

SENATE BILL 527

By Yager

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 5, Part 2 and Title 9, Chapter 4, Part 53, relative to state mandates to local governments.

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

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 4, Part 53, is amended by adding the following language as a new section:

(a)

(1) A law or laws of general application shall cease to be mandatory in effect if:

(A) A law has a fiscal note, required pursuant to § 3-2-107, indicating that the fiscal impact of the law exceeds one hundred thousand dollars (\$100,000) in direct expenditures by local governments; or

(B) Multiple laws enacted during a single calendar year have fiscal notes, required pursuant to § 3-2-107, indicating that the combined fiscal impacts of the laws exceed one million dollars (\$1,000,000) in direct expenditures by local governments; and

(C) Such law or laws are not fully funded by either a dedicated state appropriation, a dedicated funding source provided for within the legislation, or a dedication of the increase in state shared revenues from the previous year adjusted for inflation until such funds have been expended.

(2) No agency, department, or other entity of state government may deny funds to, fine, or otherwise penalize a local government solely on the basis that

the local government opted not to comply with legislation that is not mandatory in its effect pursuant to subdivision (a)(1).

(b) The provisions of subsection (a) shall not apply to the following categories of laws:

(1) Those that are required to comply with federal laws or rules or to meet eligibility standards for federal entitlements;

(2) Those that repeal, revise, or lessen an existing requirement or mandate or that reapportion the costs of activities between local governments;

(3) Those that implement mandatory duties of the Tennessee Constitution; and

(4) Those necessary to protect the health, safety, or welfare of the citizens of this state.

SECTION 2. Tennessee Code Annotated, Title 4, Chapter 5, Part 2, is amended by adding the following language as a new section:

No agency shall adopt any rule increasing any fee, or creating a new fee, that will impact local government programs and activities in any year where general state revenues appropriated to the agency have decreased from the previous year.

SECTION 3. This act shall take effect January 1, 2016, the public welfare requiring it.