

**Senate State and Local Government Committee 1**

**Amendment No. 1 to SB0689**

**Yager  
Signature of Sponsor**

**AMEND Senate Bill No. 689**

**House Bill No. 582\***

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 9-21-129(d), is amended by deleting the subsection and substituting instead the following:

(d) Except as otherwise provided in subsection (a), proceeds required to be shared pursuant to this section shall be shared at the time of issuance of the bonds or notes.

SECTION 2. Tennessee Code Annotated, Section 9-21-129(a), is amended by designating the existing language as subdivision (a)(1) and by adding the following as a new subdivision (a)(2):

(2) Notwithstanding subdivision (a)(1), a county or metropolitan government and a municipality or special school district may enter into an agreement pursuant to the Interlocal Cooperation Act, compiled in title 12, chapter 9, on such terms and conditions agreed to by the county or metropolitan government and the municipality or special school district, including, but not limited to, the timing and the amount of the payments to be made and any interest on the amount of any payments to be paid by the county or metropolitan government; provided, that the total aggregate payments made by the county or metropolitan government are not less than the amount of bond or note proceeds that would have been shared at the time of the issuance of the bonds or notes, unless the governing body of the municipality or special school district waives its right to a part of any funds due under this subdivision (a)(2) in accordance with subsection (b). No interlocal agreement pursuant to this subdivision (a)(2) shall be effective until it has been approved by the comptroller of the treasury or the comptroller's designee. The

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comptroller of the treasury or the comptroller's designee shall approve, within thirty (30) days, the interlocal agreement only when the comptroller of the treasury or the comptroller's designee is satisfied that it complies with this chapter.

SECTION 3. Tennessee Code Annotated, Section 49-3-1003(b), is amended by adding the following language as a new subdivision:

(3) Notwithstanding subdivision (b)(1), a county and a city may enter into an agreement pursuant to the Interlocal Cooperation Act, compiled in title 12, chapter 9, on such terms and conditions agreed to by the county and the city, including, but not limited to, the timing and the amount of the payments to be made and any interest on the amount of any payments to be paid by the county; provided, that the total aggregate payments made by the county are not less than the amount of bond proceeds that would have been shared at the time of the issuance of the bonds, unless the governing body of the city waives its right to a part of any funds due under this subdivision (b)(3) in accordance with subdivision (b)(2). No interlocal agreement pursuant to this subdivision (b)(3) shall be effective until it has been approved by the comptroller of the treasury or the comptroller's designee. The comptroller of the treasury or the comptroller's designee shall approve, within thirty (30) days, the interlocal agreement only when the comptroller of the treasury or the comptroller's designee is satisfied that it complies with this chapter.

SECTION 4. Tennessee Code Annotated, Section 49-3-1003(c), is amended by adding the following language as a new subdivision:

(3) Notwithstanding subdivision (c)(1), a county and a special school district may enter into an agreement pursuant to the Interlocal Cooperation Act, compiled in title 12, chapter 9, on such terms and conditions agreed to by the county and the special school

district, including, but not limited to, the timing and the amount of the payments to be made and any interest on the amount of any payments to be paid by the county; provided, that the total aggregate payments made by the county are not less than the amount of bond proceeds that would have been shared at the time of the issuance of the bonds, unless the governing body of the special school district waives its right to a part of any funds due under this subdivision (c)(3) in accordance with subdivision (c)(2). No interlocal agreement pursuant to this subdivision (c)(3) shall be effective until it has been approved by the comptroller of the treasury or the comptroller's designee. The comptroller of the treasury or the comptroller's designee shall approve, within thirty (30) days, the interlocal agreement only when the comptroller of the treasury or the comptroller's designee is satisfied that it complies with this chapter.

SECTION 5. Tennessee Code Annotated, Section 49-3-314(c)(4), is amended by deleting the subdivision and substituting instead the following:

(4) Notwithstanding any other law to the contrary, if in any fiscal year a local government appropriates funds for education for nonrecurring expenditures, including nonrecurring funds for priority schools, evidenced by a written interlocal agreement with the LEA establishing the nonrecurring use of the funds, such funds shall be excluded from this maintenance of local funding requirement. Before any such interlocal agreement takes effect, it shall be subject to review by the department of education to ensure the nonrecurring nature of the expenditures.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.