

HOUSE BILL 1845

By Baum

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 8; Title 9 and Title 67, relative to the State
Lending Transparency Act.

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

SECTION 1. Tennessee Code Annotated, Title 9, is amended by adding the following
as a new chapter:

9-5-101.

This act is known and may be cited as the "State Lending Transparency Act."

9-5-102.

As used in this chapter:

(1) "Governmental entity" means a branch, department, agency,
commission, or instrumentality of state or local government;

(2) "Local government" means a county, municipality, city, or other
political subdivision of this state;

(3) "State credit support program" means a state program that
guarantees or provides credit enhancements, such as state support for interest
or principal payments, to the debt of private parties or governmental entities,
under which the state is required to provide money if the borrower fails to pay;
and

(4) "State lending program" means a state program that offers money to
private parties or governmental entities with the expectation of repayment.

9-5-103.

(a)

(1) At the end of each fiscal year, the comptroller of the treasury shall report on all state lending programs and state credit support programs in a single document, including a cite to each individual lending program's statutory authority.

(2) The report must include:

(A) The total dollar amount of all lending in state lending programs and the total amount of all debt supported by state credit support programs, and the totals for each individual program; and

(B) Reasonable estimates of the cost of likely defaults on all state lending programs and state credit support programs, using generally accepted accounting principles for credit losses, and the estimates for each individual program.

(b)

(1) The comptroller of the treasury shall provide the report required under subsection (a) to:

(A) Each member of the general assembly; and

(B) The commissioner of finance and administration.

(2) The report may be provided electronically.

9-5-104.

(a) As used in this section:

(1) "Department" means the department of finance and administration;

and

(2) "Division" means the department's division of budget.

(b)

(1) The division shall include in the proposed state budget for each fiscal year:

(A) The likely changes in returns or likely defaults from state lending and state credit support programs from the previous fiscal year as either new expenses or new revenues;

(B) The changes in expenses or revenues from state lending programs and state credit support programs from the previous fiscal year as expenses or revenues for the purpose of calculating a balanced budget; and

(C) An estimate by the comptroller of the treasury of the likely cost of defaults to the state from all state lending programs and state credit support programs created during the fiscal year, calculated using generally accepted accounting principles, as expenses for the purpose of calculating a balanced budget.

(2) The department may use the information provided by the comptroller of the treasury's report to determine the information described in subdivision (b)(1).

SECTION 2. This act takes effect July 1, 2022, the public welfare requiring it.