

HOUSE BILL 166

By Hazlewood

AN ACT to amend Tennessee Code Annotated, Section 9-21-151, relative to disclosures of financial obligations and defaults by public entities.

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

SECTION 1. Tennessee Code Annotated, Section 9-21-151(a), is amended by adding the following new subdivisions:

() "Event of default" means default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties;

() "Financial obligation":

(A) Means:

(i) A debt obligation;

(ii) A derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or

(iii) A guarantee of a debt obligation or derivative instrument; and

(B) Does not include municipal securities as to which a final, official statement has been provided to the Municipal Securities Rulemaking Board (MSRB) consistent with 17 CFR 240.15c2-12 under the Securities and Exchange Act of 1934;

SECTION 2. Tennessee Code Annotated, Section 9-21-151(c), is amended by adding the following new subdivision:

(3) The state funding board shall require public entities to disclose financial obligations and events of default on the Electronic Municipal Market Access (EMMA) website of the MSRB and to disclose events of default to the office of the comptroller of the treasury by those public entities not required by the securities and exchange commission to disclose financial obligations and events of default on the EMMA website of the MSRB within ten (10) business days, in accordance with guidelines approved by the board.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.