

HOUSE BILL 3035  
By Kisber

AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 9, relative to providing for the funding of state debt and to amend public acts authorizing the issuance of general obligation bonds.

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

WHEREAS, the state has previously authorized the issuance of debt to fund discount and costs of issuance for general obligation refunding bonds; and

WHEREAS, the state has determined that more efficient structuring of all general obligation debt, including refunding bonds, may be achieved by allowing debt to be issued for discount and costs of issuance; and

WHEREAS, the state has determined that state policy decisions may result in a need to refund outstanding tax-exempt debt and that more efficient structuring of such refunding debt may be achieved by allowing sales through negotiation; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Section 9-9-104, is amended by adding in the first sentence after the phrase "pledged by Section 9-9-103" and before the phrase "for the last preceding fiscal year" the phrase "or the aggregate of the pledged gasoline tax, the special tax on petroleum products provided for by §67-3-1303, motor vehicle registration fees and one-third of the entire annual proceeds of franchise and excise taxes imposed by the franchise and excise tax laws, compiled in title 67, chapter 4, parts 9 and 8, whichever sum is lower",

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SECTION 2. Tennessee Code Annotated, Section 9-9-116, is amended in the last sentence by deleting the phrase “§§9-9-207 and 9-9-208” and inserting in its place the phrase “this chapter and authorized heretofore or hereafter by the General Assembly to be issued by the funding board”.

SECTION 3. Tennessee Code Annotated, Section 9-9-205(a)(2), is amended by deleting the phrase “forty-eight (48)” and inserting instead the phrase “twenty-four (24)”.

SECTION 4. Tennessee Code Annotated, Section 9-9-207, is amended by deleting the existing section and inserting instead the following:

(a) The funding board may issue general obligation refunding bonds to refund outstanding obligations previously issued under the authority of this chapter, upon the determination by the board that such bonds are necessary to:

(1) Accomplish cost savings to the public,

(2) Pay or discharge all or any part of an issue or series of bonds, including any interest thereon, in arrears or to become due and for the payment of which sufficient funds are not available, or

(3) Eliminate bond covenants that have been determined to be burdensome to the state due to a change in circumstances if such elimination is not otherwise prohibited by law. Such determination shall be clearly stated in any resolution authorizing such refunding bonds and shall be conclusive.

(b) The refunding bonds may be issued to pay or provide for the payment of principal, redemption premium, and accrued interest on the bonds to be refunded, and expenses related to the issuance of the refunding bonds, including discount and costs of issuance.

(c) Refunding bonds may be sold as determined by the funding board, at public or private sale, in accordance with the provisions of this chapter.

SECTION 5. Tennessee Code Annotated, Section 9-9-208, is amended by deleting the section in its entirety.

SECTION 6. In its discretion, and notwithstanding any language in this chapter or the following public chapters: Public Acts of 1985, Chapter 425; Public Acts of 1986, Chapter 875; Public Acts of 1988, Chapter 945; Public Acts of 1989, Chapter 525; Public Acts of 1990, Chapter 947; Public Acts of 1991, Chapter 493; Public Acts of 1992, Chapter 930; Public Acts of 1992, Chapter 1028; Public Acts of 1993, Chapter 528; Public Acts of 1993, Chapter 533; Public Acts of 1994, Chapter 850; Public Acts of 1994, Chapter 1009; Public Acts of 1994, Chapter 1010; Public Acts of 1995, Chapter 457; Public Acts of 1995, Chapter 461; Public Acts of 1996, Chapter 582; Public Acts of 1996, Chapter 908; Public Acts of 1996, Chapter 945; Public Acts of 1996, Chapter 952; Public Acts of 1996, Chapter 990; and Public Acts of 1997, Chapter 535, in addition to the amounts specified in such public acts, the funding board may issue general obligation bonds and notes in amounts for each not to exceed two and one-half percent (2.5%) of the amounts specified and allocated to various departments and agencies for the purpose of funding discount and costs of issuance. Such bonds and notes shall be issued and have all characteristics of the bonds and notes authorized by such public acts.

SECTION 7. Tennessee Code Annotated, Section 9-9-103, is amended by deleting from the first sentence the reference to “§67-3-904” and substituting instead “§67-3-1303”.

SECTION 8. Tennessee Code Annotated, Section 9-9-104, is amended by deleting from the first sentence the language “volatile substances inspection fees” and substituting instead the language “the special tax on petroleum products provided for by §67-3-1303”.

SECTION 9. Tennessee Code Annotated, Section 9-9-105, is amended by deleting the reference to “§67-3-904” and substituting instead “§67-3-1303”.

SECTION 10. Tennessee Code Annotated, Section 9-9-111, is amended by deleting the language “the fees for inspection of volatile substances” and substituting instead “the special tax on petroleum products provided for by Section 67-3-1303”.

SECTION 11. If any court of last resort should determine the tax levied by 1997 Public Acts, Chapter 316 to be invalid, then immediately upon the effective date of the court's order, the prior Tennessee Code Annotated Sections amended by Sections 7 through 10 of this act shall be revived as in effect prior to January 1, 1998, and the reference in Section 1 of this act to "§67-3-1303" shall be deleted and "§67-3-904" shall be substituted instead.

SECTION 12. 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 13. This act shall take effect upon becoming a law, the public welfare requiring it. The application of Sections 7 through 11 shall be retroactive to January 1, 1998; it being the clear and unequivocal legislative intent that those sections have retroactive application.