

HOUSE BILL 501

By Casada

AN ACT to amend Tennessee Code Annotated, Title 7;  
Section 12-4-903 and Title 50, relative to placing  
certain restrictions on local government authority  
related to private businesses.

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

SECTION 1. Tennessee Code Annotated, Title 50, Chapter 2, Part 1, is amended by  
adding the following language as a new, appropriately designated section:

50-2-1\_\_.

(a)

(1) Notwithstanding any charter, ordinance or resolution to the contrary,  
no local government, as a condition of doing business within the jurisdictional  
boundaries of the local government or contracting with the local government, has  
the authority to require a private employer to pay its employees a hourly wage in  
excess of the minimum hourly wage required to be paid by such employer under  
applicable federal or state law.

(2) With respect to construction contracts, a local government has no  
authority to require a prevailing wage be paid in excess of the wages established  
by the prevailing wage commission for state highway construction projects in  
accordance with title 12, chapter 4, part 4 or the Tennessee occupational wages  
prepared annually by the department of labor and workforce development,  
employment security division, labor market information for state building projects.

(b) As used in this section, "local government" means a county, including any  
county having a metropolitan form of government, or municipal government, or any  
agency or unit thereof or any other political subdivision of the state.

(c) If compliance with this section by a local government relative to a specific contract, project, or program would result in the denial of federal funds that would otherwise be available to the local government, then the local government may require a private employer to pay its employees a wage necessary to meet the federal requirements to obtain the federal funds, but only relative to such contract, project, or program.

SECTION 2. Tennessee Code Annotated, Section 7-51-1802, is amended by deleting subsection (b) in its entirety and by substituting instead the following language:

(b)

(1)

(A) No local government shall by ordinance, resolution, contract or any other means authorize or mandate, as a condition of a doing business within the jurisdictional boundaries of a local government or contracting with a local government, that employers establish a leave policy that deviates from, modifies, supplements, adds to, changes, or varies in any manner from state statutorily imposed or recognized requirements such as those authorized pursuant to § 4-21-408.

(B) Subdivision (b)(1)(A) shall not apply if the local government is entering into a contract with the federal government and the federal government requirements are different from those imposed pursuant to state law.

(c) Except to the extent specifically required pursuant to any federal law, no local government shall by ordinance, resolution, contract or any other means, mandate or require, as a condition of a doing business within the jurisdictional boundaries of the local government or contracting with the local government, that employers must provide health insurance benefits to persons employed by such employer.

(d) Subsections (a), (b) and (c) shall not apply with respect to employees of a local government.

SECTION 3. Tennessee Code Annotated, Section 12-4-903, is amended by deleting subdivision (3)(C) in its entirety and by substituting instead the following language:

(C) Require any bidder, offeror, contractor or subcontractor to pay:

(i) Wages in excess of the wages established by the prevailing wage commission for state highway construction projects in accordance with part 4 of this chapter or the Tennessee occupational wages prepared annually by the department of labor and workforce development, employment security division, labor market information for state building projects; or

(ii) A specific dollar amount for the provision of fringe benefits for employees.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to contracts entered into or renewed on or after that date.