

HOUSE BILL 389

By Powers

AN ACT to amend Tennessee Code Annotated, Title 3, Chapter 7, Part 1; Title 4, Chapter 4, Part 1; Title 9, Chapter 4, Part 51 and Title 9, Chapter 4, Part 54, relative to federal funds and grants.

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

SECTION 1. Tennessee Code Annotated, Section 4-4-113, is amended by designating the existing language as subsection (a) and by adding the following language, to be designated as subsections (b) and (c):

(b) No department shall apply for, recommend, accept, use, or enter into a contract or memorandum of understanding with any federal funding source for the receipt of any federal funds by grant or otherwise that are conditioned upon unreasonably demanding or intrusive restrictions, limitations, or conditions imposed by federal law or regulations.

(c)

(1) This subsection (c) shall apply to applications for funds made available to the state by grant, contract or otherwise from any federal source pursuant to federal law or regulation that have not previously been awarded to the state, and to any subsequent material changes to existing federal grants or the addition of funding for newly delineated programs under the grants.

(2) Notwithstanding any law to the contrary, at least twenty (20) days prior to an agency applying for any federal funds, the state agency shall submit a written report to the executive director of the fiscal review committee and the co-directors of the office of legislative budget analysis that details the restrictions, limitations, and conditions imposed by federal law or regulations on the receipt

and use of available federal funds. The agency shall make available any supporting information related to each application as will enable the directors' staff to perform their functions in an informed and efficient manner, including, but not limited to, any contract or memorandum of understanding between the agency and the federal funding source related to the funds.

SECTION 2. Tennessee Code Annotated, Section 3-7-110(b), is amended by adding the following sentence immediately preceding the last sentence:

The staff shall also jointly review any written report submitted by a state agency pursuant to § 4-4-113(b) and inform the chairs of the finance, ways and means committees of the senate and house of representatives concerning any restrictions, limitations or conditions imposed on the receipt and use of funds sought by an agency that place unreasonable demands or intrusive requirements on the agency. The finance, ways and means committees of the senate and house of representatives shall not approve, recommend, or otherwise authorize any state agency to accept or apply for any federal funds or grants which are conditioned upon unreasonably demanding or intrusive restrictions, limitations, or conditions imposed by federal law or regulations.

SECTION 3. Tennessee Code Annotated, Section 9-4-5404, is amended by adding the following at the end of the section:

No state agency shall recommend any federal funds by grant, contract or otherwise that are conditioned upon unreasonably demanding or intrusive restrictions, limitations, or conditions imposed by federal law or regulations.

SECTION 4. This act does not impair the rights or duties of any state agencies that have received grants or lawfully entered into or renewed contracts with the federal government prior to its effective date.

SECTION 5. This act shall take effect July 1, 2013, the public welfare requiring it.