

SENATE BILL 731

By Harris

AN ACT to amend Tennessee Code Annotated, Title 5; Title 6; Title 7; Title 9, Chapter 21; Title 48 and Title 67, relative to issuance of debt obligations by local governments to finance improvements to private or public use facilities.

WHEREAS, it is in the best interest of the state to afford citizens of local governments a true voice with respect to the expenditure of tax dollars that rely on long-term commitments; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Section 9-21-109, is amended by designating the existing language as subsection (a) and adding the following as a new subsection (b):

(b)

(1) Notwithstanding subsection (a) or any other law to the contrary, for any indebtedness related to the financing of improvements to a private or public use facility that a local government or local government instrumentality proposes to issue on or after July 1, 2015, if the amount of the proposed indebtedness exceeds ten percent (10%) of the local government's most recent operating budget, then the local government or instrumentality shall obtain approval of the voters of the local government in accordance with subdivision (b)(2).

(2)

(A) No ordinance or resolution authorizing the issuance of the proposed indebtedness shall take effect unless the ordinance or resolution is approved by a majority of the number of qualified voters of

the local government voting in an election on the question of whether or not the indebtedness should be issued.

(B) Not less than forty-five (45) days nor more than sixty (60) days after the receipt of a certified copy of the ordinance or resolution, the county election commission shall call an election for the local government on the question of whether or not the indebtedness should be issued in accordance with this section.

(C) The local governing body shall direct the county election commission to call the election to be held at the next regular August or November election following the adoption of the ordinance or resolution, for the purpose of approving or rejecting the issuance of the indebtedness.

(D) The ballots used in the election held pursuant to subdivision (b)(1) shall have printed on them the substance of the ordinance or resolution, and the voters shall vote for or against its approval.

(E) The votes cast on the question shall be canvassed and the results proclaimed by the county election commission and certified by it to the local governing body.

(F) The qualifications of voters voting on the question shall be the same as those required for voting in a general election of the local government.

(G) All laws applicable to general elections shall apply to the determination of the approval or rejection of this issuance of indebtedness.

(3) As used in this subsection (b):

(A) "Facility" means any building, complex, center, or facility constructed, leased, equipped, renovated, acquired, or expanded on or after July 1, 2015, including any project meeting the requirements of this

chapter; title 12, chapter 10; or chapter 53 or chapter 88 of title 7 by a local government or local government instrumentality for purposes of furnishing economic development centers; renovated, new, or expanded facilities for conventions, meetings, exhibitions, trade shows, sports events, or other events for educational, entertainment, business, association, cultural, public interest, public service, and common interest groups, organizations, and entities; and ancillary structures associated with a facility;

(B) "Improvements" includes any parks, plazas, recreational facilities, sidewalks, access ways, roads, drives, bridges, ramps, landscaping, signage, or other improvements constructed or renovated by a local government or local government instrumentality in connection with a facility; and

(C) "Indebtedness" means any bond, note, loan agreement, and any other evidence of a debt obligation in which a local government or local government instrumentality, either directly or indirectly, incurs a definite and absolute obligation to the payment of the principal of and interest on the debt obligation from tax revenues of any nature pledged by a local government or local government instrumentality having taxing power.

SECTION 2. This act shall take effect July 1, 2015, the public welfare requiring it.