

**PUBLIC CHAPTER NO. 166****SENATE BILL NO. 1703****By Herron****Substituted for: House Bill No. 92****By Borchert, Pinion, Fraley, Tidwell, Lundberg**

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 35, Part 2, relative to Highland Rim economic corporation participation in the Tennessee consolidated retirement system.

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

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 35, Part 2, is amended by adding the following as a new appropriately designated section:

Section 8-35-2 \_\_\_\_\_.

(a) Any Tennessee community action agency that was organized under the Economic Opportunity Act of 1964 (42 U.S.C. §§ 2701 et seq. (repealed 1981)) to conduct programs under such Act pursuant to §§ 71-5-1101–71-5-1103 (declared obsolete 2004), and that continues to provide such programs or services under the Community Services Block Grant Program (42 U.S.C. §§ 9901, et. seq.) shall be eligible to be a participating employer in the Tennessee Consolidated Retirement System upon:

(1) Passage of a resolution by the agency's board of directors authorizing an actuarial study; and

(2) Passage of a resolution by the agency's board of directors authorizing such participation and accepting the liability as a result of the participation by its full-time employees.

(b) The employees of the agency shall make the same contributions, participate in the same manner, and shall be eligible for the same benefits as employees of local governments participating in the retirement system under this part.

(c) The employees shall be entitled to credit for prior service as approved by the board of directors of the agency under the same provisions which apply to employees of local governments.

(d) The retirement system shall not be liable for the payment of retirement allowances or other payments on account of employees of the agency or their beneficiaries for which reserves have not been previously created from funds contributed by the agency, its employees or the agency and its employees.

(e) In case of the withdrawal of the agency as a participating employer, the benefits of the members and beneficiaries shall be determined in accordance with the provisions of § 8-35-211.

(f) It is the legislative intent that the state shall realize no increased cost as a result of this section. All costs associated with retirement coverage, including administrative costs, shall be the responsibility of the agency.

(g) The provisions of this section shall cease to be effective on July 1, 2008; provided no resolution passed pursuant to this section prior to July 1, 2008 shall be rendered ineffectual.

SECTION 2. This act shall take effect July 1, 2007, the public welfare requiring it.

**PASSED: May 2, 2007**

  
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RON RAMSEY  
SPEAKER OF THE SENATE

  
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JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 15th day of May 2007**

  
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PHIL BREDESEN, GOVERNOR