

Amendment No. 7 to HB2556

**Fitzhugh
Signature of Sponsor**

AMEND Senate Bill No. 2616

House Bill No. 2556*

by adding the following new sections immediately preceding the severability clause and by renumbering the subsequent sections accordingly:

SECTION ____. Tennessee Code Annotated, Title 12, Chapter 3, Part 8, is amended by adding the following language as a new appropriately designated Section:

Section 12-3-8__.

(a) There is created the governor's office of diversity business enterprises to administer the provisions of this part. All positions, resources and functions of the governor's office of diversity business enterprises existing within the department of general services shall be transferred to the procurement office on October 1, 2011.

(b) The office of diversity business enterprises shall assist small businesses and businesses owned by minorities and women to develop into viable, successful businesses. This work shall include assisting these businesses to compete successfully for the State of Tennessee's expenditures for goods and services.

(c) Each state agency shall designate a staff person as a small business liaison representative to the governor's office of diversity business enterprises to coordinate the agency's efforts to utilize Tennessee small businesses and diversity business enterprises in their procurement and contracting opportunities.

SECTION ____. Tennessee Code Annotated, Section 12-3-802, is amended by deleting subdivision (6) in its entirety.

SECTION ____. Tennessee Code Annotated, Section 12-3-802, is amended by adding the following language as a new appropriately designated subdivision:

() “Tennessee small business” means a business that is a continuing, independent, for profit business which performs a commercially useful function with residence in Tennessee and has total gross receipts of no more than ten million dollars (\$10,000,000) averaged over a three-year period and employs no more than thirty (30) persons on a full-time basis;

SECTION __. Tennessee Code Annotated, Section 12-3-803, is amended by deleting the current language in its entirety and by substituting instead the following:

Section 12-3-803.

(a) The board of standards is authorized to adopt rules and regulations establishing criteria and standards for minority owned, woman owned and Tennessee small businesses that are eligible to be included under this part. Such rules and regulations shall include methods by which eligibility can be verified and the business deemed certified.

(b) Such criteria and standards for eligibility shall include, but not be limited to, the number of employees, the total gross receipts or annual sales volume, including ownership and control.

(c) The maximum number of employees and the maximum dollar value of a small business under such rules and regulations may vary from industry to industry to the extent necessary to reflect the differing characteristics of any relevant factors of each particular industry.

(d) The governor’s office of diversity business enterprises shall implement and administer a certification program and publish a directory of businesses certified as Tennessee small businesses and diversity business enterprises.

(e) Any business desiring to be certified as a Tennessee small business or diversity business enterprise shall make application to the governor’s office of diversity business enterprises on an application as prescribed by such office.

SECTION __. After appointment of the chief procurement officer, such officer, in consultation with the department of general services and the department of economic and

community development, shall study opportunities available to Tennessee small businesses and diversity business enterprises in state contracting and the potential effect of enhancing such opportunities through utilization of monetary allowances. It is the legislative intent that such study shall, insofar as possible, assess the impact on Tennessee small businesses and diversity business enterprises that would have occurred if monetary allowances of varying amounts had been available. Further, it is the legislative intent that such study shall estimate the costs to the state that would have resulted from such monetary allowances.

SECTION _____. The provisions of this section shall take effect on October 2, 2011, the public welfare requiring it. Tennessee Code Annotated, Title 4, Chapter 56, Part 1, as amended by Chapter ____ of the Public Acts of 2010 (House Bill 3353 / Senate Bill 3598), is amended by deleting the following language:

§ 4-56-107. The comptroller of the treasury is authorized to examine and approve all procurements, contracts, grants and other documents that serve to incur financial obligations against state government. This authority to approve shall be developed in consultation with the chief procurement officer and set forth in procurement and contract policies, standards, rules, regulations, procedures and guidelines approved by the commission.

and by substituting instead the following new language:

§ 4-56-107. Without limitation of the audit authority of the comptroller of the treasury, the comptroller is authorized to examine any procurement contract, grant or other documents. Pursuant to procurement and contract policies, standards, rules, regulations, procedures and guidelines approved by the commission, the comptroller of the treasury is authorized to approve procurements, contracts, grants and other documents that serve to incur financial obligations against state government.

SECTION _____. The small business advocate within the office of the comptroller of the treasury shall be qualified by training or relevant and recent experience in administering programs to encourage and enhance economic opportunities for small, woman owned and minority owned businesses. At least annually, the advocate shall attend training or other

specialized instruction to enhance understanding of the particular obstacles impeding woman owned and minority owned businesses from normal entry into the economic mainstream. Such training shall be provided by the governor's office of diversity business enterprises in the normal course of business as part of the regular training program for state agencies. When the advocate position is filled by reassigning a current employee, such employee shall receive the requisite training prior to assuming the advocate duties.