



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON, COMPTROLLER
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NEWS RELEASE

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General Obligation Bonds Sale Saves Tennessee Taxpayers \$6 Million

NASHVILLE, Tenn. – Tennessee Comptroller of the Treasury Justin P. Wilson announced today that Tennessee taxpayers will save \$6 million over the next 12 years in the form of lower interest payments following a sale last week of general obligation bonds and refinancing of outstanding state debt.

The sale was the first time the state has sold long-term general obligation debt at a negotiated sale. Traditionally, the state has sold bonds to large institutional buyers. However, in a retail sale, such as the one completed last week, smaller investors are able to buy state bonds as well.

The sale totaled \$389 million, including \$291 million in series A bonds to fund various capital improvements and \$98 million in series B bonds to refinance existing state debt. The state was able to lock in a total interest cost of 3.5 percent.

The bond sale generated \$191 million in orders from retail investors within four hours.

“The demand shows that retail investors understand the value of purchasing these bonds and are willing to invest in the state,” Comptroller Wilson said. “The low cost financing secured by the state will provide added savings to help our state with future fiscal recovery and the stability of our state in the credit markets.”

The interest revenue Tennessee investors receive when purchasing these bonds is exempt from the Tennessee Hall income tax and federal income tax.

“I’ve been in this field for 26 years and this is the lowest interest rate I’ve ever seen,” says Mary-Margaret Collier, director of the Comptroller’s Division of Bond Finance.

The general obligation bonds sale follows a successful first-time retail sale of School Bond Authority bonds conducted in March.

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