

SENATE BILL 815
By Crutchfield

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 4,
relative to privatization contractors.

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

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 4, is amended by adding Sections 2 through 6 of this act as a new, appropriately designated part.

SECTION 2. The title of this act is, and may be cited as, the "Privatization Contractor Public Accountability Act of 1999."

SECTION 3. As used in this part, unless the context otherwise requires:

(1) "Privatization contractor" means any person, corporation, partnership, firm or other business entity which contracts with one or more agencies of state government to receive taxpayer funding in consideration for performance of specified functions or the provision of specified services of a nature which historically have been or typically would be performed or provided in Tennessee by public employees. "Privatization contractor" does not include any community grant agency as such term is defined in Tennessee Code Annotated, Section 8-4-401(1).

(2) "Agency of state government" means any department, agency, board, commission, authority, unit or other entity of state government. "Agency of state government" does not include any municipality or county or any entity thereof.

SECTION 4. In accordance with the Uniform Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5, the comptroller of the treasury shall promulgate rules to promote and encourage a high degree of public scrutiny and accountability for privatization

contractors. Such rules shall include, but not necessarily be limited to, policies which require each privatization contractor to periodically undertake reasonable, adequate and appropriate actions to notify and inform the public-at-large, as well as the population specifically served or benefited by the privatization contract, that:

(1) the contractor is a person, corporation, partnership, firm, or business entity, receiving taxpayer funding;

(2) the contractor is contractually responsible for performing specified functions or providing specified services which historically have been or typically would be performed or provided by public employees; and

(3) any citizen observing any illegal, improper, incompetent, negligent, or wasteful conduct or omission by the contractor or its employees is encouraged to promptly report such conduct or omission to the state comptroller's toll-free hotline: 1-800-232-5454.

The rules shall also include policies and procedures to ensure that such reports are received, evaluated, reviewed and, when appropriate, investigated and resolved in a manner consistent with the prudent, efficient and effective management and utilization of taxpayer resources.

SECTION 5.

(a) Detailed information received pursuant to this part shall be considered working papers of the comptroller of the treasury and shall therefore be deemed confidential; provided, however, the comptroller may reveal such information to the affected contracting agency of state government and the privatization contractor as may be necessary for purposes of investigation or for otherwise promoting the prudent, efficient and effective management and utilization of taxpayer resources.

(b) Each year the office of the comptroller of the treasury shall include within the annual report required by Section 8-4-110, a general summary of meritorious calls investigated and resolved or attempted to be resolved pursuant to this part.

SECTION 6.

(a) A privatization contractor in violation of the rules promulgated in accordance with this part shall be subject to a civil penalty of fifty dollars (\$50.00) per day for each day in violation, to be paid entirely from nongovernmental financial resources.

(b) Any person who knowingly reports false or frivolous information to the state comptroller's toll-free hotline concerning a privatization contractor or its employee, commits a Class A misdemeanor.

SECTION 7. For purposes of promulgating rules, this act shall take effect upon becoming law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2000.