



State of Tennessee

PUBLIC CHAPTER NO. 730

HOUSE BILL NO. 1992

By Representatives Sanderson, Dunn, Butt

Substituted for: Senate Bill No. 1940

By Senator Yager

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 56 and Title 12, relative to procurement.

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

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 56, is amended by adding the following language as a new section:

(a) As used in this section, "vendor" means a legal entity that:

(1) Is currently under contract with a department or agency of this state;

(2) Bids on a contract with a department or agency of this state; or

(3) Attempts to amend a current contract with a department or agency of this state.

(b) If a vendor is indicted for or convicted of, or pleads guilty or nolo contendere to, any violation under the Sherman Antitrust Act (15 U.S.C. §§ 1-7); mail fraud under 18 U.S.C. § 1341; any federal or state criminal statute in connection with any contract let or funded, in whole or in part, by this state or any other state or territory of the United States; or any federal or state crime as the result of any investigation into such violations or crimes, the vendor shall provide notice of such indictment, conviction, or plea to the chief procurement officer by submitting a copy of the indictment, final judgment of conviction, or plea agreement to the chief procurement officer not later than thirty (30) days after being indicted, convicted, or pleading guilty or nolo contendere.

(c) Upon receiving notice under subsection (b), the chief procurement officer shall forward a copy of the indictment, final judgment of conviction, or plea agreement to the executive director of fiscal review and the comptroller of the treasury.

(d) If a vendor knowingly fails to provide notice under subsection (b), the chief procurement officer may fine the vendor ten thousand dollars (\$10,000); provided, that, if the vendor is under contract and the total price of the contract is greater than two hundred thousand dollars (\$200,000), the chief procurement officer may fine the vendor in an amount not to exceed five percent (5%) of the total price of the contract.

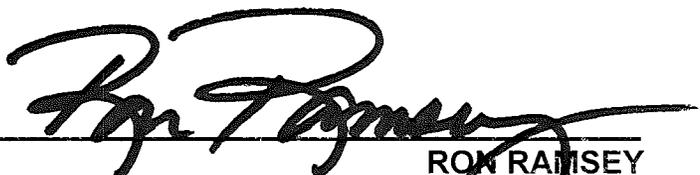
(e) A department or agency of this state may terminate any contract with a vendor who is found to be in violation of this section.

SECTION 2. This act shall take effect July 1, 2016, the public welfare requiring it; provided, that subsection (e) of Section 1 of this act shall apply only to contracts entered into on or after July 1, 2016.

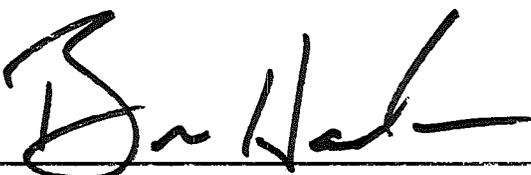
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PASSED: March 23, 2016


BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES


RON RAMSEY
SPEAKER OF THE SENATE

APPROVED this 7th day of April 2016


BILL HASLAM, GOVERNOR