

HOUSE BILL 2937

By Sharp

AN ACT to amend Tennessee Code Annotated, Title 9; Title 13; Title 29; Title 56; Title 57; Title 67 and Title 71, relative to governmental fiscal affairs, including accountability, taxation, revenues, expenditures, a constitutional referendum and a limited constitutional convention.

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

SECTION 1.

(a) Through enactment of this section, it is the intent of the general assembly to provide a mechanism to assist persons who are Medicaid eligible, as well as other persons who are unable to obtain health insurance coverage on a group basis, to purchase private market health insurance. Nothing contained within this section shall be construed to create or otherwise extend any entitlement to any program or service.

(b) Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following language as a new, appropriately designated section:

§71-5-192. The commissioner of health is authorized and directed to apply for a federal waiver pursuant to Section 1115 of Title XIX of the Social Security Act ("Medicaid Act"), 42 U.S.C. §1315, or any other applicable federal law, and, to the extent authorized by such federal waiver, to establish a program

to include state-assisted purchase of private market health insurance with federal financial participation for persons otherwise eligible for medical assistance under the federal Medicaid program, as well as for other persons having income below three hundred percent (300%) of poverty, who do not have access to health insurance coverage on a group basis. The program may also allow persons having income at or above three hundred percent (300%) of poverty, who do not have access to health insurance coverage on a group basis, to have access to and purchase the same insurance as is made available to persons who are eligible for subsidized insurance. To the extent authorized by such federal waiver, such program may replace or modify the TennCare Program.

(c) Tennessee Code Annotated, Section 71-5-102, is amended by deleting from the final sentence the words and punctuation "state plan." and by substituting instead the following:

state plan, including any federal waiver authorizing state-assisted purchase of private market health insurance with federal financial participation.

(d) Tennessee Code Annotated, Section 71-5-106(j), is amended by deleting the words and punctuation "state plan." and by substituting instead the following:

state plan, including any federal waiver authorizing state-assisted purchase of private market health insurance with federal financial participation.

SECTION 2. Tennessee Code Annotated, Title 13, is amended by adding the following language as a new, appropriately designated chapter:

§13-5-101.

(a) This part shall be known and may be cited as the "Tennessee Strategic Planning Act of 2002".

(b) The provisions of this part are a pilot project and shall apply only to the state agencies designated under the provisions of Section 13-5-103.

(c) This chapter is repealed on June 30, 2006.

§13-5-102.

(a) The general assembly finds and declares that:

(1) To promote intergovernmental coordination, accountability and the effective allocation of resources, the state should set goals to provide direction and guidance for state agencies in the development and implementation of their respective plans, programs, and services.

(2) Regular evaluation of the goals and state agency strategic plans are necessary to inform the public whether state goals are being attained. To accomplish this purpose, the state agency strategic plans should be evaluated annually with any necessary revisions prepared through coordinated action by state agencies and the state's chief planning officer.

(b) It is the intent of the general assembly that:

(1) The state planning process and the state agency strategic plans provide direction for the delivery of governmental services, a means for defining and achieving the specific goals of the respective state agencies, and a method for evaluating the accomplishment of those goals and establishing more accountability for all state agencies.

(2) State agency strategic plans shall be effectively coordinated to ensure the establishment of appropriate agency priorities and to facilitate the orderly, positive management of agency activities consistent with the public interest. It is also intended that the implementation of the state agency strategic plans enhances the quality of life of the citizens of the state.

§13-5-103. As used in this part, unless the context otherwise requires:

(1) "Commissioner" means the commissioner of finance and administration.

(2) "Goal" means the long-term end toward which programs and activities are ultimately directed.

(3) "Objective" means a specific, measurable, intermediate end that is achievable and marks progress toward a goal.

(4) "Policy" means the way in which programs and activities are conducted to achieve an identified goal.

(5) "State agency" or "agency" means any one of the three (3) cabinet level agencies within the executive branch of state government selected by the commissioner to participate in the pilot programs established under this act, and may include one higher education institution. For purposes of this subdivision, "higher education institution" means a four (4) year institution, community college, or non-formula unit selected by the commissioner in consultation with the executive director of the Tennessee higher education commission, the Tennessee board of regents and the University of Tennessee board of trustees.

(6) "State agency strategic plan" means the statement of priority directions that an agency will take to carry out its mission within the context of any statutory mandates and authorizations given to the agency.

(7) "Strategy" means a means to an end; a policy, program, action or decision that an agency uses to achieve an objective.

§13-5-104. The commissioner shall serve as the chief planning officer of the state and, in consultation with the governor, shall conduct an annual review and revision of the state agency strategic plans.

§13-5-105.

(a) The head of the state agency shall select from within such agency a person to be designated as the planning officer for such entity. The agency planning officer shall be responsible for coordinating with the commissioner of finance and administration and with the planning officers of other agencies all activities and responsibilities of such agency relating to planning.

(b) The head of the agency shall notify the commissioner of finance and administration in writing of the person initially designated as the planning officer for such agency and of any changes in persons so designated thereafter.

§13-5-106.

(a) A state agency strategic plan shall be a statement of the priority directions the agency will take to carry out its mission within the context of any statutory mandates and authorizations given to the agency. The agency strategic plan shall specify those objectives against which will be judged the agency's achievement of its goals.

(b) A state agency strategic plan shall be developed with a two (2) to five (5) year outlook and shall provide the strategic framework within which an agency's budget is developed.

(c) All amendments, revisions, or updates to a state agency strategic plan shall be prepared in the same manner as the original and shall be prepared as needed because of changes in the statutory authority and responsibility of the agency.

§13-5-107.

(a) Beginning in 2003, the head of the agency shall prepare a strategic plan and shall submit the plan to the commissioner at a time to be prescribed by the commissioner.

(b) The state agency strategic plan must be in a form and manner prescribed in written instructions prepared by the commissioner. The state agency strategic plan must identify any additional legislative authority necessary to implement the provisions of the plan. The agency may only implement those portions of its strategic plan that are consistent with statutory or constitutional authority and for which funding, if needed, is available consistent with the provisions of applicable appropriations acts of the general assembly. State agency strategic plans shall be amended by the agency, as necessary, to ensure consistency with the legislative actions prior to the effective date of the state agency strategic plan.

(c) The commissioner shall review the state agency strategic plan to ensure that it is consistent with the requirements as specified in the commissioner's written instructions. Within sixty (60) days, reviewed plans shall be returned to the agency, together with any required revisions.

(d) The head of each state agency shall, within thirty (30) days of the return of its state agency strategic plan, incorporate all revisions required by the commissioner and return the revised plan to the commissioner.

(e) The commissioner shall transmit copies of each state agency strategic plan to the speaker of the senate and the speaker of the house of representatives for referral to the respective finance, ways and means committees and other appropriate standing committees, not later than thirty (30) days prior to the next regular session of the general assembly.

(f) Notwithstanding the provisions of any law to the contrary, the state agency strategic plans developed pursuant to this part are not rules and, therefore, are not subject to the provisions of the Uniform Administrative Procedures Act, Title 4, Chapter 5.

SECTION 3. Tennessee Code Annotated, Title 9, Chapter 4, is amended by adding the following language as a new, appropriately designated part:

§9-4-5001.

(a) This part shall be known and may be cited as the "Tennessee Performance-Based Budgeting Act of 2002".

(b) The provisions of this part are a pilot project and shall apply only to the state agencies designated under the provisions of Section 9-4-5003.

(c) The provisions of this part are repealed on June 30, 2006.

(d) The performance measure and standard adoption provisions of Section 9-4-5004(c), the performance standard adjustment provisions of Section 9-4-5004(d), the performance reporting provisions of Section 9-4-5007, and the audit provisions of Section 9-4-5008 shall apply only to the 2003-2004 fiscal year. Other provisions of this part shall apply only to the 2003-2004, 2004-2005 and 2005-2006 fiscal years.

§ 9-4-5002. In addition to the items to be set forth in the budget document pursuant to Section 9-4-5101, the governor shall also provide to the general assembly a performance-based program budget for programs administered by each state agency as defined in Section 9-4-5003.

9-4-5003. As used in this act, unless the context otherwise requires:

(1) "Baseline data" means indicators of a state agency's current performance level, pursuant to guidelines established by the commissioner.

(2) "Commissioner" means the commissioner of finance and administration.

(3) "Fiscal year" shall have the meaning set forth in Section 9-1-101.

(4) "Goal" means the long-term end toward which programs and activities are ultimately directed.

(5) "Objective" means a specific, measurable, intermediate end that is achievable and marks progress toward a goal.

(6) "Outcome" means an indicator of the actual impact or public benefit of a program.

(7) "Output" means the amount of actual service or product delivered by a state agency.

(8) "Performance-based program budget" means a budget that incorporates program performance measures.

(9) "Performance ledger" means the official compilation of information about state agency performance-based programs and measures, including approved programs, approved outputs and outcomes, baseline data, approved standards for each performance measure and any approved adjustments thereto, as well as actual agency performance for each measure.

(10) "Performance measure" means a quantitative or qualitative indicator used to assess state agency performance.

(11) "Policy" means the way in which programs and activities are conducted to achieve an identified goal.

(12) "Program" means a set of activities undertaken in accordance with a plan of action organized to realize identifiable goals and objectives.

(13) "Standard" means a quantitative performance level or target that a program is expected to achieve for an outcome or output.

(14) "State agency" or "agency" means any one of the three (3) cabinet level agencies within the executive branch of state government selected by the commissioner to participate in the pilot programs established under this act, and may include one higher education institution. For purposes of this subdivision, "higher education institution" means a four (4) year institution, community

college, or non-formula unit selected by the commissioner in consultation with the executive director of the Tennessee higher education commission, the Tennessee board of regents and the University of Tennessee board of trustees.

(15) "State agency strategic plan" means the plan developed and approved pursuant to Title 13, Chapter 5, Part 1.

§9-4-5004.

(a) By October 1, 2003, and October 1, 2004, the head of each state agency shall identify and submit to the commissioner a list of proposed state agency programs and performance measures for the following fiscal year. Performance measures proposed by the agency must be consistent with the objectives in the state agency strategic plan prepared in accordance with Title 13, Chapter 5, Part 1, and shall represent one-year implementation efforts necessary to meet the state agency strategic plan objectives.

(b) The following documentation shall accompany the list of proposed programs and measures submitted by the state agency:

(1) The constitutional or statutory direction and authority for each program;

(2) Identification of the customers, clients, and users of each program;

(3) The purpose of each program or the benefit derived by the customers, clients, and users of the program;

(4) Costs of each program;

(5) An assessment of whether each program is conducive to performance-based program budgeting;

(6) An assessment of the time needed to develop meaningful performance measures for each program;

(7) A comparison of the agency's existing budget program structure to the proposed budget program structure. No change to the budget program structure, as reflected in the work program allotments approved pursuant to Title 9, Chapter 4, Part 51, shall be submitted or made without the advance approval of the commissioner;

(8) A description of the use of performance measures in agency decision-making, agency actions to allocate funds and manage programs, and the agency strategic plan; and

(9) The outputs produced by each proposed program, the outcomes resulting from each proposed program, and baseline data associated with each performance measure. Agencies must submit documentation for each output and outcome measure, which explains the validity, reliability, and appropriateness of each performance measure.

(c) The performance-based program budget request submitted by the agency pursuant to Section 9-4-5005 shall contain the programs and performance measures adopted by the general assembly, or, if none are adopted, those approved by the commissioner. Notwithstanding the programs, performance measures, and standards recommended for each state agency in the governor's budget recommendations, the general assembly shall have final approval of all programs, performance measures, and standards.

(d) Annually, no later than forty-five (45) days after the general appropriations act becomes law, the head of the state agency may submit to the commissioner any adjustments to program performance standards based on the amounts appropriated for each program by the general assembly. When such adjustment is made, all performance standards, including any adjustments made, shall be submitted to and reviewed and revised as necessary by the

commissioner and, upon approval, shall be submitted by the commissioner to the chairs of the finance, ways and means committees of the senate and house of representatives. The commissioner shall maintain both the official record of adjustments to the performance standards as part of the agency's approved operating budget and the official performance ledger.

§9-4-5005.

(a) The head of the state agency shall prepare a performance-based budget request for the 2003-2004, 2004-2005 and 2005-2006 fiscal years on blanks furnished by the commissioner and shall submit the budget request to the commissioner by dates in 2003, 2004 and 2005 to be prescribed by the commissioner.

(b) An agency's expenditure estimate as required by Section 9-4-5103 shall identify the financial resources necessary to further the provisions of the agency strategic plan prepared in accordance with Title 13, Chapter 5, Part 1.

§9-4-5006.

(a) The commissioner shall develop performance-based program budget request instructions from which the agency shall prepare its performance-based program budget request, which shall be submitted to the commissioner in accordance with Section 9-4-5005. The budget instructions must include instructions for agencies in submitting performance measures and standards as required by Section 9-4-5004. The budget instructions must also include instructions for agencies in submitting the assessment of performance measures required to be included in the agency annual performance report under Section 9-4-5007.

(b) The commissioner shall review the performance-based program budget request for compliance with budget instructions. The commissioner may

adjust the program budget request of the agency in preparing the recommended budget for review by the governor. Nothing in this part shall limit the authority of the governor to revise the budget estimates, appropriation recommendations, work program allotments, or performance measure recommendations of any agency or program pursuant to the governor's authority under Title 9, Chapter 4, Part 51, or other law.

§9-4-5007.

(a) On or before December 1, 2005, the head of the state agency shall submit an annual performance report for the preceding fiscal year to and in a form prescribed by the commissioner. The commissioner shall transmit copies of the agency annual reports to the speakers of the senate and house of representatives for referral to and consideration by the respective finance, ways and means committees and other appropriate standing committees. Copies shall also be provided by the commissioner to the fiscal review committee, the comptroller of the treasury and the office of legislative budget analysis. The purpose of this report is to evaluate the attainment of the agency objectives identified in the state agency strategic plan, developed pursuant to Title 13, Chapter 5, Part 1, and the performance measures adopted or approved pursuant to Section 9-4-5004 for the previous fiscal year.

(b) The commissioner shall review the agency annual performance report required by subsection (a) and may require any additional reports or analyses as necessary.

(c) Whenever the governor, in consultation with the commissioner, determines that an emergency or other urgent practical necessity requires that the strategic planning process provided in this part be suspended, the governor may suspend such planning process for a period of one year, provided that the

governor gives notice in writing to the chairs of the senate and house finance, ways and means committees at least thirty (30) days prior to such suspension. The written notice shall include a statement of the nature of the emergency or urgent practical necessity.

§9-4-5008. On an annual basis, the comptroller of the treasury shall audit the information used or created by a state agency to prepare the annual performance report required by Section 9-4-5007(a), together with any books, records and other evidences of financial transactions kept by the state agency subject to this act. The comptroller of the treasury shall have the full cooperation of the officials of any such state agency in the performance of such audit or audits. Every such audit shall be performed and reported as a part of and in accordance with the provisions contained in Title 8, Chapter 4.

#### SECTION 4.

(a) Tennessee Code Annotated, Section 9-4-5106(a)(2), is amended by inserting after the language "or which may be required by the general assembly" the language "including, but not limited to, any information and statements necessary to implement the provisions of Title 9, Chapter 4, Part 50".

(b) This section is repealed on June 30, 2006.

(c) Sections 2, 3 and 4 of this act shall be null and void unless appropriations, necessary to implement such sections, are made in each general appropriations act for fiscal years 2002-2003, 2003-2004, 2004-2005 and 2005-2006.

SECTION 5. Tennessee Code Annotated, Title 9, Chapter 4, Part 52, is amended by adding the following language as new, appropriately designated sections:

§9-4-5204. Notwithstanding any law to the contrary, in no fiscal year shall appropriations for general expenditures from state tax revenues received in such year exceed six percent (6%) of the state's economy. For purposes of this section, "general expenditures" shall mean appropriations of amounts collected from state taxes identified

pursuant to Section 9-4-5202(b), to the debt service fund, the capital projects fund, the highway fund, the education trust fund and the general fund. For purposes of this section, the "state's economy" shall be measured by personal income as provided in Section 9-4-5201(b).

§9-4-5205. If state tax revenues collected in any fiscal year exceed the amount of such revenues that can be appropriated under the limit imposed in this chapter, such excess amount shall be rebated to taxpayers as provided in this section. To the extent reasonably practical, rebates shall be made to taxpayers on a pro rata basis in relation to taxes paid during the tax year for which such excess collections were received. The commissioner of revenue shall determine the estimated aggregate cost of processing such tax rebate payments to taxpayers. To the extent excess tax revenues exceed the processing cost for rebates, the net amount shall be the aggregate amount of rebates to be made. If the aggregate cost of processing rebates is estimated to exceed the excess tax collections, then such excess tax collections shall be placed into the reserve for revenue fluctuations established in Section 9-4-211.

SECTION 6. The commissioner is authorized to promulgate rules and regulations in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5, to implement and administer the provisions of Section 5 of this act. This authority should be interpreted broadly to enable the commissioner to give effect to the legislative intent. Such rules, to the extent deemed necessary by the commissioner for timely implementation of this act, shall include public necessity and emergency rules.

#### SECTION 7.

(a) In order to ascertain the will of the people with respect to whether or not a limited constitutional convention should be called, there shall be submitted to the people of the state at the regular general election to be held on Thursday, August 1, 2002, under the general election laws of the state in the several counties, three (3) questions,

which shall be printed in full on each ballot or voting machine, in words and figures as follows:

**Question No. 1:** Shall a limited convention be held to alter Article II, Section 28, of the present Constitution of the State of Tennessee, to authorize a tax on personal income, provided the tax rate must be equal and uniform?

\_\_\_\_FOR THE CONVENTION

\_\_\_\_AGAINST THE CONVENTION

Voters will indicate their choice by placing a cross mark (x) opposite one or the other of the above expressions.

**Question No. 2:** Shall a limited convention be held to alter Article II, Section 24, of the present Constitution of the State of Tennessee, to require that all increases in sales tax rates and income tax rates, as well as all exemptions from such taxes, must be approved by more than a majority of all the members elected to each house of the General Assembly?

\_\_\_\_FOR THE CONVENTION

\_\_\_\_AGAINST THE CONVENTION

Voters will indicate their choice by placing a cross mark (x) opposite one or the other of the above expressions.

**Question No. 3:** Shall a limited convention be held to alter Article II, Section 24, of the present Constitution of the State of Tennessee, to impose a cap on state tax expenditures, provided the cap must not exceed six percent (6%) of total, statewide, personal income?

\_\_\_\_FOR THE CONVENTION

\_\_\_\_AGAINST THE CONVENTION

Voters will indicate their choice by placing a cross mark (x) opposite one or the other of the above expressions.

(b) The proper officers in all counties shall immediately after the election make a return to the secretary of state of the number of votes cast in their respective counties "For the Convention" and the number of votes cast "Against the Convention" with respect to each question in subsection (a), and after comparison of the returns by the secretary of state and the attorney general and reporter, the governor shall, by proclamation, announce the results.

(c) If the people approve one or more of the questions and thereby authorize the convention, then delegates shall be elected at the regular general election to be held on Tuesday, November 5, 2002, under the general election laws of the state in the several counties. There shall be thirty-three (33) delegates, with one delegate to be elected by the qualified voters of each state senate district from which members are elected to the senate of the Tennessee general assembly, as such districts exist at the time delegates are elected to the Constitutional Convention.

(d) Any person who is at least twenty-one (21) years of age, a citizen of the United States, and a citizen of Tennessee for three (3) years and a resident of the district for at least one year may become a candidate for delegate to the convention upon filing with the county election commission of the county of residence a nominating petition containing not less than twenty-five (25) names of legally qualified voters of the district. In the case of a candidate from a state senatorial district comprising more than one county, only one qualifying petition need be filed by the candidate, and that in the candidate's home county, with a certified copy thereof filed with the election commission of each of the other counties in the state senatorial district.

Notwithstanding any provision of law to the contrary, every person desiring to become a delegate to the convention shall qualify by filing a qualifying petition or petitions by 12:00 o'clock noon, prevailing time, on Thursday, August 15, 2002. The names of candidates for the delegates to the convention shall be placed on the official ballot alphabetically without reference to political affiliation. Each voter shall cast a ballot for one delegate from the voter's senatorial district. The candidate from each state senatorial district who receives the greatest number of votes shall be the delegate from the senatorial district.

The returns from the various counties shall be certified to the secretary of state and canvassed by the secretary of state, the governor and the attorney general and reporter in the same manner and form as the returns are required to be certified from the election in which the people vote for and against the call of the convention, as provided in subsection (a), and the governor shall, by proclamation, announce the names of those elected as delegates to the convention. Delegates to the convention, elected and certified, shall receive a certificate of election signed by the governor and attested by the secretary of state under the great seal of the state.

(e) The delegates elected to the convention shall assemble in the chamber of the house of representatives at Nashville at 12:00 o'clock noon on Monday, November 18, 2002, and organize by electing one of their members as president, another as secretary, and by electing such other officers as they consider necessary. If a majority of the delegates are not present on that date, then those present shall adjourn from day to day until a majority appears, when the convention shall be organized. The convention when organized may adopt its own rules of procedure and employ such clerks, stenographers, reporters, sergeants-at-arms, and other assistants as the convention considers necessary and fix the amount of their compensation.

The compensation of the delegates to the convention shall be a per diem allowance and mileage allowance in such amounts as may prevail, during the time the convention meets, for members of the general assembly, which shall be paid by the state in the same manner that members of the general assembly are paid, upon certification by the president and secretary of the convention. In case there shall be a vacancy in the membership of the convention, it shall be filled by election of the legislative body of the county of residence of the delegate whose seat becomes vacant.

(f) It is the duty of the secretary of state to make publication in at least one general circulation newspaper published in each county of the fact that a constitutional convention election is to be held in the state on Thursday, August 1, 2002. Any county not having a general circulation newspaper shall be considered to have been notified by publication in the newspaper published in counties immediately adjacent thereto. The secretary of state shall also certify to the various election commissioners of the different counties the form for the ballot with reference to the constitutional convention election agreeable to the terms of this section and furnish the election commissioners with any other printed information pertaining to the election that is material or necessary. If the people vote in favor of the convention, then it is the duty of the secretary of state to issue a call for the election of delegates to the convention. The election shall be held in the various counties on Tuesday, November 5, 2002, and the secretary of state shall certify to the various county election commissioners the form of the ballot to be used in the election of delegates as provided subsection (d). All ballots used in the 2002 regular August election shall include the above questions as to holding the limited constitutional convention, and the ballots used in the 2002 regular November election shall include the names of the candidates for delegates to such convention, if such convention is approved.

(g) The final action of the convention with respect to the alteration of Article II, Section 24 or Article II, Section 28 of the Constitution of the State of Tennessee, relative to taxation or expenditures, shall be duly certified by the president and the secretary of the convention and the original certified copy shall be transmitted to the secretary of state.

(h) Any amendment to Article II, Section 24 or Article II, Section 28 of the Constitution of the State of Tennessee, relative to taxation or expenditures, adopted by the convention shall be submitted to the voters of the state for ratification or rejection of each separate amendment at an election to be held in such manner and on such date after the final adjournment of the convention as may be fixed and determined by the convention. The official ballot to be used in any such election shall be arranged so that the voter can vote separately for the ratification or rejection of each and every amendment. Any election so held shall be held under the general election laws of the state. When the election to ratify or reject any amendment to the constitution has been held, the various county election commissioners shall certify the results thereof in each county to the secretary of state, who, together with the governor and attorney general, shall canvass the returns and the governor shall issue a proclamation showing the results of the election on the ratification or rejection of the amendments. All amendments ratified and approved in the election held for that purpose shall be proclaimed by the governor as a part of the constitution of the state and such proclamation shall be filed in the office of the secretary of state.

(i) All expenses in connection with the holding of any of the elections authorized by this section shall be paid by the commissioner of finance and administration on warrant drawn upon the treasurer upon certification by the secretary of state to the correctness of each account. No compensation shall be paid by the state to the various

county election commissioners for their services or for rental space or quarters in the various counties for places for holding any elections herein authorized.

(j) Notwithstanding any provision of law to the contrary:

(1) Every person acting as a lobbyist at the constitutional convention shall be subject to the provisions of Tennessee Code Annotated, Title 3, Chapter 6, as if the convention constitutes an annual session of the general assembly;

(2) Every person serving as a delegate to or an employee of the constitutional convention shall be subject to the provisions of Tennessee Code Annotated, Title 2, Chapter 10, Part 1, as if the convention constitutes an annual session of the general assembly and such person is serving as a member or employee of the general assembly; and

(3) Every person serving as a delegate to or an employee of the constitutional convention (as well as such person's immediate family), shall be subject to the provisions of Tennessee Code Annotated, Section 3-6-108, as if the convention constitutes an annual session of the general assembly and such person is serving as a member or employee of the general assembly.

SECTION 8. If any provision of this act or the application thereof to any person or circumstance is held invalid, then such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 9.

(a) Section 1 and Section 8 of this act shall take effect upon becoming a law, the public welfare requiring it.

(b) Sections 2 through 7 of this act shall take effect July 1, 2002, the public welfare requiring it.