



State of Tennessee

PUBLIC CHAPTER NO. 54

SENATE BILL NO. 423

By Johnson

Substituted for: House Bill No. 336

By Bulso, Lynn

AN ACT to amend Tennessee Code Annotated, Section 6-19-104, relative to purchasing and contract procedures.

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

SECTION 1. Tennessee Code Annotated, Section 6-19-104, is amended by deleting subsections (c) and (f) and substituting instead:

(c) Formal sealed bids shall be obtained in all transactions involving the expenditure of an amount to be set by ordinance. The amount set shall be equal to or greater than the amount set in chapter 56, part 3 of this title, but may not be greater than twenty-five thousand dollars (\$25,000). The transaction shall be evidenced by written contract when necessary. In cases where the board indicates by unanimous resolution of those present at the meeting, based upon the written recommendation of the manager, that it is clearly to the advantage of the city not to contract with competitive bidding, it may authorize noncompetitive contracts.

(f) The board of commissioners may by ordinance delegate to the city manager the authority to enter into binding contracts on behalf of the city, without specific board approval, in routine matters and matters having insubstantial long-term consequences. The ordinance shall enumerate the types of matters to which the city manager's authority extends and may place other limitations on the city manager's authority under this subsection (f). As used in this subsection (f), "routine matters and matters having insubstantial long-term consequences" means any contract for which expenditures during the fiscal year will be less than twenty-five thousand dollars (\$25,000).

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 423

PASSED: March 6, 2023



RANDY McNALLY
SPEAKER OF THE SENATE



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 21st day of March 2023



BILL LEE, GOVERNOR