



# *State of Tennessee*

## **PUBLIC CHAPTER NO. 571**

**SENATE BILL NO. 1354**

**By McNally**

Substituted for: House Bill No. 192

**By Johnson**

AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 12; Title 13; Title 41; Title 42; Title 49; Title 64; Title 68 and Title 69, relative to public finance.

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

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 31, Part 1, is amended by adding the following language as a new section:

For the purpose of ensuring that the bonds or notes authorized under this chapter and issued after the effective date of this act maintain their tax-exempt status as may be provided by the Internal Revenue Code of 1986 (26 U.S.C.), as amended, no state officer or employee or user of a capital project, pollution control facility, or any other property financed or refinanced, directly or indirectly, with the proceeds of such bonds or notes, including, but not limited to, borrowers under a program loan agreement, shall authorize or allow any change, amendment, or modification to a project or program financed or refinanced, directly or indirectly, with the proceeds of such bonds or notes which change, amendment, or modification would affect the tax-exempt status of such bonds or notes unless the change, amendment, or modification receives the prior approval of the office of state and local finance in the office of the comptroller of the treasury and the authority. Failure to receive such approval shall render any change, amendment, or modification null and void.

SECTION 2. Tennessee Code Annotated, Section 49-3-1207, is amended by adding the following language as a new subsection:

(n) For the purpose of ensuring that the bonds or notes issued after the effective date of this act pursuant to this part maintain their tax-exempt status as may be provided by the Internal Revenue Code of 1986 (26 U.S.C.), as amended, no state officer or employee or user of a project or school credit bond project shall authorize or allow any change, amendment, or modification to a project or school credit bond project financed or refinanced with the proceeds of such bonds or notes which change, amendment, or modification would affect the tax-exempt status of such bonds or notes unless the change, amendment, or modification receives the prior approval of the office of state and local finance in the office of the comptroller of the treasury and the authority. Failure to receive such approval shall render any change, amendment, or modification null and void.

SECTION 3. Tennessee Code Annotated, Section 9-9-113(b), is amended by deleting the language "of the state funding board. Failure to receive the approval of the state funding board shall render any change, amendment, or modification null and void" and substituting instead the language "of the office of state and local finance in the office of the comptroller of the treasury and the state funding board. Failure to receive such approval shall render any change, amendment, or modification null and void".

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 1354

PASSED: February 22, 2016

  
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RON RAMSEY  
SPEAKER OF THE SENATE

  
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BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 8<sup>th</sup> day of March 2016

  
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BILL HASLAM, GOVERNOR