

SENATE BILL 94

By Finney L

AN ACT to amend Tennessee Code Annotated, Title 12  
and Title 67, relative to state contract preferences.

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

SECTION 1. Tennessee Code Annotated, Section 12-4-801, is amended by adding the following language as a new subdivision:

( ) "Tennessee business" means a business that is a continuing, independent, for profit business which performs a commercially useful function with residence in this state;

SECTION 2. Tennessee Code Annotated, Section 12-4-802, is amended by deleting the section in its entirety and by substituting instead the following:

**12-4-802.**

(a) Whenever the lowest responsible and responsive bidder on a public construction project in this state is a resident of another state which is contiguous to Tennessee and which allows a preference to a resident contractor of that state, a like reciprocal preference is allowed to the lowest responsible and responsive bidder on the project who is a Tennessee business.

(b) Subsection (a) shall only apply to public construction projects where the preference allowed in the contiguous state exceeds the allowance provided pursuant to § 12-4-803.

SECTION 3. Tennessee Code Annotated, Title 12, Chapter 4, Part 8, is amended by adding the following language as a new section:

**12-4-803.**

(a) Notwithstanding any provision of law to the contrary, the chief procurement officer shall promulgate rules authorizing an allowance for Tennessee businesses in the evaluation of bids and proposals for state contracts.

(b) The allowance to be given to a Tennessee business shall not exceed five percent (5%) of the lowest responsible and responsive bidder meeting specifications and shall be applied on a sliding scale in the following manner:

(1) Five percent (5%) shall be allowed for contracts up to one million dollars (\$1,000,000);

(2) Four percent (4%) shall be allowed for contracts up to ten million dollars (\$10,000,000);

(3) Three percent (3%) shall be allowed for contracts up to twenty-five million dollars (\$25,000,000); and

(4) Two percent (2%) shall be allowed for contracts that exceed fifty million dollars (\$50,000,000).

SECTION 4. This act shall take effect January 1, 2014, the public welfare requiring it, and shall apply to contracts entered into or renewed on and after such date.