

HOUSE BILL 1871

By Pitts

AN ACT to amend Tennessee Code Annotated, Title 8,
relative to executive branch employees filing
certain disclosures.

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

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 50, is amended by adding
the following as a new part thereto:

8-50-1301. As used in this part, "employee of the executive branch" means:

(1) In the office of the governor:

- (A) Governor;
- (B) Chief of staff;
- (C) Deputy to the governor;
- (D) Senior advisor for legislation;
- (E) Special assistant to the governor and policy advisor;
- (F) Legal counsel to the governor;
- (G) Assistant legal counsel to the governor; and
- (H) Communications director; and

(2) All commissioners, deputy commissioners and assistant
commissioners.

8-50-1302.

(a) Each employee of the executive branch shall annually disclose the following
information:

- (1) The name and address of any business, and the nature of the
employee's interest in the business, in which the employee or spouse or minor
child of the employee has a financial interest exceeding five percent (5%);

(2) The address of and nature of interest in any real property in which the employee or spouse or minor child of the employee has a financial interest exceeding five percent (5%), excepting the primary personal residences of those individuals;

(3) Any non-governmental position held, whether compensated or not, with any business entity, non-profit organization, labor group, educational institution or other entity of any type, together with the nature and amount of any compensation;

(4) Any litigation involving the state of Tennessee, or any entity with a relationship to the state of Tennessee, in which the person is a party or has a financial interest;

(5) Any felony conviction within twenty (20) years of the date of disclosure;

(6) Any debts, guarantees or endorsement of debts aggregating over five thousand dollars (\$5,000) owed to one creditor at any time during the year, excluding loans from established financial institutions made in the ordinary course of business on usual and customary terms and liabilities owed to a relative;

(7) Any debts of the employee or spouse or minor child of the employee that are secured by a guarantee or collateral of any individual other than the employee, or a parent, spouse or minor child of the employee;

(8) The employee's federal income tax form 1040, with social security number redacted, for the most recent year during which the employee held a position listed in § 8-50-1301 or, in the alternative, a statement described in

subsection (c) describing the employee's sources of income for the same time period; and

(9) An employee who has placed assets into a "blind trust" arrangement, pursuant to which the employee does not have knowledge of the retention or disposition of such assets, can respond to subdivisions (a)(1) and (2) with respect to those assets by disclosing a copy of the "blind trust" document.

(b) Each employee required to report under this section shall annually sign a statement stating that the employee knows of no circumstances related to such employee's duties respecting state government that might result in or create the appearance of :

- (1) Using public office for private gain;
- (2) Giving preferential treatment to any person;
- (3) Impeding government efficiency or economy;
- (4) Losing complete independence or impartiality;
- (5) Making a government decision outside of official channels; or
- (6) Affecting adversely the confidence of the public in the integrity of the government;

or listing and describing any such circumstances.

(c) In lieu of filing a federal income tax form 1040, each employee of the executive branch may submit the following information

- (1) Name;
- (2) Address;
- (3) Title of office;
- (4) Amount of employee's taxable income as reflected on Internal Revenue Service forms W-2, 1099 and K-1;

(5) Amount of income derived from real property, other than a primary personal residence, which has been subject to executive or legislative action by the state of Tennessee. Income shall include rents, capital gains or losses or capital gains distribution; and

(6) Aggregate amount of income received from all positions listed in subdivision (a)(3).

8-50-1303.

(a) The commissioner of finance and administration shall prepare forms to be used to report the information described in § 8-50-1302 and shall provide those forms to each employee on or before July 1 of each year. The forms shall be filed with the commissioner of finance and administration by July 15 of each year.

(b) The commissioner of finance and administration shall maintain files of the disclosures and statements required by this part and shall make them available for inspection by the public during normal business hours.

8-50-1304.

Each employee of the executive branch required to submit a statement pursuant to § 8-50-1302(b) shall notify the commissioner of finance and administration by written letter of any substantial change in circumstance subsequent to submission of the statement which might result in or create the appearance of any situation listed in § 8-50-1302(b)(1)-(6).

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