

HOUSE BILL 1631

By Baum

AN ACT to amend Tennessee Code Annotated, Section 9-21-134, relative to debt service.

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

SECTION 1. Tennessee Code Annotated, Section 9-21-134(a)(4)(B), is amended by deleting the subdivision and substituting instead the following:

(B) For purposes of determining whether debt service is substantially level or declining in accordance with subdivision (a)(4)(A), excluding refundings, the first three (3) years of debt service do not need to be taken into account. For purposes of determining whether debt service is substantially level or declining on bonds issued with a variable interest rate, the average rate of interest at which fixed interest rate bonds of the same maturities would be sold should be estimated and the total principal amount should be amortized based upon such interest rate assumption.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.