

PUBLIC CHAPTER NO. 596**SENATE BILL NO. 1207****By Southerland, Crowe, Raymond Finney, Herron****Substituted for: House Bill No. 898****By Ford, Rinks**

AN ACT to amend Tennessee Code Annotated, Title 4 and Title 67, relative to economic development.

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

SECTION 1. It is hereby found and declared by the general assembly that there is a need to enhance economic activity in the three (3) grand divisions of the state by not only attracting new business to the state but also developing and retaining manufacturing, development, agribusiness, export trade, business enterprise management, and other activities conducive to economic promotion that are already located in the state in order to provide a stronger, more balanced, and stable economy and to maintain strong community bonds. Small businesses critical to the economic development of the state often encounter difficulty in obtaining financing. This difficulty impairs the expansion of economic activity and the creation of jobs and income in the state. In addition, programs such as FastTrack infrastructure development and job assistance training are not available to small businesses that cannot meet the criteria established for participation in such programs.

SECTION 2. There is created a special joint committee to study the manner in which opportunities for capital funding and infrastructure development and job assistance training programs can be created in order to develop and retain small businesses in this state.

SECTION 3. The committee is charged with the study of the methods currently used for economic development in the state and how such methods can be successfully adapted to develop and retain small business. The committee shall also explore and study methods and means of small business economic development used in other states.

SECTION 4. The committee shall consist of four (4) members of the House of Representatives and four (4) members of the Senate. The chair of the Commerce Committee of the Senate and the chair of the Commerce Committee of the House of Representatives shall serve on the committee. The Speaker of the Senate shall appoint the remaining Senate members of the committee and the Speaker of the House shall appoint the remaining House members of the committee.

SECTION 5. All appropriate state agencies shall provide assistance to the special joint committee.

SECTION 6. The special joint committee shall be convened by the member with the most years of continuous service in the general assembly; and at its first meeting the special joint committee shall elect a chair, vice chair, and such other officers the committee deems necessary.

SECTION 7. All legislative members of the special joint committee shall remain members of such committee until the committee reports its findings and recommendations to the general assembly and shall be paid as members of the general assembly are paid for attending legislative meetings as provided in § 3-1-106.

SECTION 8. The special joint committee shall report its findings and recommendations, including any proposed legislation to the governor and the general assembly by January 15, 2008, at which time the committee shall cease to exist.

SECTION 9. Tennessee Code Annotated, Title 4, is amended by adding the following as a new, appropriately designated chapter:

§ 4-52-101. (a) There is hereby created a corporation, which shall be known as "Tennessee Tomorrow, Inc."

(b) The corporation shall be subject to the laws of the State of Tennessee for not-for-profit corporations.

(c) The corporation shall be a quasi-governmental organization, and not a state agency or department, which shall be deemed to be acting in all respects for the benefit of the people of the state by integrating and focusing resources to create economic and community development opportunities for Tennessee communities with an emphasis on rural regions of this state.

(d) The corporation shall have perpetual succession and shall adopt, amend, and repeal bylaws for the conduct of its affairs.

§ 4-52-102. (a) The corporation shall be governed by a board of directors as follows:

- (1) The governor, ex-officio;
- (2) The Commissioner of the Department of Economic and Community Development, ex-officio;
- (3) The Commissioner of the Department of Labor and Workforce Development, ex-officio;
- (4) The Commissioner of the Department of Transportation, ex-officio;
- (5) The Commissioner of the Department of Finance and Administration, ex-officio;
- (6) The Commissioner of the Department of Education, ex-officio;

(7) A representative of the Tennessee Valley Authority;

(8) The chancellor of the board of regents, ex-officio;

(9) The president of the University of Tennessee, ex-officio; and

(10) Other public and private sector members who shall be appointed by the governor. Private sector members appointed must represent the three (3) grand divisions of the state and represent small, medium, and large businesses in both existing and emerging industries.

(b) The initial term of each appointive board member shall be three (3) years. Thereafter, the non ex-officio directors shall be divided into three (3) groups designated as group one (1) directors, group two (2) directors, and group three (3) directors. Group one (1) directors shall serve for one (1) year; group two (2) directors shall serve for a term of two (2) years; and group three (3) directors shall serve a term of three (3) years.

(c) The board shall elect from among its members a chair, public sector co-vice chairmen and any other such officers it may in its bylaws determine are necessary. A majority of the directors shall constitute a quorum for the transaction of business. Action may be taken and motions adopted by the board at any board meeting by the affirmative vote of a majority of the directors present. The board shall hold meetings in such intervals and at such times as the directors may determine by resolution or bylaw.

(d) The directors shall receive no salary, but shall be reimbursed for necessary expenses incurred in the performance of their official duties by the corporation.

(e) The board of directors may delegate to one (1) or more of its members, to the chief executive officer, or to any agent or employee of the corporation such powers and duties as it may deem proper.

§ 4-52-103. The meetings of the board of directors shall be open to the public pursuant to Title 8, Chapter 44, Part 1, and all its records shall be open for inspection by the members of the public pursuant to Title 10, Chapter 7, Part 5.

§ 4-52-104. The board of directors shall appoint and shall provide for the compensation of a chief executive officer who shall be an employee of the corporation and who shall direct the day-to-day operations and management of the corporation. The chief executive officer shall be vested with such powers and duties as specified by the board and by law. The chief executive officer shall serve at the pleasure of the board.

§ 4-52-105. (a) The corporation shall have any and all powers necessary or convenient to its usefulness in carrying out and effectuating the purposes and provisions of this chapter that are not in conflict with the Constitution of the State of Tennessee and that are generally exercised by corporations engaged in entrepreneurial pursuits, including, but not limited to, the following powers:

- (1) To sue and be sued;
- (2) To adopt and alter a seal;
- (3) To adopt, amend, and repeal bylaws, and policies and procedures for the regulation of its affairs and the conduct of its business; to elect and prescribe the duties of officers and employees of the corporation; and to perform such other matters as the corporation may determine. In the adoption of bylaws, regulations, policies, and procedures, the corporation shall be exempt from the requirements of the Tennessee Uniform Administrative Procedures Act, compiled in Chapter 5 of this title;
- (4) To procure or to provide insurance;
- (5) To hold copyrights, trademarks, and service marks and enforce its rights with respect to the copyrights and marks;
- (6) To acquire or lease real property and make improvements to that real property and acquire by lease or by purchase tangible personal property and intangible personal property;
- (7) To appoint and select officers, agents, and employees, including professional and administrative staff and personnel, and to fix their compensation, pay their expenses, and provide a benefit program, including, but not limited to, a retirement plan and a group insurance plan; provided, however, that the corporation may become a participating employer in the Tennessee Consolidated Retirement System pursuant to § 4-52-108 and may be eligible as a quasi-governmental organization for state group health insurance pursuant to § 8-27-207;
- (8) To enter into contracts of any and all types on such terms and conditions as the corporation may determine;
- (9) To establish and maintain banking and other financial relationships, including, but not limited to, establishment of checking and savings accounts and lines of credit;
- (10) To raise funds, including corporate funding, to promote its activities and support ongoing programs; and
- (11) To adopt and amend such policies and procedures as necessary to carry out and implement its powers and duties, organize and operate the corporation, and any other matters necessary or desirable for the efficient and effective operation of the corporation. The promulgation of any such policies, and procedures shall be exempt from the requirements of the Tennessee Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5.

(b) The powers enumerated in subsection (a) are cumulative of and in addition to those powers enumerated elsewhere in this chapter, and do not limit or restrict any other powers of the corporation.

§ 4-52-106. (a) (1) Investment of any funds of the corporation shall be undertaken in a manner that first seeks to ensure preservation of principal, that next ensures the liquidity needs of the corporation are met and, after satisfaction of these objectives, seeks a market rate of return.

(2) The corporation shall adopt an investment policy to govern the investment of assets consistent with the objectives listed in subdivision (a)(1).

(b) The corporation shall be authorized to invest in any securities as are authorized for domestic life insurance companies as provided in Title 56, Chapter 3, Part 3.

§ 4-52-107. (a) All annual reports and all books of accounts and financial records of the corporation shall be subject to audit annually by the comptroller of the treasury. With prior approval of the comptroller of the treasury, the audit may be performed by a licensed independent public accountant selected by the corporation. If an independent public accountant is employed, the audit contract between the corporation and the independent accountant shall be on contract forms prescribed by the comptroller of the treasury. The cost of any audit shall be paid by the corporation.

(b) The comptroller of the treasury shall ensure that audits are prepared in accordance with generally accepted governmental auditing standards and determine if the audits meet minimum audit standards prescribed by the comptroller of the treasury. No audit may be accepted as meeting the requirements of this section until approved by the comptroller of the treasury.

(c) One (1) copy of each audit shall be furnished to each member of the board of the corporation and one (1) copy shall be furnished to the comptroller of the treasury.

(d) The comptroller of the treasury, or the comptroller's designated representative, shall have access to the corporation's books, records and accounts whenever deemed necessary by such person.

§ 4-52-108. (a) The corporation shall be eligible to be a participating employer in the Tennessee Consolidated Retirement System upon passage of a resolution by the corporation's board of directors authorizing:

(1) An actuarial study; and

(2) Participation, and accepting the liability as a result of the participation, by its full-time employees.

(b) The employees of the corporation shall make the same contributions, participate in the same manner, and shall be eligible for the same benefits as

employees of local governments participating in the retirement system under this part.

(c) The employees of the corporation shall be entitled to credit for prior service, as approved by the board of directors of the corporation, under the same provisions that apply to employees of local governments.

(d) The retirement system shall not be liable for the payment of retirement allowances or other payments on account of employees of the corporation, or the beneficiaries of such employees, for which reserves have not been previously created from funds contributed by the corporation, its employees or the corporation and its employees.

(e) In case of the withdrawal of the corporation as a participating employer, the benefits of the members and beneficiaries shall be determined in accordance with the provisions of § 8-35-211.

(f) It is the legislative intent that the state shall realize no increased cost as a result of this section. All costs associated with retirement coverage, including administrative costs, shall be the responsibility of the corporation.

SECTION 10. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: June 12, 2007



RON RAMSEY
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 28th day of June 2007



PHIL BREDESEN, GOVERNOR