



# State of Tennessee

## PUBLIC CHAPTER NO. 485

### HOUSE BILL NO. 1276

By Representatives Daniel, Jernigan, Gilmore, Stewart, Hardaway, Parkinson, Powell

Substituted for: Senate Bill No. 1224

By Senators Massey, Yager, Overbey

AN ACT to amend Tennessee Code Annotated, Title 4 and Title 12, relative to public contracts.

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

SECTION 1. Tennessee Code Annotated, Section 12-3-401(b), is amended by adding the language "business owned by persons with disabilities," immediately after the language "service-disabled veteran-owned business," and by deleting the language "§ 12-3-514 [See Compiler's Notes]" and substituting instead the language "§ 12-3-1102".

SECTION 2. Tennessee Code Annotated, Section 12-3-503(c), is amended by adding the language "business owned by persons with disabilities," immediately after the language "service-disabled veteran-owned business,".

SECTION 3. Tennessee Code Annotated, Section 12-3-514(g), is amended by adding the language "business owned by persons with disabilities," immediately after the language "Tennessee service-disabled veteran-owned business," wherever it appears.

SECTION 4. Tennessee Code Annotated, Section 12-3-1101, is amended by adding the language ", Service-Disabled Veteran-Owned, Business Owned by Persons with Disabilities," immediately after the language "Woman-Owned".

SECTION 5. Tennessee Code Annotated, Section 12-3-1102, is amended by deleting subdivision (9) and the word "Tennessee" wherever it appears, and by adding the following language as new subdivisions:

( ) "Business owned by persons with disabilities" means a business owned by a person with a disability that is a continuing, independent, for-profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more persons with a disability; or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more persons with a disability and whose management and daily business operations are under the control of one (1) or more persons with a disability;

( ) "Person with a disability" means an individual who meets at least one (1) of the following:

(A) Has been diagnosed as having a physical or mental disability resulting in marked and severe functional limitations that is expected to last no less than twelve (12) months;

(B) Is eligible to receive social security disability insurance (SSDI); or

(C) Is eligible to receive supplemental security income (SSI) and has a disability as defined in subdivision ( ) (A);

SECTION 6. Tennessee Code Annotated, Section 12-3-1103, is amended by deleting subsection (a) and substituting instead the following:

(a) The procurement commission is authorized to adopt rules and regulations establishing criteria and standards for minority-owned businesses, woman-owned businesses, service-disabled veteran-owned businesses, businesses owned by persons

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with disabilities, and small businesses that are eligible to be included under this part. The rules and regulations must include methods by which eligibility can be verified and the business deemed certified.

SECTION 7. Tennessee Code Annotated, Section 12-3-1103, is amended by deleting the word "Tennessee" wherever it appears.

SECTION 8. Tennessee Code Annotated, Section 12-3-1104, is amended by adding the language "business owned by persons with disabilities," immediately after the language "service-disabled veteran-owned business," wherever it appears.

SECTION 9. Tennessee Code Annotated, Section 12-3-1104(a), is amended by deleting subdivision (2) and substituting instead the following:

(2) The amount of fair proportion shall be recommended annually by the governor's office of diversity business enterprises to the procurement commission for its review and approval. In annually determining the amount of fair proportion, the procurement commission shall establish, based on the recommendation of the governor's office of diversity business enterprises, a separate amount of fair proportion for each of the five (5) subcategories of businesses identified in § 12-3-1102: minority-owned businesses, woman-owned businesses, service-disabled veteran-owned businesses, businesses owned by persons with disabilities, and small businesses. Nothing in this part establishes any mandatory goal or quota with respect to minority-owned businesses, woman-owned businesses, service-disabled veteran-owned businesses, businesses owned by persons with disabilities, or small businesses.

SECTION 10. Tennessee Code Annotated, Section 12-3-1105, is amended by adding the language "business owned by persons with disabilities," immediately after the language "service-disabled veteran-owned business," wherever it appears.

SECTION 11. Tennessee Code Annotated, Section 12-3-1106, is amended by adding the language "business owned by persons with disabilities," immediately after the language "service-disabled veteran-owned business," wherever it appears.

SECTION 12. Tennessee Code Annotated, Section 12-3-1107, is amended by adding the language "business owned by persons with disabilities," immediately after the language "service-disabled veteran-owned business," wherever it appears.

SECTION 13. Tennessee Code Annotated, Section 12-3-1107(b), is amended by deleting the language "four (4)" and substituting instead the language "five (5)" wherever it appears.

SECTION 14. Tennessee Code Annotated, Section 12-3-1112, is amended by deleting subsection (b) and substituting instead the following:

(b) The office of diversity business enterprises shall assist small businesses and businesses owned by minorities, women, service-disabled veterans, and persons with disabilities to develop into viable, successful businesses. This work shall include assisting these businesses to compete successfully for the state's expenditures for goods and services.

SECTION 15. Tennessee Code Annotated, Section 12-3-1112, is amended by deleting the word "Tennessee" wherever it appears.

SECTION 16. Tennessee Code Annotated, Section 12-3-1112, is amended by deleting subsection (e) and substituting instead the following:

(e) The small business advocate within the office of the comptroller of the treasury shall be qualified by training or relevant and recent experience in administering programs to encourage and enhance economic opportunities for minority-owned businesses, woman-owned businesses, service-disabled veteran-owned businesses, businesses owned by persons with disabilities, and small businesses. At least annually, the advocate shall attend training or other specialized instruction to enhance understanding of the particular obstacles impeding minority-owned businesses, woman-

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owned businesses, service-disabled veteran-owned businesses, businesses owned by persons with disabilities, and small businesses from normal entry into the economic mainstream. The training shall be provided by the governor's office of diversity business enterprises in the normal course of business as part of the regular training program for state agencies. When the advocate position is filled by reassigning a current employee, such employee shall receive the requisite training prior to assuming advocate duties.

SECTION 17. Tennessee Code Annotated, Section 12-3-1107(a), is amended by adding the following as a new subdivision:

( ) The total dollar amount of purchases awarded to all businesses in the state.

SECTION 18. This act shall take effect upon becoming a law, the public welfare requiring it.

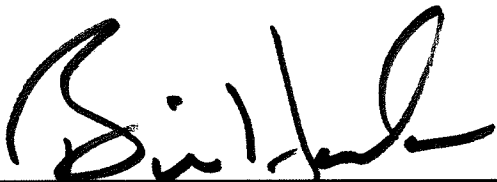
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PASSED: May 9, 2017

  
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BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

  
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RANDY MCNALLY  
SPEAKER OF THE SENATE

APPROVED this 6<sup>th</sup> day of June 2017

  
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BILL HASLAM, GOVERNOR