

SENATE BILL 2535

By Burks

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 49 and Title 50, relative to the Tennessee Go
Build Fund.

WHEREAS, the general assembly finds and declares that meeting the demand for a highly skilled workforce in the construction industry is a national crisis that becomes more severe each day; and

WHEREAS, the construction industry is aging and there are not enough young people entering this industry; and

WHEREAS, one-third (1/3) of all construction services providers are over the age of fifty (50); and

WHEREAS, research indicates that young people are not considering the construction industry as a viable career choice and young people from junior high school through junior college, who are prime candidates for careers in the construction industry, seldom even investigate the possibilities; and

WHEREAS, the state of Tennessee needs better access to financing for economic development and industrial recruitment that does not involve improvements to revenue-producing facilities; and

WHEREAS, it is desirable and in the public interest to establish a state-level authority with the power to issue bonds for such general purpose; and

WHEREAS, the general assembly also recognizes that, at any given time, the level of activity in the construction industry is a primary yardstick for measuring the overall economic health of this country and this state, and that the success and stability of the building, manufacturing, and commercial businesses are dependent upon a sufficient supply of skilled

construction services providers that can product quality products that inspire public confidence;
and

WHEREAS, the state of Tennessee and the nation needs a program that provides for the recruitment of, and training programs and opportunities for, new construction services provider; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Title 4, is amended by adding the following language as a new, appropriately designated chapter:

4-49-101.

This chapter shall be known and may be cited as the "Tennessee Go Build Fund".

4-49-102.

The Tennessee Go Build fund (referred to in this chapter as "the fund") shall promote and foster the development of a comprehensive statewide program to increase the number of career opportunities for secondary and post-secondary student in the construction industry.

4-49-103.

(a) The following governmental agencies or departments may provide staff and other assistance, as needed, to the fund:

- (1) The Tennessee higher education commission (THEC);
- (2) The state board of regents;
- (3) The university of Tennessee;
- (4) The department of labor and workforce development;
- (5) The department of education; and
- (6) The Tennessee department of economic and community development.

(b) The fund may procure office space and supplies necessary to enable the fund to effectively carry out the program.

(c) All reimbursement for travel expenses shall be in accordance with the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter.

(d) For administrative purposes, the fund shall be attached to the department of education.

4-49-104.

The fund may enter into such contractual and promotional agreements necessary to effectively stimulate a statewide program for encouraging education and recruitment into the construction industry.

4-49-105.

(a) The fund is authorized to partner with a nonprofit public benefit corporation that is organized solely to promote and encourage the recruitment, promotion of training programs and opportunities for new construction services provider of the state of Tennessee, for the purpose of implementing the fund.

(b) The nonprofit partner shall have the board of directors elected by a process approved annually by the governor or the governor's designee. The nonprofit partner's board may select its own chairperson.

(c) The nonprofit partner shall be properly incorporated under the laws of this state, and approved by the internal revenue service as an organization that is exempt from federal income tax under § 501(a) of the Internal Revenue Code, 26 U.S.C. § 501(a), by virtue of being an organization described in § 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

(d) The nonprofit partner may receive funds from the general public, and also may receive funds from the state, at such times and in such amounts as appropriated by the general assembly.

(e) Costs to underwrite the nonprofit partner's activities related to the fund shall be borne from revenues of the nonprofit partner and no state employee shall benefit from such proceeds.

(f) The nonprofit partner may exercise all powers authorized under the Tennessee Nonprofit Corporation Act, compiled in title 48, chapters 51-68.

(g) The nonprofit partner may receive staff and other assistance from any agency of state government, subject to existing statutes, rules, and policies.
4-49-106.

(a) To fund the Tennessee Go Build Fund, there is imposed a flat fee on all employers classified as construction services providers pursuant to § 50-6-901. Each employer shall remit to the department of economic and community development, a fee for the purpose of funding a program providing for the recruitment of, and training opportunities for, new construction services provider in the amount of two hundred fifty dollars (\$250). The fee shall be paid annually.

(b) The department of economic and community development shall promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5 for:

(1) The collection of the fees;

(2) Creating and maintaining a database of all of the construction services providers within the state;

(3) Ensuring that construction services providers comply with the provisions of this act by enforcing the appropriate penalties and sanctions as necessary; and

(4) Dispersing the funds for the fund, as necessary.

4-49-107.

The fund and the nonprofit partner may work with local governments, private organizations and citizens as it plans and engages in activities related to the fund.

4-49-108.

The nonprofit partner shall annually submit to the governor and the speakers of the senate and the house of representatives, within ninety (90) days after the end of its fiscal year, a complete and detailed report setting forth its operation and accomplishments.

4-49-109.

The nonprofit partner shall be subject to examination and audit by the comptroller of the treasury in the same manner as prescribed for departments and agencies of the state.

4-49-110.

(a) In order to coordinate the activities of the fund and to advise the commissioner of education and the commissioner of economic and community development and to better acquaint the public with the needs and activities of the program, the department of education is authorized to create an advisory board to be composed of:

- (1) The executive director of the Tennessee higher education commission or the executive director's designee;
- (2) The chancellor of the Tennessee board of regents or the chancellor's designee;
- (3) The chancellor of the university of Tennessee or the chancellor's designee;
- (4) The commissioner of economic and community development or the commissioner's designee;

(5) The commissioner of labor and workforce development or the commissioner's designee;

(6) The commissioner of education or the commissioner's designee;

(7) Two (2) representatives from the private industry, who are knowledgeable about the condition of the construction industry in this state, shall be appointed by the speaker of the senate;

(8) Two (2) representatives from the private industry, who are knowledgeable about the condition of the construction industry in this state, shall be appointed by the speaker of the house of representatives; and

(9) Two (2) representatives from the private industry, who are knowledgeable about the condition of the construction industry in this state, shall be appointed by the governor.

(b) The members of the advisory board appointed by the speaker of the senate, the speaker of the house of representatives and the governor shall serve four-year terms.

(c) At the first meeting, the board shall appoint a chair and secretary for the board and establish the policies and procedures under which the board shall operate.

(d) The advisory board shall meet quarterly at a time established by the chair.

(e) Special meetings of the board for transaction of business may be called by the secretary of the board by giving written notice to all members.

(f) The advisory board shall provide a report on the activities of the fund to the education committees of the senate and house of representatives no later than February 1, 2016, and annually thereafter.

SECTION 2. The commissioner of education, in consultation with the department of economic and community development, is authorized to promulgate rules to effectuate the

purposes of this act. All such rules shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 3. This act shall take effect July 1, 2014, the public welfare requiring it.