

Amendment No. 2 to HB0261

**Stewart
Signature of Sponsor**

AMEND Senate Bill No. 377

House Bill No. 261*

by inserting the following new section immediately preceding the last section and renumbering the subsequent section accordingly:

SECTION __. Tennessee Code Annotated, Title 12, Chapter 4, Part 8, is amended by adding the following language as a new section:

(a) This section shall be known and may be cited as the "Tennessee First Act."

(b) As used in this section, "Tennessee business" means a business that is a continuing, independent, for-profit business which performs a commercially useful function with residence in Tennessee.

(c)

(1) Except for public construction contracts and contracts with the department of transportation, whenever the lowest responsible and responsive bidder on a state contract for goods and services is a resident of another state which is contiguous to this state and which allows a preference to a resident contractor of that state, then a like reciprocal preference is allowed to the lowest responsible and responsive bidder on the contract who is a Tennessee business.

(2) Subdivision (c)(1) shall only apply to state contracts for goods and services where the preference allowed in the contiguous state is equal to or exceeds the allowance in subdivision (d)(2).

(d)

(1) Notwithstanding any law to the contrary, the chief procurement officer shall promulgate rules authorizing an allowance for Tennessee businesses in the

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evaluation of bids and proposals for state contracts for goods and services in accordance with this section.

(2) The allowance to be given to a Tennessee business shall not exceed five percent (5%) of the lowest responsive, responsible bidder meeting specifications and shall be applied on a sliding scale in the following manner:

(A) Five percent (5%) shall be allowed for contracts up to one million dollars (\$1,000,000);

(B) Four percent (4%) shall be allowed for contracts between one million dollars (\$1,000,000) up to ten million dollars (\$10,000,000);

(C) Three percent (3%) shall be allowed for contracts between ten million dollars (\$10,000,000) up to twenty-five million dollars (\$25,000,000);

(D) Two percent (2%) shall be allowed for contracts between twenty-five million dollars (\$25,000,000) and up to fifty million dollars (\$50,000,000); and

(E) One percent (1%) shall be allowed for contracts that exceed fifty million dollars (\$50,000,000).