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Public Acts of 1996 Chapter 582

Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Public Acts of 1996 Chapter 582

COMPILER'S NOTE: The following act is a public act of special application and is not codified in Tennessee Code Annotated.

SECTION 1. The State of Tennessee, acting by resolutions of its funding board, is hereby authorized and empowered to issue and sell direct general obligation interest-bearing bonds of the State of Tennessee in amounts not to exceed fifty-five million dollars (\$55,000,000.00) to effectuate the projects authorized in Section 4 of this act. Such bonds may be issued and sold as determined by the funding board, after advertisement as provided by law, including Title 9, Chapter 9, Tennessee Code Annotated.

SECTION 2. Said bonds and the interest-bearing coupons attached thereto, if any, shall be in such form, mature at such time or times within thirty (30) years from the date of their issuance, be executed in such manner, be payable at such place or places both as to principal and interest, and be in such denomination and bear such rate of interest, payable in such manner, as the funding board shall by resolution direct; provided, however, that the maximum rate determined by the funding board in no instance shall exceed the legal rate as provided in Section 47-14-103 of the Tennessee Code Annotated. Said bonds shall be sold by the funding board after advertisement as provided by law at not less than ninety-eight percent (98%) of the par value thereof, together with the accrued interest thereon, and when they have been sold, the proceeds derived from the sale thereof shall be paid to the State Treasurer to be disbursed by him and other fiscal officers and agencies of the state as provided by the general law and this act. Said bonds and interest payable thereon shall be exempt from taxation by the State of Tennessee or by any county, municipality or taxing district of the state except inheritance, transfer and estate taxes.

SECTION 3. When said bonds are so issued and sold, they shall be direct general obligations of the State of Tennessee for the payment of which well and truly to be made according to the tenor, effect and terms thereof the full faith and credit of the state together with its taxing power, shall irrevocably be pledged, and said bonds as authorized herein shall be issued agreeable to the term of Title 9, Chapter 9, Tennessee Code Annotated; and they shall be financed, retired, and paid both as to principal and interest as provided in said chapter and shall be subject to the terms and conditions therein and herein contained. When said bonds are sold and proceeds paid over to the State Treasurer, said funds shall be paid out by him and the proper fiscal officers of the state, as provided by general law, but only on order of the proper administrative authorities of the agency or department herein named for the benefit of which such bonds have been authorized and only to the extent such bonds have in fact been issued for the benefit of such agency or department.

SECTION 4. The proceeds of bonds (and bond anticipation notes) issued under the authority of this act shall be allocated to the Department of Finance and Administration for the purpose of making a grant to the Metropolitan Government of Nashville and Davidson County for the construction of a sports stadium.

SECTION 5. The proper authorities heretofore enumerated and charged with the duty of expending said funds shall have authority to proceed with the projects authorized herein and for that purpose may hire an architect or architects, advertise for low bids and award contracts to low bidders, shall within the provisions of the general law, expressly including the provisions of Title 4, Chapter 15, Tennessee Code Annotated, and in agreement with the terms of this act. No contract, including a contract for architectural services, involving a project authorized by this act which is subject to the approval of the State Building Commission shall be entered into unless and until said contract shall have been approved by the said building commission.

SECTION 6. The appropriation made to each agency or department as aforesaid may be applied as determined by the funding board to bear its pro rata part of the expense of advertising said bonds for sale and furnishing an approved legal opinion of bond attorneys.

SECTION 7. Pending the issuance of the definite bonds authorized by this act, the State of Tennessee, acting by resolutions of its funding board, is hereby authorized and empowered to issue and sell, either at public or private sale, at not less than ninety-eight percent (98%) of the par value thereof and accrued interest, its interest-bearing bond anticipation note or notes. Such note or notes shall be authorized by resolution of the funding board, shall bear such date or dates, and shall mature at such time or times, including any renewals thereof, not exceeding five (5) years from the date of issuance of the original note or notes, as such resolution or resolutions provide. Said note or notes shall bear interest at such rate or rates, be in such denominations, be in such form, be executed in such manner, be payable in such medium of payment, at such place or places and subject to such terms and conditions as such resolution or resolutions may provide. Provisions of general law with respect to authentication, execution and registration of general obligation bonds of the State of Tennessee shall also apply to said notes to the extent applicable. Said note or notes and interest payable thereon shall be exempt from taxation by the

State of Tennessee or by any county, municipality or taxing district of the state except inheritance, transfer and estate taxes.

Any resolution or resolutions of the funding board authorizing the issuance of such bond anticipation note or notes shall provide that the same are issued in anticipation of the bonds authorized hereunder and shall further provide that the full faith and credit of the State of Tennessee are pledged to the payment thereof.

SECTION 8. No bonds shall be issued under the authority of this act until such time as the General Assembly has appropriated sufficient funds to pay the first year's obligation of principal and interest on the amount of bonds to be issued and the state funding board has determined that such funds are available.

SECTION 9. In its discretion, and notwithstanding any language in this act, the funding board may provide that a bond anticipation note or any renewal of such note issued pursuant to the provisions of such acts and the Title 9, Section 9 of the Code, may mature more than five (5) years from the date of issue of the original note; provided, that an amortization schedule for repayment of principal is established for the project funded by the note and provisions are made such that any note or renewal note or bond refunding such note attributed to the financing of such project shall be redeemed or retired either thirty-five (35) years from the date of issue of such original note or thirty (30) years from the date the project is completed and placed in full service, whichever is earlier.

SECTION 10. Notwithstanding any other provision of this act to the contrary, the bonds and bond anticipation notes authorized by this act may be designated "college savings bonds" and be issued pursuant to the provisions of the Baccalaureate Education Savings for Tennessee Act, Tennessee Code Annotated, Section 9-9-206, Section 49-3-1203 and Sections 49-7-901 through 907.

SECTION 11. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 12. This act shall take effect upon becoming a law, the public welfare requiring it.

Passed: February 29, 1996.

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