



# State of Tennessee

## PUBLIC CHAPTER NO. 400

### SENATE BILL NO. 571

By Gresham

Substituted for: House Bill No. 1057

By Harry Brooks

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 29; Title 35; Title 49, Chapter 7, Part 5; Title 49, Chapter 7, Part 8; Title 55; Title 65 and Title 67, relative to education.

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

SECTION 1. Tennessee Code Annotated, Section 4-29-240(a)(12), is amended by deleting the subdivision and substituting the following:

(12) Board of trustees of the college savings trust fund program, created by § 49-7-804;

SECTION 2. Tennessee Code Annotated, Section 35-3-124, is amended by deleting the language "Tennessee Baccalaureate Education System Trust Act" and substituting the language "Tennessee College Savings Trust Act".

SECTION 3. Tennessee Code Annotated, Section 49-7-501, is amended by deleting subsection (c) and substituting the following language:

(c) There is created a board of trustees for the chairs of excellence endowment fund composed of the following seven (7) members:

- (1) The governor;
- (2) The state treasurer;
- (3) The comptroller of the treasury;
- (4) The secretary of state;
- (5) The commissioner of finance and administration;
- (6) The president of the University of Tennessee system; and
- (7)(A) The president of one (1) of the following state universities:
  - (i) Austin Peay State University;
  - (ii) East Tennessee State University;
  - (iii) Middle Tennessee State University;
  - (iv) Tennessee State University;
  - (v) Tennessee Technological University; or
  - (vi) The University of Memphis.

(B) Each state university president listed in subdivisions (c)(7)(A)(i)-(vi) must serve a three-year term, in alphabetical order by state university, starting

with the president of Austin Peay State University with a term beginning on July 1, 2017, and ending on June 30, 2020.

SECTION 4. Tennessee Code Annotated, Section 49-7-501, is further amended by adding the following language as a new subsection:

( ) The trustees shall each serve in an ex officio capacity and the state treasurer shall serve as chair of the board. Each trustee may designate a member of their respective staff to attend the board's meetings and to exercise the trustee's right to vote in the trustee's absence. The designations must be made in writing to the board chair.

SECTION 5. Tennessee Code Annotated, Section 49-7-801, is amended by deleting the language "Tennessee Baccalaureate Education System Trust Act" and substituting the language "Tennessee College Savings Trust Act".

SECTION 6. Tennessee Code Annotated, Section 49-7-802, is amended by deleting subdivision (3) and substituting the following:

(3) "Board" means the board of trustees of the college savings trust fund program described in this part;

SECTION 7. Tennessee Code Annotated, Section 49-7-802(11), is amended by deleting the language "baccalaureate education system trust fund program" and substituting the language "college savings trust fund program".

SECTION 8. Tennessee Code Annotated, Section 49-7-804, is amended by deleting subsections (a) and (b) and substituting the following:

(a) There is created a board of trustees of the program composed of the following nine (9) members:

- (1) The state treasurer;
- (2) The comptroller of the treasury;
- (3) The commissioner of finance and administration;
- (4) The secretary of state;
- (5) The chancellor of the state board of regents;
- (6) The president of the University of Tennessee system;
- (7) The executive director of the Tennessee higher education commission;
- (8) The president of the Tennessee Independent Colleges and Universities Association; and

(9)(A) The president of one (1) of the following state universities:

- (i) Austin Peay State University;
- (ii) East Tennessee State University;
- (iii) Middle Tennessee State University;
- (iv) Tennessee State University;
- (v) Tennessee Technological University; or
- (vi) The University of Memphis.

(B) Each state university president listed in subdivisions (a)(9)(A)(i)-(vi) must serve a three-year term, in alphabetical order by state university, starting with the president of Austin Peay State University with a term beginning on July 1, 2017, and ending on June 30, 2020.

(b) The trustees shall each serve in an ex officio capacity, and the state treasurer shall serve as chair of the board. Each trustee may designate members of their respective

staffs to attend the board of trustee meetings and to exercise the trustee's right to vote in the trustee's absence. The designations must be made in writing to the board chair.

SECTION 9. Tennessee Code Annotated, Section 49-7-812(a), is amended by deleting the language "baccalaureate education system trust funds" and substituting the language "college savings trust funds".

SECTION 10. Tennessee Code Annotated, Section 55-4-125, is amended by deleting the language "baccalaureate education system trust fund program" wherever it appears and substituting the language "college savings trust fund program".

SECTION 11. Tennessee Code Annotated, Section 65-5-113(c), is amended by deleting the language "baccalaureate education system trust fund program" wherever it appears and substituting the language "college savings trust fund program".

SECTION 12. Tennessee Code Annotated, Section 67-2-123, is amended by deleting the language "baccalaureate education system trust fund program" wherever it appears and substituting the language "college savings trust fund program".

SECTION 13. Tennessee Code Annotated, Section 67-4-1711, is amended by deleting the language "baccalaureate education system trust fund program" wherever it appears and substituting the language "college savings trust fund program".

SECTION 14. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end the provisions of this act shall be severable.

SECTION 15. Tennessee Code Annotated, Section 49-7-501(e), is amended by deleting the last sentence and substituting instead the following language:

Appropriations made to the trust shall be divided equally between the general accounts of the University of Tennessee and the state universities listed in subdivision (c)(7)(A), unless otherwise directed by law. The general account for the state universities shall be a pooled account for all of the state universities listed in subdivision (c)(7)(A).

SECTION 16. Tennessee Code Annotated, Section 49-7-501(g)(1), is amended by deleting the subdivision and substituting instead the following language:

- (1) The trust shall be divided into two (2) general accounts:
  - (A) One (1) for the University of Tennessee; and
  - (B) One (1) pooled account on behalf of the state universities listed in subdivision (c)(7)(A).

SECTION 17. Tennessee Code Annotated, Section 49-7-502(d)(2), is amended by deleting the subdivision in its entirety and substituting instead the following language:

- (2) The chair must satisfy criteria established by either the governing board of the University of Tennessee or respective state university listed in § 49-7-501(c)(7)(A), whichever is appropriate.

SECTION 18. Tennessee Code Annotated, Section 49-7-502(e), is amended by deleting the subsection in its entirety and substituting instead the following language:

- (e) The Tennessee higher education commission shall have an advisory role with respect to the location of the chairs upon the recommendation of the governing boards of the University of Tennessee and respective state university listed in § 49-7-501(c)(7)(A).

SECTION 19. Tennessee Code Annotated, Section 49-7-503(b)(1), is amended by deleting the subdivision in its entirety and substituting instead the following language:

- (1) The new purpose of the chair must satisfy criteria established by either the governing board of the University of Tennessee or respective state university listed in § 49-7-501(c)(7)(A) that has established the chair of excellence, whichever is appropriate;

SECTION 20. This act shall take effect July 1, 2017, the public welfare requiring it.

SENATE BILL NO. 571

PASSED: May 4, 2017

  
RANDY McNALLY  
SPEAKER OF THE SENATE

  
BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 18<sup>th</sup> day of May 2017

  
BILL HASLAM, GOVERNOR