

**CHAPTER NO. 705**

**HOUSE BILL NO. 2539**

**By Representative Hargrove**

**Substituted for: Senate Bill No. 2982**

**By Senator Burks**

AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 21, relative to local government public obligations.

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

SECTION 1. Tennessee Code Annotated, Section 9-21-105(21)(A), is amended by deleting the language "railroads, including railway beltlines and switches" and by substituting instead the language "railroads, including the extension of railroads, and railway beltlines and switches".

SECTION 2. Tennessee Code Annotated, Title 9, Chapter 21, is amended by adding the following new part:

9-21-1101. The governing body of a local government operating a nursing home is authorized to issue health care revenue anticipation notes under this part and part 1 of this chapter for the purpose of providing funds to be transferred to the state pursuant to an approved intergovernmental transfer agreement between the state and the local government. The principal amount of the notes shall not exceed an amount as determined by the commissioner of finance and administration, as specified in the intergovernmental transfer agreement. The sale of the notes shall first be approved by the state director of local finance. Such notes and any interest thereon shall be secured solely by the payments by the state to the local government pursuant to the intergovernmental transfer agreement, and any payments received from the state by the local government shall immediately be applied to the retirement of any health care revenue anticipation notes issued for such purpose, together with any interest accruing thereon, with any remainder being used in such manner as determined by the governing body of the local government.

9-21-1102. Health care revenue anticipation notes shall be sold at not less than par value and accrued interest. Health care revenue anticipation notes may be sold in one (1) or more series, may bear such date or dates, may bear interest at such rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denomination or denominations, may be in such form, either coupon or registered, may be payable at such place or places, may be executed in such manner, may be payable in such medium of payment, may be subject to such terms of redemption, without a premium, all as may be provided by resolution of the governing body of the local government. The notes shall mature no later than thirty (30) days from the date of issuance.

9-21-1103. Health care revenue anticipation notes may be sold in such manner either at a competitive public sale or at a private negotiated sale as the governing body of the local government may direct.

9-21-1104. Local governments are hereby authorized to make interfund loans in accordance with procedures for issuance of notes of this part.

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

**PASSED: May 6, 2004**

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

APPROVED this 18<sup>th</sup> day of May 2004

  
PHIL BREDESEN, GOVERNOR