



State of Tennessee

PUBLIC CHAPTER NO. 1133

SENATE BILL NO. 2901

By Johnson

Substituted for: House Bill No. 2886

By Lamberth, Gant, Hazlewood, Gary Hicks, Williams, Garrett

AN ACT to authorize the state of Tennessee, acting by resolutions of its funding board, to issue and sell its bonds and bond anticipation notes to provide for acquisition of equipment and sites, and erection, construction, and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments, and extraordinary repairs to existing structures, for construction of highways, and repair, replacement, or rehabilitation of bridges, and for grants to any county, metropolitan government, incorporated town, city, special district of the state, or any governmental agency or instrumentality of any of them; to make grants to industrial development corporations to provide for acquisition of equipment and acquisition, site preparation, erection, construction, and equipment of sites and buildings; and infrastructure improvements and development; and to provide for the expenditure of said funds; to issue its debt in excess of the authorized amount to fund discount and costs of issuance; and to provide for the expenditure of said funds. This act makes appropriations for an indefinite period of time for the purpose of allocating the proceeds of the bonds and notes authorized by this act. This act cancels the bonds authorized by Chapter 758, Public Acts of 2020.

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

SECTION 1. The state of Tennessee, acting by resolutions of its funding board, is hereby authorized and empowered to issue and sell direct general obligation bonds of the state of Tennessee in amounts not to exceed five hundred eighty-three million five hundred thousand dollars (\$583,500,000) to effectuate the purposes specified in Section 4 of this act. Further, the funding board is authorized to sell bonds in amounts not to exceed 2.5% of the amounts specified above and authorized in Section 4, for the purpose of funding discount and costs of issuance. Such bonds may be issued and sold in one (1) block or in several installments and separately or together with other general obligation bonds of the state of Tennessee as the board may determine, either at public or private sale as provided by law.

SECTION 2. The bonds and the interest bearing coupons attached thereto, if any, shall be in such form, mature at such time or times within twenty (20) years from the date of their issuance subject to Section 7 of this act, be executed in such manner, be payable at such place or places both as to principal and interest, and be in such denominations and bear such rate or rates of interest, payable in such manner, as the funding board shall by resolution direct; provided, however, that the maximum rate determined by the funding board in no instance shall exceed the legal rate as provided in Tennessee Code Annotated, Section 47-14-103. The bonds and interest payable thereon shall be exempt from taxation by the state of Tennessee or by any county, municipality or taxing district of the state except inheritance, transfer, and estate taxes.

SECTION 3. When the bonds are so issued and sold, they shall be direct general obligations of the state of Tennessee for the payment of which well and truly to be made according to the tenor, effect, and terms thereof the full faith and credit of the state, together with its taxing power, shall irrevocably be pledged; and the bonds as authorized in this act shall be issued agreeable to the terms of Tennessee Code Annotated, Title 9, Chapter 9; and they shall be financed, retired, and paid both as to principal and interest as provided in that chapter and shall be subject to the terms and conditions therein and herein contained. When the bonds are sold and proceeds paid over to the state treasurer, the funds shall be paid out by the treasurer and the proper fiscal officers of the state, as provided by general law and this act, but only, except for accrued interest paid as part of the purchase price on order of the proper administrative authorities of the agency or department in

this act named for the benefit of which such bonds have been authorized and only to the extent such bonds have in fact been issued for the benefit of such agency or department.

SECTION 4. The proceeds of any and all issues of bonds authorized in this act shall be allocated to the following departments:

(1) Department of Transportation in the amount of eighty-three million five hundred thousand dollars (\$83,500,000) and expended for the construction of highways and for the purpose of acquisition of equipment and sites, and erection, construction, and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments, and extraordinary repairs to existing structures, and repair, replacement, or rehabilitation of bridges.

(2) Department of Finance and Administration in the amount of five hundred million dollars (\$500,000,000) to provide funds for the purpose of making a grant to the Metropolitan Government of Nashville and Davidson County for the construction of a domed sports stadium.

(3) In its discretion the funding board is authorized to issue bonds in amounts not to exceed 2.5% of the amounts specified above in subdivisions (1) and (2), the proceeds of which are to be allocated to such departments as determined by the funding board and expended for the purpose of funding discount and the costs of issuance.

SECTION 5. The proper authorities enumerated in this act and charged with the duty of expending the funds shall have authority to proceed with the projects authorized in this act and for that purpose may hire an architect or architects, advertise for bids and award contracts, all within the provisions of the general law, expressly including Tennessee Code Annotated, Title 4, Chapter 15, and rules of the state building commission, and in agreement with the terms of this act. No contract, including a contract for architectural services, involving a project authorized by this act which is subject to the approval of the state building commission shall be entered into unless and until that contract shall have been approved by the state building commission. The foregoing provisions shall not apply to any grants authorized in this act, but the department of finance and administration, charged with the duty of expending funds, shall have the authority to enter into such grant contracts and perform in accordance with their terms only after the projects have been approved by the state building commission.

SECTION 6. The allocation made to each agency or department as provided in Section 4 may be applied as determined by the funding board to bear its appropriate portion of discount and costs of issuance.

SECTION 7. Pending the issuance of the definite bonds authorized by this act, the state of Tennessee, acting by resolutions of its funding board, is authorized and empowered to issue and sell, either at public or private sale, together with accrued interest thereon, its interest-bearing bond anticipation note or notes. Such note or notes shall be authorized by resolution of the funding board. The note or notes shall bear such date or dates, bear interest at such rate or rates, be in such denominations, be in such form, be executed in such manner, be payable in such medium of payment, at such place or places and mature on such date or dates, subject to such terms and conditions as such resolution or resolutions may provide. In its discretion, the funding board may provide that a bond anticipation note or any renewal of such note may mature more than five (5) years from the date of issue of the original note; provided, that an amortization schedule of repayment of principal is established for the project funded by the note and provisions are made such that any note or renewal note or bond refunding such note attributed to the financing of such project shall be redeemed or retired no later than either twenty-five (25) years from the date of issue of such original note or twenty (20) years from the date the project is completed and placed in full service, whichever is earlier. Provisions of general law with respect to authentication, execution, and registration of general obligation bonds of the state of Tennessee shall also apply to the notes to the extent applicable. The note or notes and the interest payable thereon shall be exempt from taxation by the state of Tennessee or by any county, municipality, or taxing district of the state except inheritance, transfer, and estate taxes. Any resolution or resolutions of the funding board authorizing the issuance of such bond anticipation note or notes shall provide that the same are issued in anticipation of the bonds authorized under this act and shall further provide that the full faith and credit and taxing power of the state of Tennessee are pledged to the payment thereof.

In its discretion the funding board is authorized to issue bond anticipation notes, the proceeds of which are to be allocated to the funding board and expended for the purpose of funding discount and the costs of issuance, as part of the 2.5% additional amounts authorized by Section 4 of this act.

SECTION 8. No bonds shall be issued under the authority of this act until such time as the general assembly has appropriated sufficient funds to pay the first year's obligation of principal and interest on the amount of bonds to be issued and the state funding board has determined that such funds are available.

SECTION 9. Notwithstanding any other provision of this act to the contrary, the bonds and bond anticipation notes authorized by this act may be designated "college savings bonds" and be issued pursuant to the provisions of the Baccalaureate Education Savings for Tennessee Act, Chapter 190, Public Acts of 1989.

SECTION 10.

(a) The amount of fifty-two million eighty-five thousand dollars (\$52,085,000) of bonds authorized by Chapter 758, Public Acts of 2020, the proceeds of which were allocated to the Department of Finance and Administration, are hereby cancelled.

(b) The amount of fifty million dollars (\$50,000,000) of bonds authorized by Chapter 758, Public Acts of 2020, the proceeds of which were allocated to the Department of Finance and Administration to provide funds for the purpose of making grants to the Industrial Development Board of the City of Chattanooga for the Volkswagen Group of America Chattanooga Operations, LLC, project, are hereby cancelled.

(c) The amount of sixty-five million dollars (\$65,000,000) of bonds authorized by Chapter 758, Public Acts of 2020, the proceeds of which were allocated to the Department of Finance and Administration to provide funds for the purpose of making grants to the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County for the Amazon.com Services, Inc. project, are hereby cancelled.

(d) The amount of thirty-two million nine hundred eleven thousand dollars (\$32,911,000) of bonds authorized by Chapter 758, Public Acts of 2020, the proceeds of which were allocated to the Department of Finance and Administration to provide funds for the University of Memphis, are hereby cancelled.

(e) The amount of twenty-one million seven hundred thousand dollars (\$21,700,000) of bonds authorized by Chapter 758, Public Acts of 2020, the proceeds of which were allocated to the Department of Finance and Administration to provide funds for the Tennessee Board of Regents, are hereby cancelled.

SECTION 11. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 12. No expenditure of public funds pursuant to this act shall be made in violation of the provisions of Title VI of the Civil Rights Act of 1964, as codified in 42 United States Code 2000d.

SECTION 13. This act takes effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 2901

PASSED: April 21, 2022




RANDY McNALLY
SPEAKER OF THE SENATE



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 1st day of June 2022



BILL LEE, GOVERNOR