

**PUBLIC CHAPTER NO. 84**

**HOUSE BILL NO. 1471**

**By Representatives Fitzhugh, Hackworth**

**Substituted for: Senate Bill No. 2056**

**By Senators McNally, Henry**

AN ACT to amend Tennessee Code Annotated, Title 6, relative to municipal purchasing.

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

SECTION 1. Tennessee Code Annotated, Section 6-56-302, is amended by deleting the following language from item (1):

having charter provisions or private act requirements governing competitive bidding and purchasing; provided, that the charter provision or private act at a minimum establishes, within the provisions of the charter or act itself, dollar limits for which competitive bidding would be required, any exemptions from the competitive bidding process, and general bid process procedures, which include, but are not limited to, procedures regarding public advertising, securing, and opening bids;

and by substituting the following:

that have a charter provision or private act that either establishes within the charter or act itself dollar limits over which competitive bidding is required, or authorizes the municipality to set a dollar limit by ordinance but establishes the maximum dollar limit over which competitive bidding is required, and the municipality has established either by charter, private act, or ordinance general bidding procedures that include, but are not limited to, public advertising, securing and opening bids, and any exemptions from competitive bidding. Any exemptions must be substantially similar to those listed in section 6-56-304, except that any dollar amounts listed must be established in accordance with the municipality's charter or private act;

SECTION 2. Tennessee Code Annotated, Section 6-56-302, is further amended by inserting the following as new item (2) and renumbering present item (2) and subsequent items accordingly:

(2) This part shall not apply to purchases by authorized officials in municipalities that have charter provisions relative to competitive bidding but that do not establish a dollar limit over which competitive bidding is required, as long as the municipality by ordinance establishes: (i) a dollar limit over which competitive bidding is required, which may not exceed twenty-five thousand dollars (\$25,000); (ii) a dollar limit, which may not exceed forty percent (40%) of the amount established under the preceding provision, over which the municipality need not advertise but must when possible obtain three (3)

competitive bids and below which no advertisement or competitive bidding is required; (iii) procedures for public advertising, securing, and opening bids; and (iv) any exemptions from competitive bidding, which must be substantially similar to those listed in section 6-56-304 except that any dollar amounts listed must be in accordance with the municipality's ordinances;

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

**PASSED: April 19, 2007**

  
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JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
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RON RAMSEY  
SPEAKER OF THE SENATE

**APPROVED this 3rd day of May 2007**

  
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PHIL BREDEESEN, GOVERNOR