



February 14, 2024

**SUMMARY OF BILL:** Exempts a local government issuing certain general obligation refunding bonds from the requirement of submitting a plan of refunding to the Comptroller of the Treasury (COT). Removes the reporting requirement for such bonds by the COT.

**FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumption:

- Pursuant to Tenn. Code Ann. § 9-21-903:
  - Prior to the adoption of a resolution authorizing the issuance of general obligation refunding bonds, a local government must submit the plan of refunding for review to the COT;
  - If the sole purpose of the plan of refunding is to provide cost savings to the public, the COT must determine whether the plan complies with state guidelines and report to the local government;
  - If the COT determines the plan does not comply with state guidelines, the local government must publish a notice prior to the sale of such bonds; and
  - The local government may issue the general obligation refunding bonds unless the local government receives a petition protesting the issuance within 10 days of the publication.
- The proposed legislation exempts from the requirements of Tenn. Code Ann. § 9-21-903, refunding bonds issued solely to repay a public building authority loan that was issued as interim financing for the general obligation refunding bonds.
- Removing reporting requirements for the COT will not significantly reduce the duties of the office.
- It is assumed that the majority of refunding plans for bonds issued to repay a public building authority loan submitted to the COT for review comply with state guidelines and do not require a newspaper publication.
- Therefore, the proposed legislation will not result in any significant decrease in local government expenditures.
- The proposed legislation would require a local government to adopt a general obligation refunding bond resolution prior to or simultaneously with the resolution authorizing the public building authority loan.

- The adoption of a resolution will occur at a regularly scheduled meeting of the local governing body, resulting in no significant increase in local expenditures.
- Any fiscal impact to state or local government is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/bh