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Amendment No. 1 to SB1266

**Springer
Signature of Sponsor**

AMEND Senate Bill No. 1266

House Bill No. 506*

By deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 54-7-112, is amended by deleting such section in its entirety and by substituting instead the following:

Section 54-7-112. (a) The chief administrative officer has supervision and control over and is responsible for all the machinery, equipment, tools, supplies and materials owned or used by the county in the construction, reconstruction, repair and maintenance of the county roads and bridges. The chief administrative officer shall make or cause to be made a complete inventory of all machinery, equipment, tools, supplies, and materials, and file copies of the complete inventory with the county governing body, and the chief executive officer of the county within ninety (90) days after taking office, and thereafter a revised current inventory shall be submitted effective July 1 of each year. The revised inventory shall be submitted by September 30 of each year.

(b) All machinery, equipment and tools shall be plainly marked as the property of the county road department and each item shall be numbered and the number entered on the inventory filed by the chief administrative officer. It is the duty of the chief executive officer of the county to examine the inventories for compliance with this provision, and upon the chief executive officer's determination that the inventory does not comply with the requirements of this chapter, the chief executive officer shall cause to be withheld from the chief administrative officer any funds due the chief administrative officer until the chief administrative officer complies with this provision.

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(c) The inventory filed by the chief administrative officer shall be maintained and made available to the comptroller of the treasury for audit purposes.

SECTION 2. Tennessee Code Annotated, Section 54-7-113, is amended by deleting such section in its entirety and by substituting instead the following:

Section 54-7-113. (a) All funds received by any person for the county for road or highway purposes shall be promptly deposited with the county trustee and shall be expended only upon disbursement warrant drawn upon the trustee in accordance with law.

(b) Expenditures of funds for the operation of the county road department shall be made within the limits of the approved budget and the appropriations made for the department, in accordance with law.

(c) (1) Except as provided in subdivision (c)(3), all purchases by or for a county road department or by a chief administrative officer shall be by public advertisement and competitive bid, except as follows:

(A) Purchases costing less than six thousand dollars (\$6,000); provided, that this exemption does not apply to purchases of like items which individually cost less than six thousand dollars (\$6,000), but which are customarily purchased in lots of two (2) or more, if the total purchase price of such items would exceed six thousand dollars (\$6,000) during any fiscal year;

(B) Repair of heavy road building machinery or other heavy machinery for which limited repair facilities are available;

(C) Purchases of any supplies, materials, or equipment for immediate delivery in actual emergencies arising from unforeseen causes, including delays by contractors, delays in

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transportation, and unanticipated volume of work; but such emergencies shall not include conditions arising from neglect or indifference in anticipating normal needs. A report of such emergency purchases shall be kept, specifying each purchase, the amount paid, the items purchased, from whom the items were purchased, and the nature of the emergency; and

(D) All purchases costing less than six thousand dollars (\$6,000) by or for a county road department or by a chief administrative officer may be made in the open market without newspaper notice, but shall, wherever possible, be based upon at least three (3) competitive bids.

(2) Except as provided in subdivision (c)(3), all leases or lease-purchase arrangements requiring payments of six thousand dollars (\$6,000) or more, or which are made or are automatically extendable, for periods of more than ninety (90) days, shall be entered into only after public advertisement and competitive bidding.

(3) This subsection does not have the effect of repealing existing statutes, including private acts, which establish purchasing provisions for a county road department; but no county road department shall be required to publicly advertise and competitively bid purchases of six thousand dollars (\$6,000) or less even if such bids are now required by public or private act. The provisions of this subsection apply to all counties of the state of Tennessee except counties of population of two hundred thousand (200,000) or more according to the 1970 census, whether or not excluded from the provisions of this chapter.

(d) A chart of accounts shall be kept by the chief administrative officer in conformity with a uniform chart of accounts developed and prescribed by the comptroller of the treasury in accordance with §§ 5-8-501 - 5-8-504.

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SECTION 3. Tennessee Code Annotated, Section 54-7-203, is amended by deleting such section in its entirety and by substituting instead the following:

Section 54-7-203. (a) Neither the chief administrative officer, county highway commissioner, member of the county governing body nor any employee of the county road department shall be financially interested in or have any personal interest, either directly or indirectly, in the purchase of any supplies, machinery, materials, or equipment for the department or system of roads for the county, nor in any firm, corporation, partnership, association or individual selling or furnishing such machinery, equipment, supplies and materials.

(b) A violation of this section constitutes official misconduct and is a Class B misdemeanor and is grounds for removal from office.

SECTION 4. This act shall take effect July 1, 1999, the public welfare requiring it.