



State of Tennessee
PUBLIC CHAPTER NO. 966

SENATE BILL NO. 2788

By Kelsey, Beavers, Johnson, Barnes

Substituted for: House Bill No. 3141

By Gotto, Watson, Hardaway

AN ACT to amend Tennessee Code Annotated, Section 39-16-402, relative to public officials receiving a benefit not otherwise authorized by law.

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

SECTION 1. Tennessee Code Annotated, Section 39-16-402, is amended by adding the following language as a new subsection (c) and redesignating subsequent subsections accordingly:

(c)(1) For purposes of subdivision (a)(5), the ways in which a public servant receives a benefit not otherwise authorized by law include, but are not limited to, a public servant who:

(A) Purchases real property or otherwise obtains an option to purchase real property with intent to make a profit if the public servant knows that such real property may be purchased by a governmental entity and such information is not public knowledge; or

(B) Acquires nonpublic information derived from such person's position as a public servant or gained from the performance of such person's official duties as a public servant and knowingly acts on such nonpublic information to acquire, or obtain an option to acquire, or liquidate, tangible or intangible personal property with intent to make a profit.

(2) Ouster provisions shall be instituted upon a conviction under subsection (a) in which the conduct described in subsection (c) is basis of the violation. In addition any person convicted of such offense shall forever afterwards be disqualified from holding any office under the laws or constitution of this state.

SECTION 2. Tennessee Code Annotated, Section 39-16-402, is amended by deleting subsection (d), which was redesignated as subsection (e) by this act, and substituting instead the following:

(e)(1) An offense under subsection (a) in which the conduct described in subsection (c) is not the basis of the violation is a Class E felony.

(2) An offense under subsection (a) in which the conduct described in subsection (c) is basis of the violation is a Class A misdemeanor and the court shall order appropriate restitution to the governmental entity harmed by the offense.

(3) If the defendant's conduct violates this section and other criminal statutes, nothing in this subsection shall be construed as prohibiting prosecution and conviction for theft or any other such applicable offense in addition to or in lieu of prosecution and conviction for a violation of this section.

SECTION 3. This act shall take effect July 1, 2012, the public welfare requiring it.

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PASSED: April 27, 2012



RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 10th day of May 2012



BILL HASLAM, GOVERNOR