

Amendment No. 2 to HB1040

Sexton C
Signature of Sponsor

AMEND Senate Bill No. 798*

House Bill No. 1040

by deleting all language after the enacting clause and substituting instead the following:

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):

(2)

(A) It is an offense for any member of the general assembly, or any entity in which a member of the general assembly has a controlling interest, to bid on, sell, or offer for sale, any service to this state during the tenure of such member's office, or for six (6) months thereafter.

(B)

(i) Subdivision (a)(2)(A) does not apply to the continuation of any service provided by a member of the 112th General Assembly so long as the member holds office for consecutive terms in the general assembly if the service was provided prior to the member's election to the general assembly and the member discloses the nature of the service and the name of the state agency, branch, bureau, commission, department, or other division of state government to which the service is provided on the member's statement of interest pursuant to § 8-50-502 no later than July 1, 2021, and annually thereafter, if the member continues to provide the service.

(ii) Subdivision (a)(2)(A) does not apply to employment contracts, including indigent defense contracts, or medical service contracts, unless otherwise prohibited by the Constitution of Tennessee.

(iii) The exemptions provided in this subdivision (a)(2) do not apply to services provided to the legislative branch of state government.

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

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

(ii) "Controlling interest" means any business relationship that gives one (1) person the ability to direct the operations of the entity, and includes, but is not limited to, any interest over fifty percent (50%);

(iii) "Service" means any work, labor, or assistance provided in exchange for compensation paid or to be paid by this state; and

(iv) "State" means the state of Tennessee, which includes any agency, branch, bureau, commission, department, or division, but 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 section 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)

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

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

(ii) Must be made only by members of the general assembly.

(B) For purposes of this subdivision (10), "controlling interest," "service," and "state" have the same meanings as defined in § 12-4-103(a)(2)(C).

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