

HOUSE BILL 2461

By Camper

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 5; Title 6; Title 7; Title 9 and Title 67, relative
to uncollectible accounts receivable.

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

SECTION 1. Tennessee Code Annotated, Title 5, Chapter 8, Part 4, is amended by
adding the following as a new section:

(a) As used in this section:

(1) "Account receivable" means any money, unpaid account, or sum due
and owing any governmental claimant by a debtor, or any money, unpaid
account, or sum that is due and owing any person and is legally enforceable by
the governmental claimant, and that arose from, or was created or acquired in,
providing services to the debtor;

(2) "Debtor" means a person owing an account receivable to a
governmental claimant;

(3) "Governmental claimant" means the state or any county or city, and
any agency, department, board, bureau, commission, or authority of the state or
a county or city, to which a person owes any account receivable or that acts on
behalf of a person to collect the account receivable; and

(4) "Person" means any individual, firm, partnership, joint venture,
association, corporation, limited liability company, cooperative, trust, regulated
investment company, receiver, and syndicate.

(b) Any account receivable owed to any governmental claimant that remains
unpaid more than fifteen (15) years from the date the first bill or other demand for

payment is mailed to the debtor, and for which the governmental claimant has made reasonable collection efforts and does not reflect the account receivable on its financial statements, shall be deemed uncollectible and shall be written off in accordance with general accepted auditing principles.

(c) Within thirty (30) days of an account receivable being deemed uncollectible pursuant to subsection (b), the governmental claimant shall provide written notice to the debtor that the outstanding payment is discharged and not required.

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