



Tennessee Senate

PUBLIC CHAPTER NO. 17

SENATE BILL NO. 114

By Harshbarger, Hatcher

Substituted for: House Bill No. 136

By Atchley, Vaughan

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

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

SECTION 1. Tennessee Code Annotated, Section 9-21-134(a), is amended by adding the following as new subdivisions:

() "Covenant violation" means noncompliance with one (1) or more covenants as defined in a lending document of a finance transaction;

() "Credit rating downgrade" means the reduction or elimination of a credit rating by any nationally recognized statistical rating organization as identified by the United States securities and exchange commission;

SECTION 2. Tennessee Code Annotated, Section 9-21-134(c), is amended by deleting the subsection and substituting:

(c)(1) The board shall determine the information to be disclosed pursuant to subdivision (c)(2).

(2) Not later than forty-five (45) days following the issuance, reissuance, incurrence, execution, or assumption of a finance transaction, the public entity shall submit, or cause to be submitted, the information required by the board pursuant to subdivision (c)(1) to the governing body of the public entity, with a copy also submitted to the comptroller of the treasury or the comptroller's designee. If an open meeting of the governing body is not scheduled within the forty-five-day period, then the public entity shall give a copy to each member of the body within such period and present the information required by subdivision (c)(1) to the body at the next scheduled meeting.

SECTION 3. Tennessee Code Annotated, Section 9-21-134, is amended by inserting the following as a new subsection (d) and redesignating the existing subsection (d) as subsection (e):

(d) The state funding board shall require public entities to:

(1) Timely comply with continuing disclosure obligations, if applicable;

(2) Disclose financial obligations and events of default on the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board (MSRB), if applicable; and

(3) Disclose any event of default, covenant violation, or credit rating downgrade to the comptroller of the treasury or the comptroller's designee within ten (10) business days, in accordance with guidelines approved by the board.

SECTION 4. This act takes effect upon becoming a law, the public welfare requiring it.

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PASSED: March 3, 2025


RANDY McNALLY
SPEAKER OF THE SENATE


CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 12th day of March 2025


BILL LEE, GOVERNOR