

HOUSE BILL 1801

By Howell

AN ACT to amend Tennessee Code Annotated, Title 9,
Chapter 21, relative to local government interfund
loans for funds derived from the sale of any
Tennessee private act hospital.

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

SECTION 1. Tennessee Code Annotated, Section 9-21-408, is amended by designating the existing language as subsection (a) and by adding the following language as a new subsection (b):

(b) Local governments are hereby authorized to make interfund loans in accordance with the procedures of § 9-21-604(b) of all funds derived from the sale of any Tennessee private act hospital established pursuant to private acts of the state and the Private Act Hospital Authority Act of 1996 compiled in title 7, chapter 57, part 6.

SECTION 2. Tennessee Code Annotated, Section 9-21-604, is amended by designating the existing language as subsection (a) and by adding the following language as a new subsection (b):

(b) Capital outlay notes issued from funds derived from the sale of any Tennessee private act hospital may be issued for a period not to exceed the end of the twentieth fiscal year following the fiscal year in which the notes were issued, with the approval of the comptroller of the treasury or the comptroller's designee. Each fiscal year that any such notes are outstanding following the fiscal year in which notes are issued, the local government shall retire a portion thereof equal to not less than one-twentieth (1/20) of the original principal amount of the notes. The resolution authorizing any such issue of notes shall provide for the principal of the notes to be payable annually, either by maturity or by mandatory redemption. The resolution authorizing

such notes may provide that the notes shall be subject to redemption prior to maturity at the option of the local government. The comptroller of the treasury or the comptroller's designee, in approving any such notes, may waive the requirement of periodic retirement.

SECTION 3. This act shall take effect July 1, 2016, the public welfare requiring it.