

SENATE BILL 352

By Southerland

AN ACT to amend Tennessee Code Annotated, Section 6-56-407, relative to violating the municipal finance officer certification and education act.

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

SECTION 1. Tennessee Code Annotated, Section 6-56-407, is amended by deleting the section in its entirety and substituting instead the following language:

(a) Any municipality determined by the comptroller of the treasury to be in violation of the requirements of § 6-56-402 is subject to the following penalty:

(1) Sales tax revenue collected and distributed by the state to the municipality shall be reduced by an amount mutually agreed upon by the comptroller of the treasury and the commissioner of revenue. The sales tax revenue reduction shall not exceed fifteen percent (15%) of the total amount due to the municipality in a fiscal year, until the municipality is in compliance with § 6-56-402.

(2) The amounts reduced as a penalty pursuant to this section shall be held in reserve by the department of revenue and allocated to the municipality after the municipality complies with § 6-56-402 as determined by the comptroller of the treasury.

(b) The penalty assessed by this section may be waived by the comptroller of the treasury in accordance with policies and procedures established by the comptroller.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.