

2023 Legislative Update Comptroller of the Treasury CCFO/CMFO CPE Training

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Introduction

- ◆ Provide a general overview of the lawmaking process in Tennessee.
- ◆ Review legislation of interest for CCFOs and CMFOs from the first session, and first extraordinary session, of the 113th General Assembly.
- ◆ Due to time availability, will be limited to laws of general application.



113th General Assembly

- ◆ Convened on January 10, 2023
- ◆ Adjourned on April 21, 2023
- ◆ 90 days over two-years.
- ◆ At adjournment:
 - 1596 House Bills Filed
 - ◆ 15* Per Member Limit
 - 1572 Senate Bills Filed
 - 521 Effective Public and Private Acts



The Process



The Process

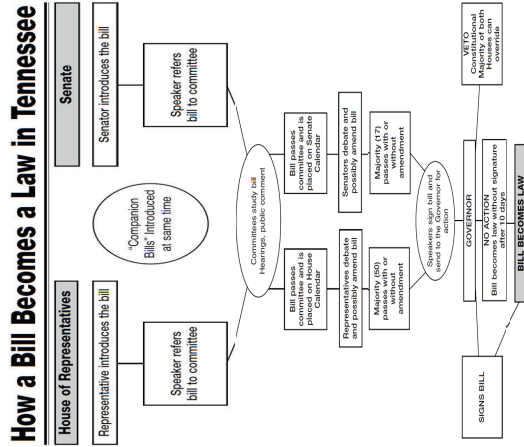
99 House Members
33 Senate Members

Rule of 50 and 17 - Passed by a majority of the members to which the body is entitled.

Ex., Tennessee Business Recovery and Safe Harbor Act relative to retroactive COVID-19 lawsuit immunity failed to pass in the House although it had a 46-36 majority vote. (2020)



The Process



Legislative Considerations for CCFOs and CMFOs

◆ Public Acts (General Bills)

- A. Bills: Passed by legislature and signed by governor after 3 readings on 3 days.
- B. If unsigned by the governor for more than 10 days, becomes law.
- C. Governor can veto, but can be overridden by simple majority.
- D. Create general statutory law, i.e. Tennessee Code Annotated.
- E. Original act is filed with the Secretary of State's office.
- F. Numbers in sequential/chronological order over 2-year General Assembly term.
- G. Published by the Secretary of State in bound volumes.
- H. Become part of Tennessee Code Annotated.
- I. Can be found online at either www.legislature.state.tn.us or sos.tn.gov/division-publications/acts-and-resolutions.



Legislative Considerations for CCFOs and CMFOs, cont'd.

◆ Private Acts

- A. Bills: Passed by legislature and signed by governor.
- B. Not general law.
- C. Affect only local government.
- D. Must be adopted local governing body to be effective.
- E. Not part of Tennessee Code Annotated
- F. Original filed in Secretary of State's office.
- G. Published by Secretary of State in separate bound volumes.
- H. Can be found online at either www.legislature.state.tn.us or sos.tn.gov/division-publications/acts-and-resolutions.



Legislative Considerations for CCFOs and CMFOs, cont'd.

◆ Resolutions

- A. Passed either by House or Senate after one reading.
- B. Can be joint-passed by both House and Senate.
- C. Individual chamber resolutions cannot be vetoed. Joint are handled like a bill.
- D. Have the force and effect of law.
- E. Do not become part of T.C.A.
- F. Can be memorializing, congratulatory or directory.
- G. Published by Secretary of State with Public Acts.
- H. Can be found online at either www.legislature.state.tn.us or sos.tn.gov/division-publications/acts-and-resolutions.



Legislation of Interest – CCFO and CMFO

§ 6-56-404. Continuing education

Currentness

(a) To maintain certification, a certified municipal finance officer (CMFO) must earn at least sixteen (16) hours of continuing professional education (CPE) of financial education¹ each calendar year after receiving the designation. CPE hours in excess of sixteen (16) hours are not carried over to the next calendar year. CPE hours must be filed with and maintained by the comptroller of the treasury's office, which must keep individual records on CMFOs and CMFO candidates. The comptroller may allow exceptions to the continuing education requirement for good cause shown.

(b) A CMFO's certification may be revoked for either or both of the following:

(1) Failure to obtain or maintain the required continuing education;

(2) Failure to comply with the standards for CMFO candidates as set forth in § 6-56-403.

Credits

2007 Pub.Acts, c. 576, § 1, eff. June 27, 2007; 2013 Pub.Acts, c. 153, §§ 5, 6, eff. July 1, 2013; 2021 Pub.Acts, c. 533, § 1, eff. May 25, 2021.



Legislation of Interest – CCFO and CMFO

◆ SB1130-HB1458 Creates the Certified Municipal Officer Endowment Fund. Requires the State Funding Board to establish an allocation policy to make disbursements over 20 years from the fund. Codifies one-time stipend of \$1,000 for a CMFO that has been certified for at least 3 years and employed full time by a municipal government. Fund terminates in 2043.

- Senate State and Local Government Committee
- House Cities and Counties Subcommittee



Legislation of Interest – Comptroller Bills

Bills filed by the Comptroller's Office-Enacted

- ◆ PC0022 Extends the statute of limitations to six (6) years for the prosecution of official misconduct and destruction and tampering with government records.
- ◆ PC0083 Updates collateral requirements for local government funds held on deposit with federal savings banks.



Legislation of Interest – Comptroller Bills

- ◆ PC0184 Repeals State Board of Equalization's authority to create an assessment appeals commission to hear property tax appeals.
- ◆ PC0463 Merges the Utility Management Review Board and the Water and Wastewater Financing Board into the newly created Board of Utility Regulation.



Legislation of Interest – Not Comptroller, Comptroller Bills

- ◆ PC0050 Nepotism law applies to employees of state government entities paid through funding sources other than the state.
- ◆ PC0183 Shelby County-Fayette County boundary line.
- ◆ PC0185 Class C misdemeanor for government official charging fee or demanding compensation for solemnizing a marriage.



Legislation of Interest – Governor's Bills

- ◆ Approximately 47 Bills Filed
- ◆ PC0418 The APPROPRIATIONS BILL.
 - \$56.2 Billion
- ◆ PC0367 School safety plans and drills, including private schools. School hardening requirements. \$230MM in funding.
- ◆ PC0437 Increases K-12 teacher base pay and eliminates option to have automatic payroll deduction for professional employee organization dues.



Legislation of Interest – Governor’s Bills

- ◆ PC0159 As enacted, enacts the "Transportation Modernization Act of 2023."
 - Establishes the transportation modernization fund, including \$300 million in grants for local governments. Must supplement, not supplant local dollars. Increases registration fees for electric and hybrid vehicles.
- ◆ PC0338 3rd grade retention.



Legislation of Interest – General Government

- ◆ PC0121 Expands the types of projects that may be funded under the Tourism Development Authority Act to include museums and performing arts centers. Requires Comptroller approval if municipality is pledging revenues to an authority for the issuance of bonds.
- ◆ PC0128 Removes the requirement that members of the board of directors for an industrial development corporation be qualified electors of and taxpayers in the county or city that created the corporation.
- ◆ PC0132 Requires local government employer to pay increased pension liability created by desired benefit improvement. Funded status must be at 70% or more after implementation of the improvement. Establishes methods of payment. Failure to pay may result in withholding of liability amount from state-shared taxes.



Legislation of Interest – General

Government

- ◆ PC0147 Makes it mandatory for the state to advance or reimburse witness expenses necessary to the prosecution of a criminal case.
- ◆ PC0168 Prohibits local governments from expending funds for the purpose of assisting a person in obtaining a criminal abortion.
- ◆ PC0202 Authorizes local governments to use funds received from the Tennessee Sports Gaming Act to be used for emergency services in addition to existing authorization to use funds for infrastructure projects.



Legislation of Interest – General

Government

- ◆ PC0207 Makes numerous amendments to laws governing county official bonds. Requires county executive/mayor to approve those bonds that were formerly required to be approved by the county legislative body. County executive/mayor approved by general sessions judge. Amends deadline for filing bond.
- ◆ PC0230 Increases per diem rate from \$25 to \$150 for certain members of the county records commission.
- ◆ PC0239 Repealed county clerk's responsibility to list all appropriations and allowances, to make endorsements prior to issuance of county executive/mayor's warrant, and to provide a balance sheet of revenue and disbursements of the county for the preceding year at the first meeting of the county legislative body.
- ◆ PC0250 Authorizes new specialty license plates.



Legislation of Interest – General Government

- ◆ PC0250 Authorizes new specialty license plates.
- ◆ PC0259 Makes various changes to property assessor duties and responsibilities relative to emergency response situations. Requires all local government records to be made available to the assessor the purpose of property valuation.
- ◆ PC0372 Authorizes \$800 pay supplement to eligible emergency medical services personnel.
- ◆ PC0378 Authorizes TLDA to make loans to a county for the acquisition of equipment for a county's public safety officers or a volunteer fire department. Defines authorized equipment.



Legislation of Interest – General Government

- ◆ PC0387 Rewrites law relative to reemployment of retired member of TCRS or other local retirement fund. Establishes new conditions.
- ◆ PC0398 Authorizes deannexation for certain real property used for agricultural purposes. Authorizes municipality to continue levying real property taxes to pay deannexed property's proportion of debt incurred after annexation.
- ◆ PC0479 Prohibits local governments from entering into agreements, and expending any funds to non-governmental and intergovernmental organizations that promote recommendations by the United Nations or subsidiary entity relative to Agenda 21, the 2030 Agenda for Sustainable Development, Net Zero Emissions, or any ancillary plan.



Legislation of Interest – Taxes, Fines, and Fees

- ◆ PC0110 Increases vehicle registration period to 36 months for those businesses registering at least 15,000 vehicles annually. Requires fee be set that would offset revenue generated by a 12-month registration fee.
- ◆ PC0119 Authorizes a municipality to establish a \$200 fine for speeding within a residential zone.
- ◆ PC0234 Authorizes a county clerk to increase the fee for mail order services in an amount not to exceed USPS price increases in a year.



Legislation of Interest – Taxes, Fines, and Fees

- ◆ PC0271 Adds language to existing law relative to the property tax freeze program to require a municipality located in a county that has already adopted the tax freeze program to use the same income limit if the county is at the statutory limit.
- ◆ PC0314 Authorizes a municipality to add the cost of cleaning a real property owner's lot to the owner's real property tax bill. Must be afforded notice prior to cleaning and the charge does not constitute a lien, nor does it accrue penalties or interest for late payment.
- ◆ PC0329 Prohibits a court clerk from requiring an individual to pay outstanding court-assessed fines, fees, taxes, or costs for the 180-day period after release from prison upon request by the individual. Does not apply to certain restitution.



Legislation of Interest – Taxes, Fines, and Fees

- ◆ PC0341 Amended law relative to reporting of tangible personal property. Increased minimum reporting amounts to \$2,000 or less, or \$10,000 or less but greater than \$2,000.
- ◆ PC0370 Exempts adoption proceedings from state litigation tax, but maintains county authority to levy a local litigation tax on such proceedings.
- ◆ PC0377 Food and grocery sales tax holiday. Requires distribution of taxes to local government substantially equal to that forgone under the holiday. Also increases the municipal business tax threshold to sales of \$100,000 or more.



Legislation of Interest – Procurement

- ◆ PC0054 Increases the public advertisement threshold and competitive sealed bid threshold to over \$25,000 for a city chartered under the city manager-commission general law. Authorizes board of commissioners to delegate approval of those contracts to the city manager.
- ◆ PC0276 Authorizes superintendent of a municipal electric plant to obligate the plant on purchases up to \$100,000 without board approval. Requires the board to set the threshold amount prior to such purchases. Also, authorizes local governments to make purchases under contracts or price agreements entered into by the State Building Commission notwithstanding private act, charter, or general law that requires public advertisement or competitive solicitation.



Legislation of Interest – Procurement

- ◆ PC0223 Prohibits local governments and local law enforcement agencies from purchasing or acquiring a drone produced by a manufacturer banned under the National Defense Authorization Act of 2019. Applicable to contracts entered into after 7/1/2023.



Legislation of Interest – Schools

- ◆ PC0087 Authorizes local government to enter into a contract/MOU with a private school to provide SROs to the private schools.
- ◆ PC0343 Requires LEAs to pay a teacher their full salary, including benefits, if the teacher is absent as a result of a physical assault or other violent criminal act during the course of employment.
- ◆ PC0367 Multiple amendments to existing law relative to school safety. Adds language that an LEA or public charter school found in violation of the locked school door requirement is subject to having TISA funding withheld until receipt and approval of a corrective action plan.
- ◆ PC0399 Requires LEAs to provide eligible employees with 6 weeks of paid leave after the birth, stillbirth, or adoption of a child.



Legislation of Interest – Open Records/Open Meetings

- ◆ PC0157 Clarifies that a person requesting public records is not afforded special or faster access to records due to the requestor's occupation.
- ◆ PC0213 Requires local government legislative bodies to make meeting agendas available at least 48 hours prior to a meeting. Agenda must reasonably describe the matters to be deliberated or acted upon in the meeting. Posting on local government's website is sufficient.
- ◆ PC0300 Requires local governing bodies to reserve a period of public comment to allow the public to comment on matters germane to the meeting. Authorizes reasonable restrictions such as length, number of speakers, and time. Strive to ensure opposing viewpoints are heard. Does not apply to disciplinary hearings or meetings with no actionable items on the agenda.



Legislation of Interest – Nashville, Nashville, Nashville

- ◆ PC0021 Caps Metro Nashville governing body at 20.
- ◆ PC0364 Voids Metro provision requiring 2/3 supermajority vote on improvements, renovations, or demolitions of existing facilities when the facilities are to be used for substantially the same purpose. Subject to simple majority.
- ◆ PC0410 Sports Authority 13 members with 7 appointed by the County Mayor, and 2 each by Speakers and Governor.
- ◆ PC0430 requires Convention Center Authority to apply excess tax revenues to the retirement of debt or contracts related to the facility; for the payment of capital expenses related to the facility (if greater than \$25MM, then F&A preapproval is required); and operating expenses when source of funding authorizes such. Prohibits issuance or refunding of debt without State Funding Board approval. Includes constitutional officers/designees as nonvoting ex officio members of Authority.



Legislation of Interest – Nashville, Nashville, Nashville

- ◆ PC0454 Abolishes community oversight boards and authorizes creation of police advisory and review committees.
- ◆ PC0488 Airport Authority 8 members with 2 appointments each from the Speakers, Governor, and County Mayor respectively.



Extraordinary Session

- ◆ The Governor called the General Assembly into a special session that began on August 21, 2023, and ended August 29, 2023.
- ◆ Subject matter of legislation filed must remain within the call of the session.
 - Included mental health, human trafficking, and promotion of safe storage.
- ◆ 114 House Bills, 109 Senate Bills



Extraordinary Session

- ◆ 4 bills passed:
 - HB7012-SB7085 Requires Department of Safety to provide free firearm locks upon request. Makes firearm safes and safety devices permanently sales tax-free.
 - HB7013-SB7086 Shortens timeframe to submit information related to felony convictions, mental defectiveness adjudication, and involuntary commitments from 30 days to 72 hours.
 - HB7041-SB7086 TBI annual report on child and human trafficking crimes and trends.
 - HB7070-SB7089 Appropriation bill to fund the passed bills along with amendments to current appropriations including:
 - ◆ Mental health professional bonuses;
 - ◆ Behavioral health safety net grants;
 - ◆ Reverted TennCare funds to agencies that contract with DMHSAS; and
 - ◆ School safety upgrades.



Legislation of Interest – Officially Official

- ◆ PC0036 Designates month of May as “Silver Alert Awareness Month”.
- ◆ PC0047 Designates the 2nd Monday in April as “Tennessee Lineworker Appreciation Day”.
- ◆ PC0167 Adds “The Tennessee in Me” as an official state song.
- ◆ PC0228 Adds the phrase “Send Me” as a state motto.
- ◆ PC0247 Adds “Copperhead Road” as an official state song.
- ◆ PC0261 Adds “In God We Trust” to the Tennessee state seal.
- ◆ HJR0023 Pumpkin pie as a symbol of the State of Tennessee.
- ◆ SJR0011 Named March 2023 as the official Certified Government Financial Manager month.



Legislation of Interest-Wow Your Friends

- ◆ PC0126 Extends prohibitions and penalties in place for telephone solicitations to text messages.
- ◆ PC0152 No Tik/Tok on public postsecondary internet systems.
- ◆ PC0368 Authorizes student to receive HOPE scholarship if student receives degree in less than eligible time and pursues advanced degree.
- ◆ PC0377 Sales tax holiday on retail sale of food from August 1, 2023 through October 31, 2023.
- ◆ PC0388 Three second minimum for yellow traffic lights.
- ◆ PC0474 Requires applicable ticket sellers to disclose the total cost of a ticket, including all ancillary fees and service charges to be paid prior to the ticket being selected for purchase.



Legislation of Interest – Getting a Jump on 2024

- ◆ HB1597-SB1573 Designates hot slaw as the official state food.
- ◆ HB1598-SB1574 Designates Cleveland, Tennessee as the hot slaw capital of the state.





The King is Nearing His Peak, Long Live the King

- ◆ Approximately 147 days until 2nd Session of the 113th General Assembly.
- ◆ Questions?

