



State of Tennessee
PUBLIC CHAPTER NO. 813

SENATE BILL NO. 2237

By Norris, Tracy, Burks, McNally

Substituted for: House Bill No. 2375

By McCormick, Keisling, Lollar

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 3, Part 20, relative to the Department of Safety and Homeland Security.

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

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 20, is amended by adding the following as a new, appropriately designated section:

4-3-20__.

(a) The Department of Safety and Homeland Security is authorized to enter into agreements with nonprofit organizations for the purpose of promoting and supporting the goals and objectives of the agency including, but not limited to, law enforcement, safety education, motorist services, disaster preparedness and prevention, and marketing opportunities. No contractual agreement shall be entered into with any nonprofit entity that is tax exempt under United States Internal Revenue Code 501(c)(3), codified in 26 U.S.C. 501(c), as a religious organization, an organization that is affiliated with a religious organization as defined in 26 CFR 1.6033-2(h), a nonprofit entity that is tax exempt under United States Internal Revenue Code 527, codified in 26 U.S.C. 527, as a political organization, or an organization that is affiliated with a political organization, as "affiliated" is defined in 11 CFR, Chapter 1.

(b) This section shall not be interpreted to abridge any powers or duties delegated to the agency in this part.

(c) The nonprofit shall have their board of directors elected by a process approved by the governor or the governor's designee.

(d) The nonprofit shall be properly incorporated under the laws of this state, and approved by the Internal Revenue Service as organizations that are exempt from federal income tax under § 501(a) of the Internal Revenue Code, codified in 26 U.S.C. § 501(a), by virtue of being organizations described in § 501(c)(3) of the Internal Revenue Code, codified in 26 U.S.C. § 501(c)(3).

(e) The nonprofit shall annually submit to the governor, the Speakers of the Senate and the House of Representatives, within ninety (90) days after the end of their fiscal year, a complete and detailed report setting forth their operation and accomplishments.

(f) The annual reports and all books of accounts and financial records of all funds received by grant, contract or otherwise from state, local or federal sources 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 nonprofit partner. If an independent public accountant is employed, the audit contract between the nonprofit partner 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 nonprofit partner. 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.

(g) All full board meetings of a nonprofit organization concerning activities authorized by this section shall be open to the public, except for executive sessions that include, but are not limited to, any of the following matters: litigation; audits or investigations; human resources issues; gift acceptance deliberations; board training; governance; donor strategy sessions; and security measures.

(h) All contributions to and expenditures of a nonprofit organization relating to activities authorized by this section shall be open for public inspection upon specific request to the nonprofit organization.

(i) The proposed charter and any proposed amendments of a nonprofit organization shall be submitted to the comptroller of the treasury for review and comment prior to the adoption of any such charter or amendments.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

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

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PASSED: April 4, 2012



RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 25th day of April 2012



BILL HASLAM, GOVERNOR