

SENATE BILL 650

By Finney L

AN ACT to amend Tennessee Code Annotated, Title 4,
Chapter 3, Part 7, relative to small businesses.

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

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 7, is amended by adding the following as a new, appropriately designated section:

§ 4-3-7__.

(a) The department of economic and community development shall create and administer a pool of funds that shall be used to establish a surety bond guarantee program for small and emerging contractors designated as small businesses, as defined in § 12-3-802. Moneys from the fund may be expended to guarantee bid, payment and performance bonds on contracts up to one million dollars (\$1,000,000) in value. Any moneys deposited in the pool of funds shall remain in the reserve until expended for purposes consistent with such program and shall not revert to the general fund on any June 30. Any interest earned by deposits in the reserve shall not revert to the general fund on any June 30 but shall remain available for expenditure in subsequent fiscal years.

(b) It is the legislative intent that the surety bond guarantee program be designed with consideration of fair distribution of program assistance among the geographic areas of the state, the grand divisions, and small and minority-owned businesses. It is the legislative intent that the department use the assistance provided by this program to support outreach efforts to new, expanding, and existing small contractors in Tennessee that do not have reasonable access to surety bonds.

(c) The requirements of this section shall be subject to annual appropriations in the annual appropriations act.

SECTION 2. This act shall take effect upon becoming law for purposes of rulemaking and for all other purposes it shall take effect July 1, 2009, the public welfare requiring it.