



State of Tennessee

PUBLIC CHAPTER NO. 347

HOUSE BILL NO. 1040

By Mr. Speaker Sexton and Representatives Faison, Russell, Bricken, Powell, Hazlewood, Hardaway, Stewart, Kumar, Whitson, Todd, Jernigan, White, Moon, Travis, Gary Hicks, Zachary, Parkinson, Carringer, Haston, Curtis Johnson, Holsclaw, Darby, Calfee, Farmer, Gloria Johnson, Eldridge, Tim Hicks, Hodges, Williams, Gillespie

Substituted for: Senate Bill No. 798

By Mr. Speaker McNally and Senators Briggs, Bowling

AN ACT to amend Tennessee Code Annotated, Title 3; Title 4; Title 8; Title 9 and Title 12, relative to services provided to the state by state officials and employees.

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

SECTION 1. Tennessee Code Annotated, Section 12-4-103(a), is amended by designating the existing language as subdivision (1) and adding the following new subdivision (2):

(A) Except as otherwise provided in this subdivision (a)(2), it is an offense for any member of the general assembly to bid on, sell, or offer for sale any service to a state entity or to have a financial interest in the bidding, selling, or offering for sale of any service to a state entity. The prohibition set out in this subdivision (a)(2)(A) applies during the tenure of the member's office and for six (6) months thereafter.

(B) It is an exception to the application of subdivision (a)(2)(A) if:

(i) A member of the general assembly was elected prior to July 1, 2021;

(ii) The member provided or offered to provide the service to a state entity prior to July 1, 2021, and the service is being provided or offered to the same state entity;

(iii) The member has held office as a member of the general assembly continuously since July 1, 2021; and

(iv) The member disclosed the nature of the service and the name of the state entity to which the service is provided or offered on the member's statement of interest pursuant to § 8-50-502 no later than September 1, 2021, and annually thereafter, for all years in which the member has continuously served as a member of the general assembly.

(C) It is an exception to the application of subdivision (a)(2)(A) if the service is provided through an employment contract, an indigent defense contract, or a medical services contract unless prohibited by the Constitution of Tennessee.

(D) It is an exception to the application of subdivision (a)(2)(A) if the financial interest in the bidding, selling, or offering for sale of any service to a state entity is:

(i) Held in a blind trust pursuant to § 35-50-120 prior to administration of the member's oath of office, during the tenure of such member's service as a member of the general assembly, and for at least six (6) months thereafter; and

(ii) Disclosed in accordance with § 2-10-128(a)(3).

(E) The exceptions provided in subdivisions (a)(2)(B)-(D) do not apply to services provided to the legislative branch of state government. This subdivision (a)(2) does not preclude either house of the general assembly from adopting a rule more restrictive than the prohibition set out in subdivision (a)(2)(A).

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(F) For purposes of this subdivision (a)(2):

(i) "Compensation" means any salary, fee, payment, reimbursement, or other valuable consideration, or any combination thereof;

(ii) "Service" means any work, labor, or assistance provided in exchange for compensation; and

(iii) "State entity" means an agency, branch, bureau, commission, department, or division of this state, and does not include a local government.

SECTION 2. Tennessee Code Annotated, Section 12-4-103, is amended by adding the following language as a new subsection:

(d)

(1) A person who is convicted under subdivision (a)(2) is forever afterwards disqualified from holding any office under the laws or constitution of this state.

(2) If at the time of conviction for an offense specified in subdivision (a)(2), the person still holds an office under the constitution of this state, then this subsection (d) applies to such person at the end of the person's term of office, unless otherwise expelled from office prior to that time.

SECTION 3. Tennessee Code Annotated, Section 8-50-502, is amended by adding the following language as a new subdivision:

(10) The name of any agency, branch, bureau, commission, department, or other division of state government for which a member of the general assembly continues to provide or offer to provide a service and the nature of the service provided or offered, as required by § 12-4-103. The disclosure required pursuant to this subdivision (10):

(A) Must be made prior to September 1, 2021, and annually thereafter, on the consolidated form in accordance with § 2-10-128; and

(B) Must be made only by members of the general assembly elected prior to July 1, 2021, who are seeking an exemption to the application of § 12-4-103(a)(2)(A).

SECTION 4. This act takes effect July 1, 2021, the public welfare requiring it.

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PASSED: April 22, 2021



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 6th day of May 2021



BILL LEE, GOVERNOR