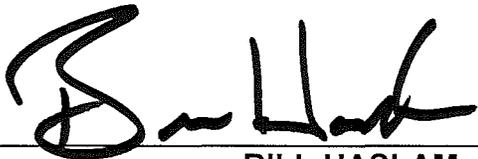


RON RAMSEY  
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 14 day of May 2014



BILL HASLAM, GOVERNOR