

SENATE BILL 1877

By Niceley

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 51, Part 1; Title 5; Title 6, Chapter 56; Title 7; Title 7, Chapter 39, Part 3; Title 9; Title 12, Chapter 4, Part 2; Title 37, Chapter 5, Part 3; Title 49, Chapter 7, Part 7; Title 58, Chapter 7, Part 1; Title 66, Chapter 34, Part 1; Title 67, Chapter 6, Part 7 and Title 67, Chapter 5, Part 1, relative to county surplus revenue.

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

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

5-8-109.

(a) Notwithstanding this chapter to the contrary, a county shall only expend excess revenue in a manner approved by its legislative body.

(b) No county legislative body shall implement or increase local option sales taxes pursuant to title 67, chapter 6, part 7, or property taxes pursuant to title 67, chapter 5, part 1, to offset revenue shortfalls or to meet expenditure requirements in excess of budgeted appropriation levels prior to using existing county surplus revenue for such purposes.

(c)

(1) No county legislative body shall have the authority to set appropriations based on existing surplus revenue or in anticipation of surplus revenue.

(2) All county revenue shortfalls shall be offset by reductions in expenditures prior to using county surplus revenue to offset such shortfalls.

(3) Any surplus revenue available to a county at the end of any fiscal year shall first be applied toward the payoff of the highest interest bearing debts of the county.

(d) At the close of the annual fiscal year, any idle county funds not expended for their purpose as allocated by law should be rolled into the originating account. If there is a surplus in the originating account then, at the request of the county legislative body, the surplus shall be allocated to pay any outstanding debt liabilities of the county.

SECTION 2. Tennessee Code Annotated, Title 5, Chapter 8, is amended by deleting Part 3 in its entirety.

SECTION 3. Tennessee Code Annotated, Title 9, Chapter 4, is amended by deleting Part 7 in its entirety.

SECTION 4. Tennessee Code Annotated, Section 4-51-106, is amended by deleting subsection (c) in its entirety.

SECTION 5. Tennessee Code Annotated, Section 6-56-106(a), is amended by deleting subdivision (6) in its entirety.

SECTION 6. Tennessee Code Annotated, Section 6-56-302, is amended by deleting subdivision (4) in its entirety.

SECTION 7. Tennessee Code Annotated, Section 7-39-313(b), is amended by deleting subdivision (6) in its entirety.

SECTION 8. Tennessee Code Annotated, Section 7-82-108(a)(1), is amended by deleting subdivision (F) in its entirety.

SECTION 9. Tennessee Code Annotated, Section 7-86-122, is amended by deleting the section in its entirety and by substituting instead the following:

7-86-122.

In order to provide a safe temporary medium for the investment of idle funds, emergency communications districts shall deposit and invest idle funds in accordance with § 6-56-106.

SECTION 10. Tennessee Code Annotated, Section 7-89-122, is amended by deleting subdivision (6) in its entirety.

SECTION 11. Tennessee Code Annotated, Section 9-1-107, is amended by deleting subsection (b) in its entirety and by substituting instead the following:

(b) The governing bodies of counties, municipalities, districts and other public or quasi-public entities may delegate revocable investment authority to the financial officers charged with custody of the funds of such local governments, who shall thereafter assume full responsibility for transactions.

SECTION 12. Tennessee Code Annotated, Section 9-4-111(a), is amended by deleting the language “5-8-301(b)(2),”.

SECTION 13. Tennessee Code Annotated, Section 9-4-608(h), is amended by deleting the language “, notwithstanding § 5-8-301”.

SECTION 14. Tennessee Code Annotated, Section 9-4-608(i), is amended by deleting the language “Notwithstanding § 5-8-301,”.

SECTION 15. Tennessee Code Annotated, Section 12-4-201(c)(5), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(c)

(5) Cash; provided, that, where cash is posted, the contracting authority shall pay to the contractor interest at the same rate that interest is paid on funds invested in accordance with § 6-56-106, for the contract period.

SECTION 16. Tennessee Code Annotated, Section 37-5-311, is amended by deleting subsection (b) in its entirety.

SECTION 17. Tennessee Code Annotated, Section 49-7-701(b), is amended by deleting the language “§ 9-4-704” and by substituting instead the language “§ 9-4-603”.

SECTION 18. Tennessee Code Annotated, Section 58-7-108, is amended by deleting the language “Such funds may be invested in the local government investment pool pursuant to title 9, chapter 4, part 7.”

SECTION 19. Tennessee Code Annotated, Section 66-34-104(g), is amended by deleting the language “local governments participating in the local government investment pool established pursuant to § 9-4-704” and by substituting instead the language “local governments in accordance with § 6-56-106”.

SECTION 20. This act shall take effect July 1, 2014, the public welfare requiring it.