



State of Tennessee

PUBLIC CHAPTER NO. 411

HOUSE BILL NO. 1217

By Mr. Speaker Sexton and Representatives Zachary, Lamberth, White, Williams, Faison,
Vaughan, Love, Beck

Substituted for: Senate Bill No. 1459

By Mr. Speaker McNally and Senators Massey, Yager, Oliver

AN ACT to amend Tennessee Code Annotated, Title 4; Title 9 and Title 49, relative to capital projects.

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

SECTION 1. Tennessee Code Annotated, Section 4-15-102(a), is amended by designating the existing language as (a)(1)(A)-(C) and adding the following new subdivision (a)(2):

(2)

(A) Notwithstanding another law to the contrary, the University of Tennessee may, at the institution's discretion, approve and supervise the university's capital project if:

(i) The project is managed by the university's state procurement agency;

(ii) The project involves a building or facility used primarily for non-academic purposes; and

(iii) The project is either fully funded by donations received from a third-party or revenue from self-supporting auxiliary projects, including projects financed with revenue bonds, or both.

(B) If the University of Tennessee approves or supervises a project under subdivision (a)(2), then:

(i) A net increase in square footage of the building or facility is not eligible for maintenance funding from this state;

(ii) To the extent that following commission policies does not remove the authority provided by subdivision (a)(2)(A), the university's state procurement agency shall follow commission policies regarding the final selection of designers and contractors, and shall be responsible for the final selection of designers and contractors for the project;

(iii) To the extent that following commission policies does not remove the authority provided by subdivision (a)(2)(A), the university's state procurement agency shall follow commission policies regarding resolution of procurement protests, and shall be responsible for the final resolution of protests;

(iv) The university's state procurement agency shall utilize contracts provided by the state architect and may revise the terms of such contracts only upon the approval of the state architect; and

(v) The project must be approved by the board of trustees of the University of Tennessee, or its designee, and must be reported to the commission on a quarterly basis. Reports required pursuant to this subdivision (a)(2)(B)(v) must begin at the time a contract for the building

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or design of a project is executed and end upon completion of the project. However, projects reported pursuant to this subdivision (a)(2)(B)(v) are not subject to additional disclosure by a state entity beyond the inclusion of revenue bonds requested for the project in the general appropriations act.

SECTION 2. Tennessee Code Annotated, Section 4-15-102(e), is amended by adding the following as a new subdivision:

(3) Public institutions of higher education shall establish a transparent process to publicly disclose capital projects of ten million dollars (\$10,000,000) or less that do not utilize bond funds or funds appropriated for capital outlay or capital maintenance and are paid with current or residual funds, directly to the state building commission. The disclosure required pursuant to this subdivision (e)(3) must consist of a description of the project and the project budget and funding source, as the project is approved by the board of the institution or the board's designee. Projects disclosed pursuant to this subdivision (e)(3) are not subject to additional disclosure requirements by a state entity.

SECTION 3. Tennessee Code Annotated, Section 4-15-107, is amended by inserting the following as a new appropriately designated subdivision:

"State procurement agency" means, as appropriate, the department of general services, state of Tennessee real estate asset management; University of Tennessee, department of capital projects; Tennessee board of regents, department of facilities development; East Tennessee State University, office of facilities management, planning, and construction; Austin Peay State University, capital planning, design and construction; Tennessee Technological University, office of capital projects and planning; Middle Tennessee State University, department of campus planning; and University of Memphis, department of campus planning and design, or the successors-in-interest to such departments, or any additional state entities, or subdivisions thereof, as determined by the commission.

SECTION 4. Tennessee Code Annotated, Section 4-15-107(3), is amended by deleting subdivisions (A) and (B) and substituting instead:

(A) Is being funded by direct appropriations for major maintenance;

(B) Will cost state departments, colleges of applied technology, and public two-year institutions of higher learning in excess of two hundred fifty thousand dollars (\$250,000) for a structure or one million dollars (\$1,000,000) for a project excluding furniture and equipment; or

(C) Will cost public four-year institutions of higher education in excess of one million dollars (\$1,000,000) for a structure or three million dollars (\$3,000,000) for a project excluding furniture and equipment; and

SECTION 5. Tennessee Code Annotated, Section 49-7-132, is amended by deleting the section and substituting instead:

(a) An expenditure or combination of separate expenditures in excess of one million dollars (\$1,000,000), or a subsequent greater threshold established by the state building commission, made in a six-month period on a single building or structure owned or leased by a public four-year institution of higher education or governing board of the institution, is subject to the approval of the state building commission.

(b) An expenditure or combination of separate expenditures in excess of two hundred fifty thousand dollars (\$250,000), or a subsequent greater threshold established by the state building commission, made in any six-month period on a single building or structure owned or leased by any other state institution of higher education or governing board of the institution, is subject to approval by the state building commission.

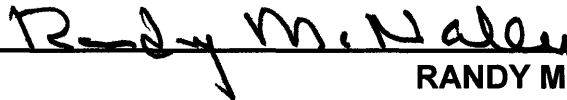
SECTION 6. This act takes effect July 1, 2023, the public welfare requiring it.

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PASSED: April 21, 2023



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 11th day of May 2023



BILL LEE, GOVERNOR