



State of Tennessee

PUBLIC CHAPTER NO. 1012

SENATE BILL NO. 1137

By Oliver, Akbari, Campbell, Lamar, Yarbrow

Substituted for: House Bill No. 1229

By Hemmer, Carr

AN ACT to amend Tennessee Code Annotated, Title 5; Title 6; Title 7; Title 13, Chapter 23; Title 48, Chapter 101, Part 9; Title 67, Chapter 5 and Section 67-4-409, relative to real property.

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

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 53, Part 3, is amended by adding the following as a new section:

(a) Notwithstanding §§ 7-53-306 and 7-53-307, a municipality may aid or otherwise provide assistance to a corporation, including, without limitation, by granting, contributing, or pledging to or for the benefit of the corporation revenues derived from any source except revenues derived from ad valorem property taxes, for that portion of any project:

(1) Owned by the corporation; and

(2) Consisting of facilities described in § 7-53-101(15)(A)(x), for such term or terms and upon such conditions as may be determined by the governing body of the municipality.

(b)(1) This section applies to a municipality that:

(A) Has some amount of long-term general obligation indebtedness outstanding that is rated in not lower than the third rating category for long-term debt instruments (AA/Aa2) by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with such rated indebtedness; and

(B) Has submitted, in association with each individual proposed project, to the comptroller a plan for the provision of assistance to the corporation and received from the comptroller a written determination that such plan is in the best interest of the state.

(c)(1) At a minimum, the plan submitted pursuant to subdivision (b)(1)(B) must contain the nature and feasibility of the project, how the public-private partnership for the entire project is structured, the risks to the municipality, how those risks are mitigated, the proposed types of assistance, and a description of how the plan is in the best interest of the state.

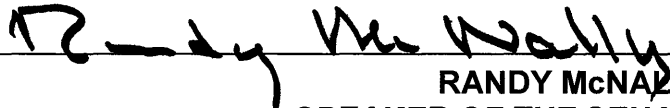
(2) The plan submitted pursuant to subdivision (b)(1)(B) is deemed approved if the written determination by the comptroller is not rendered within sixty (60) days of the comptroller's receipt of the complete plan from the municipality. The plan is not deemed received until complete, and the comptroller may request any additional information as deemed necessary for the review.

(d) The issuance of the debt in total with all other debt of the municipality being secured by a pledge of non-ad valorem taxes may not exceed a debt service coverage ratio determined by the comptroller.

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


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PASSED: April 25, 2024


RANDY McNAZLY
SPEAKER OF THE SENATE


CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 25th day of May 2024


BILL LEE, GOVERNOR