

PUBLIC CHAPTER NO. 169

SENATE BILL NO. 2207

By Kyle, Henry

Substituted for: House Bill No. 2263

By Odom

AN ACT to amend Tennessee Code Annotated, Title 12, relative to limitations of liability in state contracting.

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

SECTION 1. Tennessee Code Annotated, Section 12-4-119, is hereby amended by deleting the section in its entirety and substituting instead the following:

(a) Agencies and departments of the executive branch of state government may allow limitations of liability and limitations of warranty in contracts for personal services, professional services, and consultant services according to the procedures for services contracting set forth in regulations promulgated by the Commissioner of Finance and Administration in accordance with T.C.A. 12-4-109(a)(1)(A).

(b) The limitations set forth in section (a) may not reduce the state's potential recovery from a contractor below two (2) times the value of the contract without the written permission of the Commissioner of Finance and Administration. The commissioner shall promulgate rules and regulations in accordance with T.C.A. 12-4-109(a)(1)(A) describing the circumstances in which such limitations shall be permitted and the procedures for obtaining such permission.

(c) In no event shall a limitation of liability or warranty permitted by this section limit the liability of the contractor for intentional torts, criminal acts, or fraudulent conduct.

(d) The purpose of this section is to limit the monetary damages recoverable by the State of Tennessee in a claim or legal action against its contractor. This section does not authorize any further limitation on the legal rights of the state, does not constitute a waiver of sovereign immunity of the state, and does not authorize a cause of action against the state in any jurisdiction.

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

PASSED: May 2, 2007



RON RAMSEY
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 15th day of May 2007



PHIL BREDESEN, GOVERNOR