

Tenn. Code Ann. § 5-8-201

TENNESSEE CODE ANNOTATED

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*** CURRENT THROUGH THE 2010 REGULAR SESSION ***

Title 5 Counties

Chapter 8 Receipt and Management of Funds

Part 2 Bank Accounts

Tenn. Code Ann. § 5-8-201 (2011)

5-8-201. Deposits authorized -- Finance committee -- Securing of funds.

(a) (1) The county legislative body in regular session assembled, a quorum being present, is authorized to adopt a resolution to contract with a bank or banks making the highest and best bid or bids to pay interest on daily balances of the county's funds; and to appoint three (3) of its members, who, in conjunction with the county trustee and county mayor, shall constitute the county finance committee, with the county mayor as chair of the committee.

(2) Before making any such contract, the trustee shall receive the bids from the banks and shall file an analysis of the bids that have been submitted with the county clerk who shall provide a copy of this report to each member of the county legislative body on or before the next meeting of the county legislative body. The analysis shall recommend the bank making the highest and best bid or bids to pay interest on daily balances of the county's funds, considering the lowest service charges, and considering other factors affecting safety and liquidity of county moneys.

(b) Any county shall require any financial institution that becomes a depository of county funds to secure such funds as provided in a collateral pool created under title 9, chapter 4, part 5, or in the same manner and under the same conditions as state deposits under title 9, chapter 4, parts 1 and 4.

(c) If the county finance committee does not have a contract with a bank or other financial institution, the county trustee may contract with a bank or banks or other financial institutions for deposit, safekeeping, and earning of interest on daily balances of the county's funds, according to the same terms as are required by this section for a county finance committee. Additionally, the county trustee is authorized to enter into such agreements with banks and other financial institutions as necessary for the maintenance of collateral to secure the daily balances of the county's funds on deposit with banks or other financial institutions.

(d) Notwithstanding any general law or private act to the contrary, at least once every four (4) years and not less than once every term of office, the county trustee shall evaluate whether the contract entered into pursuant to this section should be rebid. The evaluation shall be based on obtaining proposals from at least two (2) banks or other financial institutions. The trustee shall prepare a written evaluation of the

proposals and preserve the evaluation for a period of not less than three (3) years.

HISTORY: Acts 1909, ch. 305, § 1; Shan., § 647a1; Code 1932, § 1039; Acts 1977, ch. 435, § 1; impl. am. Acts 1978, ch. 934, §§ 7, 16, 36; impl. am. Acts 1978, ch. 934, § 12; T.C.A. (orig. ed.), § 5-810; Acts 1992, ch. 592, §§ 1-5; 1993, ch. 315, §§ 9, 15; 1994, ch. 752, § 1; 2003, ch. 90, § 2; 2008, ch. 899, § 1.

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