



State of Tennessee

PUBLIC CHAPTER NO. 378

HOUSE BILL NO. 328

By Representatives Lamberth, Cochran, Rudder, Sherrell, McCalmon, Tim Hicks, Doggett, Howell, Helton-Haynes, Moody, Todd, Slater, Littleton, Hale, Haston, Alexander, White, Reedy, Capley, Ragan, Whitson

Substituted for: Senate Bill No. 280

By Senators Johnson, Rose, White, Yager

AN ACT to amend Tennessee Code Annotated, Title 4 and Title 9, relative to funds administered by state government entities.

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

SECTION 1. Tennessee Code Annotated, Section 4-31-501, is amended by deleting the section and substituting:

This part is known and may be cited as the "Tennessee Local Development Authority Public Safety Protection Act of 2023."

SECTION 2. Tennessee Code Annotated, Section 4-31-502, is amended by deleting the section and substituting:

It is in the interest and welfare of the people of Tennessee that the Tennessee local development authority be empowered to issue its revenue bonds and to make the bond proceeds or state appropriations available for loans to counties for the purchase of equipment for the use of the county or volunteer fire departments serving unincorporated areas of the county, in order to provide equipment to public safety officers in an effort to protect the citizens of Tennessee, result in improvements in fire ratings, and reduce fire insurance premiums.

SECTION 3. Tennessee Code Annotated, Section 4-31-503, is amended by deleting the section and substituting:

As used in this part, unless the context otherwise requires:

- (1) "Authority" means the Tennessee local development authority;
- (2) "Emergency medical dispatcher" (EMD) has the same meaning as defined in § 68-140-302;
- (3) "Emergency medical services personnel" has the same meaning as defined in § 68-140-302;
- (4) "Equipment" includes, but is not limited to:
 - (A) For firefighters, uniforms, fire engines and other vehicles, ladders, hooks, hoses, and all other equipment necessary for containing and extinguishing fires;
 - (B) For law enforcement officers, uniforms, vehicles, weapons, holsters, handcuffs, restraints, batons, protective gear, and all other equipment necessary for the apprehension of suspects and criminals and the investigation and detection of crime;
 - (C) For emergency medical services personnel, uniforms, vehicles, stretchers, medical devices, medical supplies, first aid kits, automatic external defibrillators, and all other equipment necessary for the provision of emergency care; and

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(D) For emergency communications dispatchers, uniforms, radios, antennas, base stations, call boxes, dispatch consoles, pagers, public safety systems, and all other equipment for the provision of emergency dispatching;

(5) "Firefighter" means an individual employed by a local government as a member of the local government's fire department, or who is a volunteer firefighter, trained in firefighting and actively engaged in such work or subject to call for such firefighting prevention services;

(6) "Law enforcement officer" means an individual employed by a local government as a member of the local government's law enforcement agency, and is trained and actively engaged in police work for the investigation into and detection of crime;

(7) "Loan agreement" means a contractual relationship by and between a county and the authority pursuant to and in accordance with this part; and

(8) "Public safety officer" means a law enforcement officer, firefighter, emergency medical services personnel, or an emergency medical dispatcher.

SECTION 4. Tennessee Code Annotated, Section 4-31-504(c), is amended by deleting the subsection and substituting:

(c) In addition to the powers otherwise granted by law, the authority may make loans to a county for the acquisition of equipment for a county's public safety officers or a volunteer fire department's public safety officers pursuant to a loan agreement between the county and the authority. Such loans must be made from the proceeds of bonds or notes issued by the authority or from state appropriations for the purpose of making such loans.

SECTION 5. Tennessee Code Annotated, Section 4-31-504(d), is amended by deleting the subsection and substituting:

(d)

(1) The authority shall establish a repayment schedule to be made by a county under a loan agreement.

(2) Such repayments must be in amounts at least sufficient, together with other funds available therefor, to pay the principal of, and interest on:

(A) Bonds and notes issued by the authority for the purpose of providing loans to counties for the purchase of public safety officer equipment, and as may be necessary for the authority to maintain a reserve for debt service; or

(B) State-appropriated funds for the purpose of providing loans to counties and nonprofit entities for the purchase of public safety officer equipment.

(3) The authority may collect an administrative fee in addition to such repayment schedule in an amount as may be set forth in the loan agreement.

(4) At the time of approval of a loan agreement, the annual repayment schedule applicable to all approved loans to a county under this part, when combined with the annual repayment schedules applicable to approved loans to counties under title 68, chapter 221, parts 2 and 5, or another loan agreement entered into between the county and the authority pursuant to this chapter must not exceed one hundred percent (100%) of the unobligated amount of annual state-shared taxes paid to the county as shown by the latest completed audit for the state's fiscal year.

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(5) This subsection (d) does not require a uniform test for all loans, it being the intent of the general assembly that the authority exercise discretion based on the facts and circumstances of each loan.

(6) In exercising its discretion, the authority shall take into consideration the general financial condition of the county receiving the loan.

SECTION 6. Tennessee Code Annotated, Section 4-31-505, is amended by deleting subsection (b) and substituting:

(b) A county entering into a loan agreement with the authority must state in the loan application, in addition to those requirements established by the authority pursuant to rules, that the purchase of the equipment for firefighters is reasonably calculated to result in a reduction of fire insurance premium rates for businesses and residents within the unincorporated area of the county served by the county or volunteer fire department.

SECTION 7. Tennessee Code Annotated, Section 4-31-506(a), is amended by deleting the subsection and substituting:

(a) Subject to § 4-31-505 and all other existing contractual obligations of the county, the authority may enter into loan agreements with a county and the county may enter into loan agreements with the authority for loans to pay for equipment for a county's public safety officers or a volunteer fire department's public safety officers.

SECTION 8. Tennessee Code Annotated, Section 4-31-507, is amended by deleting the section and substituting:

The authority has the right to enter into such further agreements with a county and require such further guarantees or securities as it may see fit prior to, or simultaneously with, the issuance or refusal to issue bonds, or the issuance or refusal to issue loans from bond proceeds or state appropriations, until such agreements or securities in a form that the authority may elect, are agreed to or are obtained.

SECTION 9. Tennessee Code Annotated, Section 4-31-512, is amended by deleting the section and substituting:

(a) The authority may establish in the state treasury a separate special trust fund of the authority for each separate issuance of bonds or notes that is similarly secured for state-appropriated funds, to be known as a "public safety protection fund," and to bear such additional designation as the authority deems appropriate to properly identify each fund.

(b) The state covenants and agrees that from and after the issuance of bonds or notes under this part or through the loaning of state-appropriated funds, moneys derived by this state from payments made pursuant to loan agreements with such counties and moneys withheld from state-shared taxes apportioned to such counties as permitted under the terms of the loan agreements that are pledged to the payment of such bonds, notes, or loans, must be paid into the particular fund established for the issuance of bonds or notes or the loaning of appropriated funds to which such moneys are pledged.

(c) Such moneys must be accounted for separately from all other moneys in the state treasury and must be applied by the authority solely for the purpose of:

(1) Paying the principal of and interest and premium, if any, on such issue of bonds, notes, and loans issued pursuant to this section;

(2) Refunding moneys due to participating counties where appropriate; and

(3) Paying all other costs incidental to the administration of the authority in connection with the loan agreements and the issuance of such bonds and notes.

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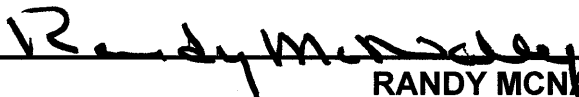
SECTION 10. This act takes effect upon becoming a law, the public welfare requiring it, and applies to loan agreements executed, amended, or renewed on or after July 1, 2023.

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PASSED: April 21, 2023



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 11th day of May 2023



BILL LEE, GOVERNOR