



State of Tennessee
PUBLIC CHAPTER NO. 385

SENATE BILL NO. 1348

By Summerville

Substituted for: House Bill No. 1653

By Bass

AN ACT to amend Tennessee Code Annotated, Title 6, Chapter 54, relative to municipal powers.

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

SECTION 1. Tennessee Code Annotated, Section 6-54-118, is amended by redesignating the current subsection (b) as subsection (c) and by inserting the following language as a new subsection (b):

(b) Without limiting the authorization provided under any otherwise applicable law, on or before 11:59 p.m., January 1, 2012, a municipality located in a tier 3 enhancement county as defined in Section 67-4-2109(a)(2) as of the effective date of this act, acting through the authorization of the board of public utilities or other board or supervisory body having responsibility for the electric department or gas department of the municipality, may loan funds from the electric department or gas department to an eligible industrial development corporation for the purpose of economic development or industrial development, or both; provided that:

(1) Prior to making any loan pursuant to this subsection, the municipality shall submit the loan agreement to the comptroller of the treasury, or the comptroller's designee, for approval based upon a review of the financial condition of the electric or gas department, the department's available reserves, the collateral provided to the department, and the terms and conditions of the loan documents; and

(2) The principal amount of any loan made pursuant to this subsection shall not exceed five hundred thousand dollars (\$500,000).

SECTION 2. Tennessee Code Annotated, Section 6-54-118(a), is amended by deleting the language "as defined in subsection (b)" and by substituting instead the language "as defined in subsection (c)".

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

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PASSED: May 20, 2011

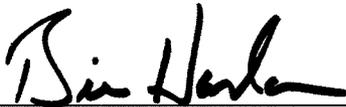


RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 1 day of June 2011



BILL HASLAM, GOVERNOR