



# *State of Tennessee*

## **PUBLIC CHAPTER NO. 626**

**SENATE BILL NO. 2176**

**By Haile**

Substituted for: House Bill No. 2419

**By Lynn, Wirgau**

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 3; Title 6 and Title 9, Chapter 21, relative to fiscal affairs of local governments.

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

SECTION 1. Tennessee Code Annotated, Section 9-21-403(a), is amended by designating the existing language as subdivision (1) and adding the following language as new subdivisions:

(2)(A) Notwithstanding subdivision (a)(1), the comptroller of the treasury may authorize a municipality to submit a biennial budget if the comptroller of the treasury or the comptroller's designee determines that the municipality operates with sufficient financial resources to more than adequately service its issued debt. In such case, the comptroller of the treasury or the comptroller's designee may approve the municipality for a biennial budget as authorized by § 4-3-305.

(B) The comptroller of the treasury or the comptroller's designee may revoke the authority of a municipality to submit a biennial budget in its discretion at any time and for any reason. If a municipality utilizes short-term financing to meet operating expenses, then the authority to submit a biennial budget shall be automatically revoked.

(C) A municipality that operates under a biennial budget shall submit any budget amendments adopted by the municipality and such reports as may be required to the comptroller of the treasury or the comptroller's designee.

(3) As used in subdivision (a)(2), "biennial budget" means the adoption of two (2) annual budgets every two (2) years.

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

SENATE BILL NO. 2176

PASSED: March 7, 2016

  
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RON RAMSEY  
SPEAKER OF THE SENATE

  
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BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 22<sup>nd</sup> day of March 2016

  
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BILL HASLAM, GOVERNOR