



State of Tennessee

PUBLIC CHAPTER NO. 500

HOUSE BILL NO. 24

By Representatives Williams, Gravitt, Hazlewood, Hardaway, Harry Brooks, Todd, Turner, Doss

Substituted for: Senate Bill No. 127

By Senators Tracy, Overbey, Harper

AN ACT to amend Tennessee Code Annotated, Title 4 and Title 62, Chapter 6, to enact the "Go Build Tennessee Act."

WHEREAS, the General Assembly finds and declares that meeting the demand for a highly skilled workforce in an ever-growing construction industry is a national crisis that becomes more severe each day; and

WHEREAS, the four major umbrella construction associations, including the Tennessee chapters of the Associated General Contractors and the Associated Builders and Contractors, the Home Builders Association of Tennessee, and the Tennessee Road Builders Association, are acutely aware and fully supportive of a solution to help mitigate the crisis; and

WHEREAS, one-third of all skilled construction workers are over the age of fifty, and the industry will need another 1.5 million workers by 2022; and

WHEREAS, research indicates that young people who are prime candidates for careers in the construction industry are not considering the construction industry as a possible career choice; and

WHEREAS, a significant number of persons in construction are being recruited by governments, educational institutions, healthcare institutions, general industry, and other entities to meet the need for skilled craft workers; and

WHEREAS, the General Assembly recognizes that the construction industry is a barometer of the overall economic health of this state and country, and, regardless of business sector or technological level, an adequate supply of skilled construction workers is essential to building, renovating, servicing, and maintaining facilities and equipment to ensure economic growth and prosperity; and

WHEREAS, it is critically important for this State to secure a viable funding mechanism that adequately provides for the recruitment and training of students and encourages the education of new, skilled construction workers; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Title 4, is amended by adding the following language as a new chapter:

4-49-101. This chapter shall be known and may be cited as the "Go Build Tennessee Act."

4-49-102. As used in this chapter:

(1) "Board" means the state board for licensing contractors, created by § 62-6-104; and

(2) "Corporation" means a nonprofit corporation, which shall be properly incorporated under the laws of this state and approved by the United States internal revenue service as an organization that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (26 U.S.C. § 501(a)) by virtue of being an

organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. § 501(c)(3)).

4-49-103.

(a) There is created the Go Build Tennessee Program, referred to in this chapter as "the program."

(b) The program shall be implemented and administered by a corporation, whose duties shall include, but not be limited to, securing funding to promote and foster the development of a comprehensive statewide program designed to attract and increase career opportunities for secondary and postsecondary students in the construction industry.

(c) The corporation shall be comprised of an equal number of representatives of commercial and industrial building contractors and subcontractors, residential building contractors and subcontractors, and road building contractors and subcontractors.

4-49-104. The corporation may enter into contractual and promotional agreements necessary to effectively stimulate the program for the purposes of educating persons regarding the construction industry and recruiting persons for careers in the industry. The corporation's expenditures may include, but are not limited to, the following:

- (1) Print, digital, and radio and television advertising;
- (2) Promotional materials;
- (3) Media campaigns;
- (4) Videos;
- (5) Brochures;
- (6) Web site development and maintenance; and
- (7) Database development and maintenance.

4-49-105.

(a) To fund the program, there is created within the state board for licensing contractors a Go Build Account, referred to in this chapter as "the account." Amounts remaining in the account at the end of each fiscal year shall not revert to the general fund. Money in the account shall be invested by the state treasurer pursuant to title 9, chapter 4, part 6, for the sole benefit of the account.

(b) The following shall be transferred by the board to the account, to be allocated to the corporation solely for the implementation, administration, and management of the program:

- (1) A minimum of fifty percent (50%) of the total fiscal year fund balance resulting from contractor licensing revenue collected pursuant to title 62, chapter 6, part 1, after expenditures. This transfer shall occur on an annual basis in accordance with § 4-49-107; and
- (2) One million seven hundred fifty thousand dollars (\$1,750,000) of the state board for licensing contractors reserve balance resulting from a one-time transfer of funds from the balance to the corporation. This transfer shall occur prior to the end of fiscal year 2014–2015.

(c) The board, in consultation with the corporation, may promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, for disbursing the funds for the program, as necessary, pursuant to subsection (b); provided, however, funds collected pursuant to subsection (b) shall be used only to fund career and technical education programs and other certified and nationally accredited programs to encourage and promote career opportunities in the construction industry that are in secondary schools in this state, postsecondary schools in this state, the Tennessee colleges of applied technology, and other community colleges in this state.

(d) There shall be participation and inclusion of the commissioner of labor and workforce development or the commissioner's designee in the board's administration

and implementation of this chapter, including the provision of input from the commissioner or the commissioner's designee related to labor market information, safety and health, and the development of performance metrics consistent with industry growth indicators.

4-49-106.

(a) The corporation shall implement the program to promote and encourage the recruitment of potential construction workers, and to encourage the development of training programs and create opportunities for new, skilled construction workers in this state.

(b) The corporation may cooperate with state and local governments, private organizations, and citizens, as it plans and engages in activities related to the program. In addition to the funds received pursuant to § 4-49-105(b), the corporation may receive funds from individuals, businesses, governmental entities, foundation grants, and the state as appropriated by the general assembly.

(c) All costs to underwrite the corporation's activities related to the program shall be paid from revenues of the corporation, and no state employee or any other person associated with the corporation shall benefit from the expenditures, either directly or indirectly.

(d) The corporation may exercise all powers authorized pursuant to the Tennessee Nonprofit Corporation Act, compiled in title 48, chapters 51–68.

(e) The corporation may request assistance from any agency of state government, subject to existing statutes, rules, and policies.

4-49-107. Beginning in the first full quarter of fiscal year 2015–2016 and in the first quarter of every subsequent fiscal year, the board shall transfer revenue from the account to the corporation to be allocated in the manner set forth in § 4-49-105(b)(1).

4-49-108. The corporation shall pay expenses incurred by the corporation for the administration of the program from moneys transferred from the account to the corporation pursuant to § 4-49-105(b).

4-49-109.

(a) The corporation shall submit quarterly reports to include acceptable fiscal accounting practices and performance accountability metrics to the commissioner of the department of labor and workforce development. The commissioner shall have oversight authority over the corporation's performance accountability and shall determine and establish required accountability metrics.

(b) The corporation shall submit an annual report to the governor, the speaker of the senate, and the speaker of the house of representatives that includes a statement of its operations. The report shall be submitted within ninety (90) days after the end of the corporation's fiscal year.

4-49-110. An independent audit of the program shall be performed annually by a certified, independent public accountant who shall be paid from fees collected by the corporation. The independent audit shall be submitted to the comptroller of the treasury.

4-49-111. This part is hereby repealed on July 1, 2019.

SECTION 2. Tennessee Code Annotated, Section 62-6-111(h), is amended by deleting the subsection and substituting instead the following:

Notwithstanding § 56-1-302(a)(7) to the contrary, all revenues generated from licensing fees, penalties, or interest shall be allocated solely to the board for licensing contractors to be utilized for:

- (1) The administration and enforcement of this part; and

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(2) The purposes set forth in title 4, chapter 49.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

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PASSED: April 22, 2015



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES



RON RAMSEY
SPEAKER OF THE SENATE

APPROVED this 20th day of May 2015



BILL HASLAM, GOVERNOR