



2016 Legislative Report

The 109th General Assembly adjourned sine die on April 22, 2016. Over the past two years, thousands of bills were filed to change laws in Tennessee. AIA Tennessee staff, lobbyists and volunteers reviewed any legislation that could potentially impact architects.

The report is separated into sections:

1. AIA Sponsored Legislation,
2. Priority/Monitored Legislation that Passed & will become Law, and
3. Priority/Monitored Legislation that Failed & will NOT become law.

To read the full public chapter that will become law, hold the control button and click on the PDF.

AIA Sponsored Legislation

SBI672 / HBI726 Designers under contract with state may invoice monthly.

Sponsors Sen. Steve Southerland / Rep. Charles M. Sargent

Description Authorizes a construction design professional under contract with the University of Tennessee, the board of regents, or the state of Tennessee real estate and asset management (STREAM) division of the department of general services (a "state agency"), who has approved design fees for the program phase, schematic design phase, design development phase, construction document phase, and bidding and negotiation phase, to invoice the state agency on a monthly basis to be paid by the state agency either: (1) On a percentage-of-completion basis for a particular phase; or (2) In an amount prorated over the anticipated time required to complete a particular phase. If the designer elects to invoice the state agency on a monthly basis for design fees, the state agency shall pay the designer in accordance with the Prompt Pay Act of 1985, except, that the state agency shall pay the designer within 30 days of being properly invoiced. The Prompt Pay Act of 1985 specifies that payments be made within 45 days of receipt of the invoice, if no date or other provision for payment is specified by contract. This bill requires that payments to the designer on account of the basic construction contract administration services fee be made as follows: (1) Beginning with the issuance of the general contractor's notice to proceed, 95 percent of the basic construction contract administration services fee will be payable in equal monthly portions based on the number of months in the construction schedule to reach substantial completion; (2) When the certificate for substantial completion has been executed by the designer pursuant to the general conditions of the contract, partial payment will be made in a sum sufficient to increase payment to 95 percent of the basic construction contract administration services fee; and (3) When the certificate for final payment has been executed by the designer and the designer has completed all requirements of the contract, including the furnishing of record documents, final payment will be made in the sum sufficient to increase payment to 100 percent of the basic construction contract administration services fee. This bill prohibits the use of building information modeling (BIM) on a design and construction project to increase fee, and authorizes the inclusion of BIM deliverables at the minimum levels of development that are equivalent to or less than the American institute of architects (AIA) level of development (LOD) 300 in the basic services fee. In addition to BIM deliverables at a higher level of development required by the state agency, above the AIA LOD 300, the full text of this bill lists 67 items for which a designer will be entitled to additional service fees.

Position Support

Comment AIA Tennessee and ACEC of Tennessee supported this legislation. It addressed prompt payment and additional services. Due to this legislation, a new state contract was negotiated and was approved on May 12, 2016. We are working with the State Architect to plan seminars across the state to review and discuss the new contract before it is implemented on July 1.

Priority Bills that PASSED & Will Become Law

SB1342 / HB1365 Lease payments for space occupied by state agencies.

Sponsors Sen. Randy McNally / Rep. Kent Calfee

Description Requires lease payments for space occupied by state agencies to be established by the commissioner of finance and administration and approved by the state building commission. Broadly captioned.

Amendment SENATE AMENDMENT 2 (O16326) rewrites the bill to specify that the legislative branch of state government and the judicial branch of state government maintain control of the state buildings occupied exclusively by the legislative branch and the judicial branch, respectively. HOUSE AMENDMENT 5 (O16328) provides that notwithstanding any other law to the contrary, the legislative branch of state government and the judicial branch of state government maintain control of the state buildings occupied predominantly by the legislative branch and the judicial branch, respectively.

Executive Status 05/05/2016 - Enacted as Public Chapter 1031 effective April 28, 2016.

Public Chapter  PC1031

Comment *This is the bill we were watching closely relative to privatization. The sponsors denied that it would be used for such a purpose when asked on the record.*

SB1503 / HB1615 Sunset- board of examiners for architects and engineers.

Sponsors Sen. Mike Bell / Rep. Jeremy Faison

Description Extends the board of examiners for architects and engineers four years to June 30, 2020. Requires removal of any board member who misses more than 50 percent of the board's scheduled meetings in a calendar year.

Executive Status 03/28/2016 - Enacted as Public Chapter 0610 effective March 22, 2016.

Public Chapter  PC610

SB1615 / HB1629 Cooperative purchasing agreements with federal agencies.

Sponsors Sen. Mark Green / Rep. Joe Pitts

Description Allows any municipality, county, utility district, or other local government to enter into cooperative purchasing agreements with federal agencies.

Amendment Senate amendment 1 (O12797) adds language to the original bill specifying that authorization for local government entities to enter into cooperative purchase agreements with federal agencies **does not extend to:** (1) purchases of new or used motor vehicles, unless the motor vehicles are manufactured for a special purpose as defined in TCA 12-3-1208; (2) purchases of construction, **engineering, or architectural services**; construction materials; or construction machinery, including, but not limited to, bulldozers and other heavy equipment utilized in construction or on construction sites; or (3) purchases of fuel, fuel products, and lubricating oils. HOUSE AMENDMENT 1 (O15946) specifies that "construction materials," for purposes of the exclusions described above in the summary for Senate Amendment #1, does not include materials used in the operation of a municipal utility system, including, without limitation, transformers, conductors, insulators, poles, cross-arms, anchors, pipes, valves, meters, or other components or parts of a utility system, whether purchased in accordance with a

purchasing agreement with the Tennessee Valley authority or another purchasing arrangement.

Executive Status 04/29/2016 - Enacted as Public Chapter 0935 effective July 1, 2016.

Public Chapter



PC935

Comment AIA amended to make clear that architectural services were not included.

SB1621 / HB1674 Residency requirements not allowed for construction contracts.

Sponsors Sen. Jack Johnson / Rep. Pat Marsh

Description Prohibits the state or any local government from requiring a company bidding on a state or local construction project to employ individuals who reside within the jurisdiction of the state or local government. Broadly captioned.

Amendment Senate amendment 1 (011800) deletes and adds language to Section 1 of the bill such that the amended bill prohibits the state or any local government from requiring a company bidding or contracting to provide services on a public construction project to employ individuals who reside within the jurisdiction of the state or local government or who are within a specific income range, unless otherwise required by federal law.

Executive Status 03/21/2016 - Enacted as Public Chapter 0587 effective March 10, 2016.

Public Chapter



PC587

Comment Monitor. This bill overrode the Nashville ordinance and reignited the conversation of the state dictating to local governments while gnashing teeth when the federal government does the same.

SB1830 / HB1892 Permits under the Water Quality Control Act.

Sponsors Sen. Steve Southerland / Rep. Curtis Halford

Description SENATE AMENDMENT 1 (013431) deletes all language of the original bill. Prohibits any national pollutant discharge elimination system (NPDES) permit issued to a local government entity administering a municipal separate storm sewer system from imposing post construction storm water requirements beyond the extent necessary to comply with minimum standards of federal law. Requires any NPDES permits issued to local government entities that include numeric or narrative effluent limitations for managing post construction storm water to allow for discretion in selecting measures to meet any such limitations. Prohibits the state from requiring any local government entity administering a municipal separate storm water system under NPDES permits to impose control measures for post-construction storm water that exceed minimum requirements by federal law. Requires local government entities that adopt control measures that exceed federal requirements to do so by a resolution or ordinance by the legislative body upon a majority vote. Exempts any ordinances or resolutions in effect on the effective date of this act, but does not preclude a local government entity that administers such system from making changes consistent with the bill as amended or seeking coverage under any future version of the NPDES permit. Requires the local government entity to provide in writing the control measures that exceed federal minimum requirements at least 30 days in advance of a vote to the local legislative body to provide for a public comment period.

Executive Status 04/29/2016 - Enacted as Public Chapter 1007 effective May 2, 2016.

Comment Controversial bill from the Homebuilders that the Haslam Administration opposed.

Public Chapter



PC1007

SB2093 / HB2407 Public-Private Transportation Act of 2016.

Sponsors Sen. Bill Ketron / Rep. Charles M. Sargent

Description Enacts the "Public-Private Transportation Act of 2016." Sets forth the guidelines for how a

public entity may enter into a public-private initiative in regards to a qualifying transportation facility. Requires the private entity to obtain a certificate from the public entity before development or operation and to have its proposals reviewed by the fiscal review committee of the general assembly. Provides that a request for a certificate must include a topographic map, a description of the facility, projected cost, a list of permits and approvals, the facilities plans, and a list of public utility facilities. Provides additional guidelines for the development and operation of a public transportation entity.

Amendment SENATE AMENDMENT 2 (014950) deletes and rewrites the bill such that the substantive changes are as follows: (1) redefines transportation facility to exclude highways, bridges, tunnels, and overpasses; (2) requires a statement of the risks, liabilities, and responsibilities to be transferred or assigned to the private entity for development, redevelopment, or operation of the transportation facility including revenue risk and any operation and maintenance; (3) authorizes a public entity to grant approval if it determines that the proposed development, redevelopment, or operation of the transportation facility serves the public interest; (4) requires the public entity to require the private entity to pay for cost for an independent audit of any and all cost estimates associated with the private entity's proposed development, redevelopment, or operation for any project with an estimated cost exceeding \$50,000,000; (5) requires any project or qualifying transportation facility for which TDOT is the responsible public entity and for which toll revenue is collected, to be included the Department's transportation improvement program submitted to the General Assembly for approval; (6) requires the public entity to submit a plan of financing to the Comptroller of the Treasury (COT) for any action authorizing grants, milestone payments, or loans prior to adoption of such grants, payments or loans; (7) authorizes the COT to request additional information to review the proposed plan of financing; (8) requires the evaluation of each plan of financing to be based on the plan's circumstances and only approved if such plan is in the public's interest; (9) requires the private entity to notify the existing transportation facility of its request for approval within 15 days of the private party submitting its request for approval by furnishing a written notice to the registered agent of the existing transportation facility on file with the Secretary of State with required information if the proposed development, redevelopment, or operation of the transportation facility will utilize, connect to, interconnect with, or cross over the private property on which an existing transportation facility is located; and (10) authorizes the existing transportation facility to submit comments to the proposed development, redevelopment, or operation of the transportation facility to the public entity within 30 days after receiving such written notice.

Fiscal Note (Dated February 28, 2016) Increase State Revenue - Exceeds \$160,000/Highway Fund Increase State Expenditures - Exceeds \$160,000/Highway Fund Increase Local Revenue - Exceeds \$60,000/Permissive Increase Local Expenditures - Exceeds \$60,000/Permissive Other Fiscal Impact - State and local entities entering into agreements with private entities for the purpose of developing transportation facilities could free up funding within state and local governments to expend on other transportation related projects. The extent to which, and the timing for which, this will occur is unknown and dependent upon multiple unknown factors. However, any net change in state or local expenditures for transportation projects is considered not significant. In addition, the amount of federal funding allocated to such projects could decrease as private capital is utilized; this could result in federal funding being available for other state and local projects. The extent to which, and the timing for which, this will occur is unknown and dependent upon multiple unknown factors. However, any net change in federal funding to state and local governments is estimated to be not significant.

Executive Status 04/29/2016 - Enacted as Public Chapter 0975 effective April 27, 2016.

Public Chapter



PC975

Position Support

Comment P3 bill limited to transit projects (horizontal). We monitored this bill closely and AIA leaders have been in continued conversation with the bill sponsors about Vertical P3.

SB2534 / HB2569 Revises requirements for certain professionals.

Category Professions & Licensure

Sponsors Sen. Mark S. Norris / Rep. Gerald McCormick

Description Revises various provisions regarding cemetery owners and companies, architects, insurers, shops licensed by the board of cosmetology and barber examiners, funeral directors, real estate firms, real estate brokers, affiliate brokers, time-share salespersons, and acquisition agents. **Specific to architects:** (4) Present law authorizes the state board of examiners for architects and engineers to issue a certificate of registration as an architect, engineer, registered interior designer, or landscape architect to any person who holds a like unexpired certificate of qualification or registration issued to the person by any state, territory, or possession of the United States or of any country, if the applicant's qualifications meet the requirements of this state's laws and the rules established by the board. This bill adds authorization for the board to issue a certificate of registration as an architect to any person whose qualifications do not meet the requirements of this state or the rules established by the board if that person: holds a like unexpired certificate of qualification or registration issued to such person by any state, territory, or possession of the United States or by any country; holds an unexpired national certificate issued by the national council of architectural registration boards; and presents proof of the certificates upon application to the board. The issuance of a certificate of registration pursuant to this provision will be at the sole discretion of the board's determination that the applicant has qualifications suitable to be issued a certificate of registration in this state.

Executive Status 04/26/2016 - Enacted as Public Chapter 0838 effective July 1, 2016.

Public Chapter



PC838

Comment This is a legislative proposal that has been submitted for a couple of years now that would allow the Licensing Board to license someone with a NCARB certificate and a license in another state without imposing additional state-specific requirements. The Licensing Board will no longer have to "look behind the cover" on NCARB records to make sure that all statutory and rule requirements are met. It will primarily benefit Broadly Experienced Architect (BEA) and Broadly Experienced Foreign Architect (BEFA) applicants who may not meet current educational requirements. It applies only to comity applicants who are already licensed elsewhere.

SB2569 / HB2578 Restructures the board of regents.

Sponsors Sen. Mark S. Norris / Rep. Gerald McCormick

Description of the Amendment 1 deletes and rewrites the bill such that the only substantive changes are: (1) to Amendments that declare that the policies and guidelines adopted by the Tennessee Board of Regents as of the make the bill effective date of the act shall be applicable to the state university boards and their respective institutions until such time that the boards rescind or revise such policies; (2) to require that the title to property held on behalf of state universities by the Board of Regents be transferred to the respective state university board, no later than June 30, 2017; (3) to require that the respective state universities continue to be participants in the state's retirement system; and (4) to further require that any data system employed by state universities be interoperable with the statewide student management system used by the Board of Regents and THEC. Amendment 2 adds language that requires THEC to coordinate and administer an orientation training program and an ongoing continuing education program for all board members of the respective state university Boards created by the bill, as amended; requires continuing education programs to include certain topics, including but not limited to, the role, duties, and responsibilities of the governing boards; and requires continuing education

programs to cover legal and ethical responsibilities of trustees, budget development, intellectual diversity, academic freedom, and setting strategic goals; and requires all newly appointed Board members of the respective state university Boards shall attend orientation seminars in their first year of service.

Amendment 3 adds language to the bill that revises Tenn. Code Ann. § 49-7-204 (a), (b), and (c), relative to the composition of THEC, that revises the appointing authorities of the THEC members such that the Governor shall appoint six voting members and the Speaker of the House of Representatives and the Speaker of the Senate shall each appoint one voting member. Requires the Governor to also appoint two student members, one of whom shall be a voting member. Requires the Comptroller of the Treasury, the Secretary of State, and the State Treasurer to serve as ex officio voting members, and the Executive Director of THEC to serve as an ex-officio, nonvoting member. Sets forth the process to transition from the Governor appointing all members of THEC to a divided appointing system which consists of the Governor, the Speaker of the House of Representatives, and the Speaker of the Senate. Sets forth how vacancies shall be filled in the future by the respective appointing authorities and how the Governor shall appoint the student members of THEC; sets forth how student members shall be nominated; and sets forth the terms of office of THEC members.

Amendment 4 deletes and rewrites Section 21 such that the substantive change is to require that the Tennessee Board of Regents retain all powers and duties with respect to each state university, community college, or Tennessee College of Applied Technology including but not limited to any projects at these institutions which are necessary to fulfill its covenants, representations, agreements, and obligations under any financing agreement that is existing between the Board of Regents and the Tennessee State School Bond Authority. Deletes and rewrites Section 29 such that the only substantive change is to require that each president of a Board of Regents state university be a member of the newly-created review committee to aid in the development and revision of the higher education master plan and funding formula. Adds language to prohibit any change in tuition or fee policy from being made which, in the opinion of the Board of Regents, might adversely affect compliance with, or future borrowings pursuant to financing agreements with the Tennessee State School Bond Authority.

Fiscal Note (Dated February 15, 2016) Increase State Expenditures - \$416,000 Other Fiscal Impact - There will be unknown impacts to the existing Tennessee Board of Regents state university and community college systems including, but not limited to, changes in tuition and fee funding levels, reallocation of existing funding, and changes in employment levels within the TBR Central Office and TBR universities. These changes will occur at the discretion of each newly-appointed university board of trustees. As a result, any such impacts cannot be reasonably quantified. Recurring funding in the amount of \$416,400, on page B-88, is included in the Governor's Recommended Budget for FY16-17.

Executive Status 04/29/2016 - Enacted as Public Chapter 0869 effective July 1, 2016 (23 pages).

Public Chapter



PC869

SBI742 / HB2347 Records of proposals prior to contract being awarded.

Sponsors Sen. Ken Yager / Rep. Kent Calfee

Description Provides that proposals and statements of qualifications to a local government for a personal service, professional service, or other specified services shall not be open for public inspection until the intent to award the contract to a particular respondent is announced.

Executive Status 04/06/2016 - Enacted as Public Chapter 0686 effective March 24, 2016.

Public Chapter



PC686

SBI940 / HB1992 Notification to procurement if state vendor being investigated.

Sponsors Sen. Ken Yager / Rep. Bill Sanderson

Description Requires vendors who contract with the state to notify the chief procurement officer if the vendor is being investigated by a state agency or law enforcement regarding the vendor's business activity.

Amendment that passed House amendment 1 (O13472) deletes all language after the enacting clause. Specifies that a "vendor" includes a legal entity that is currently under contract with a state department or agency; that bids on a contract with a state department or agency; or attempts to amend a current contract. Requires a vendor who 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, within 30 days after receiving notice of such indictment, conviction, or plea, to provide a copy of the indictment, final judgement of conviction, or plea agreement to the CPO. Requires the CPO to forward a copy of the indictment, final judgement of conviction, or plea agreement to the Executive Director of the FRC and to the COT. Subjects a vendor, who knowingly fails to provide such notice and who enters into a new contract or amended contract, to a fine of not less than \$10,000. If the total price of the contract is greater than \$200,000, the fine shall not exceed five percent of the total contract price. Authorizes a state department or agency to terminate a vendor's contract found to be in violation of this section. The bill as amended will apply to all contracts entered into on or after July 1, 2016.

Executive Status 04/25/2016 - Enacted as Public Chapter 0730 effective July 1, 2016.

Public Chapter



PC730

SB2545 / HB1542 Office of energy programs.

Sponsors Sen. Mark S. Norris / Rep. Gerald McCormick

Description Renames the energy division to be the office of energy programs and transfers the office, its powers, and responsibilities to the department of environment and conservation. Transfers the responsibility of developing an emergency liquid fuel allocation program to be implemented by the governor in the event of an energy emergency from the division of energy to the commissioner of environment and conservation. Part of Administration Package.

Fiscal Note (Dated February 11, 2016) NOT SIGNIFICANT

Senate Status 03/21/2016 - Senate passed.

House Status 03/07/2016 - House passed.

Executive Status 04/25/2016 - Enacted as Public Chapter 0743 effective April 7, 2016.

Public Chapter



PC743

SB2557 / HB1553 Provisions concerning elevators, dumbwaiters, escalators.

Category Government Regulation

Sponsors Sen. Mark S. Norris / Rep. Gerald McCormick

Description Revises various provisions governing elevators, dumbwaiters, escalators, and aerial tramways, and provisions governing boiler inspection, erectors and repairers. Provides that the amusement device may resume operation, upon authorization from the department, immediately following the reasonable determination by a qualified, third-party inspector that a principal cause of the serious physical injury was the victim's failure to comply with the posted safety rules or with verbal instructions. Establishes that if an owner or operator of an amusement device fails to comply with certain requirements following a fatality, serious physical injury, or serious incident occurring on an amusement device, the owner or operator will incur a penalty of \$300 each day, enforceable by the department, until full compliance is

achieved. Provides that any penalties deposited or collected will be deposited into the general fund. Requires owners and operators to file an itinerary with the department, whereas under current law owners and operators of traveling or portable amusement devices must file an itinerary with the board no less than 30 days prior to public operation. Removes the ten-year experience requirement as well as the examination requirement for the office of chief inspector. Part of Administration Package.

Fiscal Note (Dated February 16, 2016) Increase State Revenue – \$1,200 The Governor's Recommended Budget Document for FY16-17, on Page A-40, includes recurring revenue of \$99,200.

Executive Status 04/26/2016 – Enacted as Public Chapter 0815 effective July 1, 2016.

Public Chapter  PC815

Comment Monitor

SB2606 / HB1837 Dept of economic and community development to change report day.

Category Government Organization

Sponsors Sen. Mark S. Norris / Rep. Cameron Sexton

Description Changes from no later than the first Tuesday in September to the first Wednesday in September the day on which the department of economic and community development must submit its annual TNInvestcos report. Broadly captioned.

Amendment HOUSE AMENDMENT 2 (O15752) deletes all language of the original bill. Establishes that the current requirement of the Tennessee Technology Development Corporation to provide financial assistance through contracts, grants and loans to programs of scientific and technological research and development includes matching grants to Tennessee's industries and universities to conduct applied research of strategic importance to Tennessee's economy.

Fiscal Note (Dated February 25, 2016) NOT SIGNIFICANT

Senate Status 04/19/2016 – Senate passed.

House Status 04/18/2016 – House passed with amendment 2.

Executive Status 04/29/2016 – Enacted as Public Chapter 0887 effective April 27, 2016.

Public Chapter  PC887

Comment ****Large caption bill**

Priority Bills that Failed & did NOT become Law

SB620 / HB628 Local government codes departments – audits and policies.
((AIA opposed in 2015))

Sponsors Sen. Jim Tracy / Rep. Mary Littleton

Description Exempts local jurisdictions that have an established codes department from audit of its records and transactions by the state fire marshal. Removes provision of law stating that state building codes supersede all less stringent provisions of municipal ordinances.

Position Oppose

Comment Oppose (4/9/15 Update: It has been taken off notice, but a working group will be working on a comprehensive residential code update this summer.)

SB836 / HB477 Requirements for steps into public buildings.

Sponsors Sen. Ken Yager / Rep. Bill Beck

Description Requires that all public buildings constructed, purchased, or leased by the state or its political subdivisions on or after July 1, 2015, have certain stair step entrances marked with yellow paint to assist persons with vision impairment.

Amendment House State Government Committee amendment 1 (004656) revises language to say "width" instead of "thickness."

Position Oppose

Comment AIA Opposed. Sent to TACIR. Working in coalition with General Services, UT, TBR and state architect.

SB1092 / HB1300 Fire safety standards affecting places of worship.

Sponsors Sen. Lee Harris / Rep. Mike Sparks

Description Requires the state fire marshal, in consultation with TACIR, to submit a report to certain committees of the general assembly addressing fire safety issues in places of worship. Requires the report to outline all building standards including sprinkler requirements. Urges the state fire marshal's report to recommend or comment on revisions, or exceptions to the standards, for places of worship having not less than 15,000 sq. ft.

Comment AIA Opposed. Watch carefully! Provide pertinent info to TACIR supporting their previous position on fire safety issues.

SB1346 / HB1261 Opting out of International Energy Conservation Code standards.

Sponsors Sen. Randy McNally / Rep. John Ragan

Description Allows a county or municipality by a two-thirds vote of its legislative body to opt out of the International Energy Conservation Code standards applicable statewide to buildings classified for certain industrial or storage uses. Permits a county or municipality to adopt and enforce amended or alternative versions of International Energy Conservation Code standards. Broadly captioned.

Position Oppose

Comment Exempts F-1, F-2, S-1 and S-2 Occupancies from any form of the IECC. Should continue to educate legislators/leadership.

SB1716 / HB1650 Gas tax revenues to not be used for non-vehicular purposes.

Sponsors Sen. Todd Gardenhire / Rep. Mike Carter

Description Restricts the use of state gasoline tax revenues distributed to the highway fund, counties, and cities to the construction, improvement, and maintenance of highways and bridges. Prohibits the use of such revenue for pedestrian, bicycle, and other non-vehicular facilities.

Amendment Senate Finance, Ways & Means Committee Amendment 1, House Transportation Committee Amendment 1 (013220) deletes all language except for the effective date clause. Prohibits gasoline tax revenue distributed to the Highway Fund, counties, and cities from being used for the construction, improvement, or maintenance of pedestrian and bicycle trails and paths, parks, greenways, and similar facilities open to the use of the public for non-vehicular travel, and for public roads with a posted speed limit greater than 35 miles per hour. Such prohibition does not apply to the construction, improvement, or maintenance of sidewalks. For new or reconstructed roads with a proposed posted speed limit of 35 miles per hour or less, prohibits such revenue from being used for the construction of a new dedicated bicycle lane unless the work is part of the larger highway improvement project and the bicycle lane serves a transportation purpose supported by an engineering analysis. Establishes that this bill as amended does not prohibit the state, a county, or a city from receiving or using federal funds for the construction, improvement, maintenance, or operation of nonvehicular facilities, or from using gasoline tax revenue to match any federal-aid funding for such facilities. Further establishes that this bill as amended does not prohibit such entities from using gasoline tax revenue to maintain existing bicycle lanes or to accommodate bicycles in existing bike lanes or on shoulders or via shared lanes, and it does not prohibit the Department of Environment and Conservation from using funds that may be derived through grants from the Department of Transportation or federal programs for recreational trails in state parks. HOUSE FINANCE, WAYS & MEANS COMMITTEE AMENDMENT 1 (015007) adds language to the bill as amended by amendment 013220 to establish that nothing in this Act shall

preclude the Tennessee Wildlife Resources Agency from using gasoline tax funds distributed to the Wildlife Resources Fund pursuant to T.C.A. 67-3-901(g) for purposes authorized pursuant to the Tennessee Boating Safety Act of 1965.

Position Oppose or needs to be amended.

Comment Proposed amendment removes impact on transit.

SB1777 / HB2151 Creates the Tennessee energy policy council.

Sponsors Sen. Randy McNally / Rep. John Ragan

Description Creates the Tennessee energy policy council to make recommendations to the governor and general assembly on how to manage energy resources in this state and to increase domestic energy exploration and development. Specifies that the council shall serve as the central energy policy planning body of the state and shall communicate and cooperate with federal, state, regional, and local bodies and agencies for the purpose of affecting a coordinated energy policy (12 pp.).

Amendment House Agriculture & Natural Resources Committee amendment 1, Senate Government Operations Committee amendment 1 (012540) deletes and replaces language of the bill to add deadlines for the required annual reports and to specify what information such reports should contain. Makes several other non-substantive changes to the legislation. HOUSE GOVERNMENT OPERATIONS COMMITTEE AMENDMENT 1 (014857) adds deadlines for the required annual reports and specifies what information such reports should contain.

Comment This legislation was not funded. We watched it closely and talked to sponsors about intent. *Policy council includes an architect and engineer representative appointed by the Speaker of the House.

SB1926 / HB1797 Review of certain state service contracts by fiscal review committee.

Sponsors Sen. Lee Harris / Rep. John Ray Clemmons

Description of Senate State & Local Government Committee amendment 1, House State Government amendment that Committee amendment 1 (015137) deletes all language of the original bill. Defines "services" would make the and "state governmental entity" for the purposes of law concerning the Fiscal Review bill Committee (FRC). Requires the appropriate state governmental entity to present an electronic report each month to the FRC for any contract for services by or for a state governmental entity procured through competitive means in excess of \$5,000,000, and any price or cost adjustment or other amendment to the contract in excess of the same amount. Requires the FRC, in its discretion, to disseminate the report to all members of the General Assembly.

Comment Monitor. This bill was brought by the democratic caucus in an effort to derail privatization by requiring legislative approval.

SB2535 / HB1533 Field inspections by state fire marshal.

Sponsors Sen. Mark S. Norris / Rep. Gerald McCormick

Description Allows the state fire marshal to require and perform field inspections in lieu of requiring a review and approval of plans and to create a schedule of fees sufficient to cover the costs of the inspections. Allows the fire marshal to assess a fee in situations where an inspection was untimely requested and unable to be performed. Prohibits the fee from exceeding \$200. Part of Administration Package.

Comment This bill was brought by the Fire Marshal's office, but ran into political trouble.

After talking with the Fire Marshal's office, AIA and Engineers were neutral/supportive.

SB128 / HB441 Grants for energy efficient capital outlay projects - charter schools.

Sponsors Sen. Jim Tracy / Rep. Dawn White

Description Allows the energy efficient schools council to award grants or loans for energy efficient capital outlay projects to charter schools and the achievement school district in addition to the public school systems.

SB340 / HB267 Allows local school boards to shift funds between budget categories.

Sponsors Sen. Dolores R. Gresham / Rep. Jim Coley

Description Authorizes local school boards to shift funds after the local legislative body has approved the school system's budget from one budget category to another without further approval, except for funds specifically appropriated for repair and renovation of school facilities or capital improvements. Requires the local legislative body to be notified of any proposed vote to shift funds ten days prior to a vote for the proposal. Prohibits any such changes to a budget that would violate the requirements of the BEP or other state concerning the funding of education. Broadly Captioned.

Comment Broad caption - watch closely

SB731 / HB1274 Financing improvements to private or public use facilities.

Sponsors Sen. Lee Harris / Rep. Jeremy Durham

Description Requires any ordinance or resolution proposing the issuance of debt to finance improvements to private or public use buildings to be approved by voters in a referendum, if the amount of the debt exceeds 10 percent of the local government's operating budget.

SB934 / HB964 Historic Rehabilitation Tax Credit Act.

Sponsors Sen. Rusty Crowe / Rep. Jon Lundberg

Description Establishes a tax credit, only applicable in the city of Bristol, for an owner of a certified historic structure that incurs qualified rehabilitation expenditures for the rehabilitation of that structure. Provides that the tax credit may be used against any state premium tax liability and is to be equal to 25 percent of the qualified rehabilitation expenditures, provided that certain requirements for the rehabilitation are met. Requires that requests for a property to be designated as a certified historic structure or for a proposed rehabilitation must be made on application forms provided by the Tennessee historical commission, which shall entail certain standards, such as those established by the United States department of the interior for rehabilitation. Authorizes the commission to issue tax credit certificates to an owner for qualified rehabilitation expenditures, on the condition that an audited cost report of the rehabilitation by a public accountant is performed and there is evidence that the historic structure has been placed in service.

Fiscal Note (Dated March 23, 2015) Decrease State Revenue – \$3,404/FY15-16/State Premium Taxes* \$10,200/FY16-17/State Premium Taxes* \$17,000/FY17-18/State Premium Taxes* \$20,400/FY18-19 and Subsequent Years/ State Premium Taxes* HB 964 - SB 934 Other Fiscal Impact – Secondary economic impacts may occur as a result of this bill. Such impacts may be reflected as additional private capital investment leveraged by the proposed state tax credits, additional jobs created as a result of rehabilitation efforts that would be undertaken as a direct result of this bill, additional commercial activity at restored historical properties, and increased property values at and around the restored properties. However, due to multiple unknown factors, fiscal impacts directly attributable to such secondary economic impacts cannot be quantified with reasonable certainty. *The following funds/departments will be affected by the estimated decrease in state revenue: General Fund, Second Injury Fund, and the Department of Commerce and Insurance. However, the extent to which any fund or the Department will be affected cannot be determined with reasonable certainty.

Position Support. We anticipate more legislation in the future.

SB1149 / HB1081 Increases time to provide application to fire and building inspectors.

Sponsors Sen. Reginald Tate / Rep. Ron Lollar

Description Expands the time in which the state fire marshal must provide recertification application forms to fire safety and building inspectors, from 60 days to 75 days prior to the expiration of the certification. Broadly Captioned.

Comment This 2015 bill was the homebuilder's placeholder if they attempt to change seismic codes. The sponsors did not push the seismic bill in 2016.

SB1153 / HB1237 Historic Rehabilitation Tax Credit Act.

Sponsors Sen. Reginald Tate / Rep. Larry J. Miller

Description Enacts the "Historic Rehabilitation Tax Credit Act," which specifies that any owner of a certified historic structure shall earn a tax credit against any state premium tax liability for the rehabilitation of such historic structure. Specifies that the tax credit will be an amount equal to 25 percent of the qualified rehabilitation expenditures. Requires the rehabilitation to meet standards consistent with those of the secretary of the U.S. Department of the Interior for rehabilitation as certified by the Tennessee Historical Commission. Also, requires the rehabilitation expenditures associated with the certified historic structure to exceed \$5,000 to be eligible for the tax credit.

Fiscal Note (Dated March 23, 2015) Increase State Revenue – \$57,600/FY15-16 and Subsequent Years/ Historical Commission Decrease State Revenue – \$809,000/FY15-16/State Premium Taxes* \$2,427,000/FY16-17/State Premium Taxes* \$4,044,900/FY17-18/State Premium Taxes* SB 1153 - HB 1237 \$4,853,900/FY18-19 and Subsequent Years/State Premium Taxes* Increase State Expenditures – \$57,600/FY15-16 and Subsequent Years/ Historical Commission Other Fiscal Impact – Secondary economic impacts may occur as a result of this bill. Such impacts may be reflected as additional private capital investment leveraged by the proposed state tax credits, additional jobs created as a result of rehabilitation efforts that would be undertaken as a direct result of this bill, additional commercial activity at restored historical properties, and increased property values at and around the restored properties. However, due to multiple unknown factors, fiscal impacts directly attributable to such secondary economic impacts cannot be quantified with reasonable certainty. *The following funds/departments will be affected by the estimated decrease in state revenue: General Fund, Second Injury Fund, and the Department of Commerce and Insurance. However, the extent to which any fund or the Department will be affected cannot be determined with reasonable certainty.

Position Support. We anticipate similar legislation to be introduced in the future.

SB1370 / HB1027 Public Construction Contractor Safety Act.

Sponsors Sen. Sara Kyle / Rep. Mike Stewart

Description Creates the "Public Construction Contractor Safety Act." Requires the department of transportation to consult with the department of labor and workforce development in order to create a standardized prequalification questionnaire and rating system to assess bidders and to consider bidders' occupational safety and health record when awarding contracts. Orders the department of transportation to use the services of a private sector management consulting firm to assist in developing, instituting, and evaluating the prequalification questionnaire and results. Prohibits subcontractors from performing any construction work on any project exceeding \$500,000 unless the subcontractors themselves have valid prequalification scores. Requires any bidder or subcontractor seeking a prequalification score to submit to the department certain information. Requires all contracts for department projects to authorize the department to take corrective action in the case of a citation from an occupational safety and health agency and any infractions, as determined by the department, must be posted on the department's website. (11 pp.)

SB1397 / HB1370 Department of economic and community development - energy report.

Sponsors Sen. Randy McNally / Rep. John Ragan

Description Requires the annual report of the energy division of the department of economic and community development to be posted online on the development's web site. Specifies that the annual report may be transmitted to the governor, speakers of the senate and house of representatives, and the chairs of each committee in an electronic format. Broadly captioned.

Comment Enormous caption relative to energy policy. Monitor!

SB1434 Prohibits local laws from imposing certain residency requirements.

Sponsors Sen. Jack Johnson

Description Prohibits local governments from imposing residency requirements upon a company bidding on a local construction project. Specifies that local governments cannot enforce any local law that requires a company to only employ certain numbers of individuals that reside within the jurisdiction of the local government. Broadly captioned.

Comment Architectural services are already exempt from the subsection that is being changed in the legislation. Watch carefully for any changes.

SB1746 / HB1760 Increases time fiscal review may comment on a proposed contract.

Sponsors Sen. Bill Ketron / Rep. Mark White

Description Increases the period in which the fiscal review committee may comment on a proposed contract from 40 business days to 45 business days. Broadly Captioned.

Comment *Caption bill. Monitor.

SB1750 / HB1762 Yearly report date for the open records counsel.

Sponsors Sen. Dolores R. Gresham / Rep. Steve McDaniel

Description Changes the date by which the office of open records counsel and the advisory committee on open government must provide its yearly report from March 1 to April 1. Broadly captioned.

Comment *Caption bill-Monitor.

SB1783 / HB1792 Historic Rehabilitation Tax Credit Act.

Sponsors Sen. John Stevens / Rep. Jon Lundberg

Description Creates a tax credit for an owner of a certified historic structure, or portion of such a structure, that incurs qualified rehabilitation expenditures for the rehabilitation of the structure. Provides that the credit will be against the owner's combined franchise and excise tax liability in an amount equal to 25 percent of the qualified rehabilitation expenditures. Specifies that to qualify for the tax credit, the following requirements must be met: (1) The certified historic structure is located within a redevelopment zone; (2) The rehabilitation meets standards consistent with the standards of the secretary of the United States department of the interior for rehabilitation; (3) The qualified rehabilitation expenditures associated with the certified historic structure exceed \$5,000; and (4) The commissioner of revenue, with approval by the commissioner of economic and community development, determines that the tax credit is in the best interests of the state. Clarifies that the entire tax credit must be earned in the year in which the certified historic structure, or portion of the structure, attributable to the qualified rehabilitation expenditures is placed in service; provided, that the tax credit must be claimed in three equal installments beginning with the year in which the certified historic structure, or portion of the structure, attributable to the qualified rehabilitation expenditures is placed in service. The total tax credit claimed for any taxable year, including the amount of any carryforward tax credit claimed, may not exceed

the owner's combined franchise and excise tax liability due. Any unused portion of any installment of the tax credit may be carried forward for the five years following the year in which the installment could be claimed. Prior to applying for the tax credit, the owner must submit to the Tennessee historical commission a request for designation of a property as a certified historic structure and certification of a proposed and completed rehabilitation. Details other requirements for applying for the credit. Authorizes the commission to adopt a fee, not to exceed \$5,000, for the applications and certifications required by this bill or by any rules promulgated pursuant to this bill. The fee will be receipts of the commission to be used for performing the commission's duties under this bill.

Fiscal Note (Dated February 29, 2016) Decrease State Revenue – \$370,800/FY17-18 \$370,800/FY18-19 \$370,800/FY19-20 Other Fiscal Impact – Secondary economic impacts may occur as a result of this bill. Such impacts may be reflected as additional private capital investment leveraged by the proposed state tax credits, additional jobs created as a result of rehabilitation efforts that would be undertaken as a direct result of this bill, additional commercial activity at the restored historical property, and increased property values at and around the restored property. However, due to multiple unknown factors, fiscal impacts directly attributable to such secondary economic impacts cannot be quantified with reasonable certainty. HB 1792 – SB 1783

Position Support

Comment *Newest version of the legislation. We anticipate similar legislation in the future.

SB1870 / HB1725 Professional privilege tax - real estate brokers.

Sponsors Sen. Jack Johnson / Rep. Darren Jernigan

Description Reduces the annual privilege tax amount from \$400 to \$200 for brokers.

Fiscal Note (Dated February 3, 2016) Decrease State Revenue – Net Impact – \$657,100/FY15-16 and Subsequent Years Decrease State Expenditures – \$200/FY15-16 and Subsequent Years Increase Local Revenue – \$9,400/FY15-16 and Subsequent Years

SB2352 / HB2084 Enacts "Property Assessed Clean Energy Act."

Sponsors Sen. Steven Dickerson / Rep. Bill Dunn

Description This bill authorizes local governments to establish a property assessed clean energy (PACE) program to provide financing for a qualified project to an owner of commercial, industrial, or residential real property. A "qualified project" is the installation or modification of a permanent improvement fixed to real property and intended to decrease or offset water or energy consumption or demand and includes the installation or modification of a product, device, or interacting group of products or devices that use energy technology to generate electricity, provide thermal energy, regulate temperature, or increase energy efficiency. Under this bill, a local government may designate a region within its jurisdiction in which the government may enter into a written agreement with a property owner of record in order to provide financing to the owner for a qualified project. Financing provided pursuant to this bill may be used for certain expenses specified by this bill, including materials, labor, and permit fees. The owner's property will be assessed pursuant to the PACE agreement in order to repay the financing provided for the qualified project. A local government may administer and finance a program or may delegate the administration or financing or both to a qualified third party. A local government may issue bonds or notes in order to finance a qualified project through contractual assessment. Such bonds or notes may not be general obligations of the local government and must be secured by payments of contractual assessments on benefited property. After a qualified project is completed, the local government must obtain verification that the project was properly completed and is operating as intended. A verification of energy efficiency by TVA or a local power company will satisfy the verification requirement. This bill prohibits a local government from imposing

a PACE assessment to provide financing for the following: (1) Facilities for undeveloped lots or lots undergoing development at the time of the assessment; or (2) The purchase or installation of products or devices not permanently fixed to real property. Notice of each contractual assessment entered into pursuant to this bill must be filed with the register of deeds of the county in which the property is located. A contractual assessment and any interest or penalties on the assessment is a first and prior lien against the property on which the assessment is imposed and has the same priority status as for any other ad valorem tax, with certain exceptions. Such lien will run with the land and may not be eliminated by foreclosure of a property tax lien. The local government must provide notice to each lien holder of record of the owner's intention to participate in the PACE program. This bill details the procedure by which a local government may establish or amend its PACE program, including a period of public hearing and comment. Authorizes a local government to hire a program administrator and program staff, or delegate or contract for professional or administrative services necessary to administer a PACE program. A local government may impose fees to offset the costs of administering the program; however, this bill only authorizes fees to be imposed on property owners participating in the PACE program.

Position Oppose

SB2361 / HB2132 Report on state's use of contract services.

Sponsors Sen. Steven Dickerson / Rep. Courtney Rogers

Description Establishes an annual date of February 1 by which the contract subcommittee of the fiscal review committee is required to submit its annual report on the state's use of contract services to the general assembly. Broadly captioned.

Comment *Huge caption bill related to state contracts

SB2410 / HB2210 Naming of state buildings must be approved by commission.

Sponsors Sen. Jeff Yarbrow / Rep. Jason Powell

Description Requires, beginning July 1, 2016, requested naming or designating of state buildings be approved by the state building commission.

SB2519 / HB2591 Inventory of state-owned property.

Category Government Organization

Description Requires that the inventory of state-owned property maintained by the governor include a description of each active construction project on state-owned property. Broadly captioned.

Comment ***Watch carefully***

HB391 Sunset - industrial development division, building finance committee.

Category Government Organization

Sponsors Rep. Jeremy Faison

Description Extends the industrial development division, building finance committee to June 30, 2015.
