

SENATE BILL 808

By Yager

AN ACT to amend Tennessee Code Annotated, Title 5,  
relative to county finance officer certification and  
education.

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

SECTION 1. Tennessee Code Annotated, Title 5, is amended by adding the following  
as a new chapter:

**5-10-101.** This chapter shall be known and may be cited as the "County Finance Officer  
Certification and Education Act of 2017."

**5-10-102.** As used in this chapter:

(1) "CCFO" means a certified county finance officer;

(2) "Central finance department" means a county finance department that  
administers the finances of the county for all funds of the various county departments,  
agencies, boards, and component units that are handled by the county trustee;

(3) "Exempt individual" means an individual employed as a finance officer with  
financial oversight responsibility for funds handled by the county trustee and who is  
exempt from CCFO certification pursuant to § 5-10-106; and

(4) "Noncentralized department or office" means a county department or office,  
in a county without a central finance department, that has funds handled by the county  
trustee, and includes the county mayor's office, highway department, and school  
department, or a combination thereof if a county department or office has joint  
accounting with another county department or office.

**5-10-103.** To ensure competence in the handling of county funds and the protection of  
public moneys:

(1) Each county with a central finance department shall employ at least one (1) CCFO or exempt individual as the director of finance or comparable position as determined by the comptroller of the treasury who shall have financial oversight responsibilities for funds handled by the county trustee; or

(2) A county with noncentralized accounting departments or offices shall employ at least one (1) CCFO or exempt individual as the director of finance or comparable position as determined by the comptroller of the treasury who shall have financial oversight responsibilities in each noncentralized department or office.

**5-10-104.**

(a) The county technical advisory service (CTAS) of the University of Tennessee's institute for public service, with the approval of the comptroller of the treasury, shall develop a curriculum, including testing, leading to the CCFO designation. The program shall include at least eighty (80) combined hours of course and lab work, including the following topics:

- (1) Governmental environment;
- (2) Auditing and internal controls;
- (3) Governmental accounting and grants administration;
- (4) Financial reporting;
- (5) Budgeting;
- (6) Debt administration;
- (7) Cash and investment management;
- (8) Strategic planning and capital improvement plans;
- (9) Pensions and benefits administration and risk management; and
- (10) Procurement and enterprise resource planning systems.

(b) A candidate for the CCFO designation must:

- (1) Be at least eighteen (18) years of age;
- (2) Be a high school graduate or the equivalent;

(3) Not have been convicted of:

(A) Any felony under the laws of this state, the United States, or any other state or country if the acts involved would have constituted a felony under the laws of this state; or

(B) Any lesser crime involving theft, fraud, or other crimes of dishonesty under the laws of this state, the United States, or any other state or country if the acts involved would have constituted a misdemeanor involving theft, fraud, or dishonesty under the laws of this state; and

(4) Not engage in any conduct reflecting adversely upon the candidate's fitness to perform services while certified as a CCFO, as determined by the comptroller of the treasury.

(c)

(1) To achieve the CCFO designation, a candidate shall demonstrate proficiency in the subject matter by passing the course examination or examinations for each course identified in subsection (a). A candidate who passes all of the examinations for the courses listed in subsection (a) shall be eligible to receive the CCFO designation. The candidate shall receive the designation upon the candidate's application to and certification by the comptroller of the treasury.

(2) A CCFO candidate may take a course examination or examinations on the subject matter before attending a course for any course identified in subsection (a) except the course covering governmental environment. If the candidate makes a passing grade on a course examination or examinations taken prior to attending the course, the candidate shall receive credit for that

course toward the CCFO designation, and the candidate is not required to attend the course.

(3) All CCFO candidates are required to attend the course covering governmental environment. This course's examination or examinations may only be administered to a candidate who complies with the course's attendance requirements.

(d) Training courses shall be provided and examinations administered by CTAS staff or by individuals or contractors approved by the comptroller of the treasury.

**5-10-105.**

(a)

(1) To maintain certification, a CCFO shall earn at least twenty-four (24) hours of continuing professional education (CPE) in government financial management topics or related technical subjects each calendar year after receiving the CCFO designation.

(2) A CCFO wishing to maintain certification who earns more than the minimum CPE hours during any calendar year may carry over to the next calendar year a maximum of twelve (12) CPE hours.

(3) CPE hours shall be filed with and maintained by the comptroller of the treasury, who shall keep individual records on CCFOs, CCFO candidates, and other individuals required to meet the CPE requirements of this section, including individuals specified in § 5-10-106.

(4) The comptroller of the treasury may allow exceptions to the CPE requirement for good cause shown.

(b) A CCFO's certification may be revoked at the discretion of the comptroller of the treasury for either of the following:

- (1) Failure to obtain or maintain the required CPE hours; or
- (2) Failure to comply with the standards for CCFO candidates set forth in

§ 5-10-104.

**5-10-106.**

(a) The following individuals with financial oversight responsibility employed as a finance officer by a central finance department or a noncentralized department or office and who would otherwise be required to have the CCFO designation as determined by the comptroller of the treasury are exempt from the educational course requirements of § 5-10-104 that lead to the CCFO designation, but shall comply with the CPE requirements of § 5-10-105:

- (1) An individual designated as a certified government finance manager (CGFM) by the association of government accountants and who actively maintains the CGFM designation while employed as a finance officer;

- (2) An individual designated as a certified public finance officer (CPFO) by the government finance officers association and who actively maintains the CPFO designation while employed as a finance officer;

- (3) An individual licensed as a certified public accountant (CPA) by the state board of accountancy and in active status; and

- (4) An individual designated as a certified municipal finance officer (CMFO) by the comptroller of the treasury who actively maintains the CMFO designation while employed as a finance officer.

(b) An individual employed as a county finance officer with financial oversight responsibility that would otherwise be required to have the CCFO designation but who is claiming exemption shall send proof of exemption to the comptroller of the treasury by

March 31 each year. The comptroller of the treasury shall acknowledge an exemption and keep a record of exempted individuals and their CPE hours earned.

**5-10-107.**

(a) Counties with a central finance department and counties with noncentralized departments or offices shall comply with the requirement to have a CCFO in their employ based on the following schedule determined by the aggregate gross revenues presented in the county's June 30, 2016, financial audit report:

Gross Revenues	Compliance Date
\$55 million or more	January 1, 2021
Less than \$55 million	January 1, 2022

(b) If, after initial compliance with § 5-10-103, a central finance department or a noncentralized department or office needs to hire an individual in a position in which the CCFO designation is required, the individual hired must either be exempt under § 5-10-106 or must become certified within two (2) years of the hiring date.

**5-10-108.** Any county determined by the comptroller of the treasury to be in violation of § 5-10-103 may be subject to the following penalty, at the discretion of the comptroller of the treasury:

(1) Sales tax revenue collected and distributed by the state to the county shall be reduced by an amount mutually agreed upon by the comptroller of the treasury and the commissioner of revenue until the county is in compliance with § 5-10-103. The sales tax revenue reduction shall not exceed fifteen percent (15%) of the total amount due to the county in a fiscal year; and

(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 county after the county complies with § 5-10-103 as determined by the comptroller of the treasury.

**5-10-109.** The comptroller of the treasury may promulgate rules to effectuate the purposes of this chapter.

SECTION 2. For the purpose of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect on July 1, 2017, the public welfare requiring it.