

**PUBLIC CHAPTER NO. 929****SENATE BILL NO. 3948****By McNally, Henry, Burchett****Substituted for: House Bill No. 3723****By Fitzhugh**

AN ACT to amend Tennessee Code Annotated, Title 6, Chapter 56, Part 4, relative to certified municipal finance officers.

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

SECTION 1. Tennessee Code Annotated, Section 6-56-406(a), is amended by deleting the existing language and by substituting instead the following:

(a) Municipalities shall comply with the requirement that they have a certified municipal finance officer (CMFO) in their employ based on the following schedule determined by the gross revenues the municipality derived from all funds, including utilities, during the July 1, 2006, to June 30, 2007, fiscal year:

Gross revenues	Compliance date
\$10 million or more	January 1, 2011
\$5 million to \$9,999,999.99	January 1, 2012
Less than \$5 million	January 1, 2013

SECTION 2. Tennessee Code Annotated, Section 6-56-402, is amended by adding the following as new subsection (c):

(c) Any municipality with one hundred thousand dollars (\$100,000) or less in gross revenues for all funds, including utilities but excluding one time non-recurring grants, and with debt totaling one hundred thousand dollars (\$100,000) or less in the immediately preceding fiscal year may, instead of employing a CMFO, or contracting with a CMFO or a qualified individual who is exempt from CMFO certification for financial oversight shall be required to have in their employment an individual who has met the CEU requirements of TCA, Section 6-56-404. Any municipality which has a deficit total net assets or a negative change in net assets for a period of three (3) consecutive years, or is in default on any indebtedness shall be deemed financially distressed and shall be required to employ a CMFO or contract with a CMFO or a qualified individual who is exempt from CMFO certification for financial oversight.

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

**PASSED: April 24, 2008**

  
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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 2008

  
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PHIL BREDESEN, GOVERNOR