

SENATE BILL 1177

By Berke

AN ACT to amend Tennessee Code Annotated, Title 50;  
Title 66 and Title 67, relative to the Tennessee  
High Growth Sustainable Jobs Act.

WHEREAS one of the fastest-growing segments of the Tennessee economy is the sustainable industries and new energy sector; and

WHEREAS one of the fastest growing business successes in agriculture today is providing the food supply to local communities, including restaurants which specialize in local food and community markets; and

WHEREAS women are a growing demographic in agriculture and small business, as evidenced by the "Homefront Heartland" conference, sponsored by the University of Tennessee Extension, Tennessee Farm Bureau, Tennessee Department of Agriculture, and Tennessee Beef Industry Council, being held in Nashville in 2011; and

WHEREAS as of December 2010 the jobless rate in Tennessee stood at 9.4 percent (9.4%), with the rate in distressed rural and urban communities even higher; and

WHEREAS some of the greatest successes in the past year for the Department of Economic and Community Development included large investments in Tennessee from companies which provide the foundation for the US solar manufacturing industry, including Wacker Chemie and Hemlock Semiconductor; and

WHEREAS Tennessee is quickly becoming a hotspot of solar energy materials manufacturing including Sharp Manufacturing Corporation of America, which recently commemorated the production of the two millionth solar panel at its assembly operation in Memphis; and

WHEREAS Nissan North America, Inc., headquartered in Franklin Tennessee, intends to produce the world's first mass-produced electric car made largely from recycled products as

well as advanced batteries at its plant in Smyrna, which will support other new energy initiatives; and

WHEREAS support of Sustainable Industries will increase the revenues of the State and create family-supporting jobs, thereby reducing State entitlement expenditures; now, therefore, BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 50, is amended by adding the following as a new chapter thereto:

50-10-101. This chapter shall be known and may be cited as the “Tennessee High Growth Sustainable Jobs Act.”

50-10-102. As used in this chapter, unless the context otherwise requires:

(1) “Department” means the department of economic and community development;

(2) “Fund” means the sustainable jobs fund;

(3) “Local sustainable jobs programs” means those programs implemented by educational institutions, businesses, and non-profit organizations, which are related to training individuals to work in sustainable industries and to ensure that appropriate support services are provided;

(4) “Sustainable industries” means industries that contribute directly to preserving or enhancing environmental quality by reducing fossil fuel emissions, waste and pollution, or by producing sustainable products using sustainable processes and materials, and that provide opportunities for advancement along a career track of increasing skills and wages. Sustainable industries include:

(A) Energy system retrofits to increase energy efficiency and conservation;

(B) Farming, production and distribution of biofuels, including vehicle retrofits for biofuels;

(C) Building design and construction that meet the equivalent of best available technology in energy and environmental design standards;

(D) Farming of foodstuffs primarily intended to be sold within Tennessee and adjoining states as well as organic food production;

(E) Manufacture of products from nontoxic, environmentally certified or recycled materials;

(F) Manufacture and production of sustainable technologies, including solar panels, wind turbines and fuel cells;

(G) Manufacture of electric vehicles and electric vehicle components;

(H) Solar technology installation and maintenance;

(I) Recycling, composting and large scale reuse of construction and demolition materials and debris; and

(J) Water retrofits to increase water efficiency and conservation;

(5) "Target populations" means disadvantaged individuals, including:

(A) Individuals living in distressed rural and urban areas;

(B) Veterans;

(C) At-risk youth and young adults, ages sixteen (16) to twenty-four (24) years of age; and

(D) Unemployed youth and adults seeking new opportunities for responsible citizenship and economic self-sufficiency; and

(6) "Wraparound services" means those services that provide trainees with the opportunity to participate in sustainable jobs training programs, including:

(A) Child care;

- (B) Tuition;
- (C) Materials needed for training programs;
- (D) Counseling and mentoring services;
- (E) Internships and job placement programs;
- (F) Assistance with drivers license restoration and other transportation assistance; and
- (G) Assistance with obtaining any educational eligibility requirements through partnership with area institutions and programs.

50-10-103.

(a) The department, in coordination with existing apprenticeship programs administered by the department and Tennessee higher education commission, as well as family support and housing programs administered by the department of human services, shall develop a state plan for the development of sustainable jobs programs with a focus on urban and rural communities experiencing chronic underemployment and unemployment as well as communities with a poverty rate of at least fifteen percent (15%) as designated by the United States department of labor's public microdata areas classification. The plan shall be developed with funds obtained for the sustainable jobs fund and shall not be developed through the use of funds from the general fund. The plan is intended to complement existing apprenticeship and training programs and in no way replace such programs currently funded. The plan shall include a schedule for funding and implementation that gives priority to programs directed at target populations and quick-start projects that can lead to immediate job creation and growth. The department shall, at the discretion of the commissioner of economic and community development, develop the plan:

(1) For coordination of a state research program with the employment security division in which labor market data shall be collected and analyzed to track work force trends from renewable energy and energy-efficiency industries and energy-related initiatives;

(2) For a municipal energy training partnership program in which the department shall award competitive grants to higher education institutions, businesses, and non-profit organizations engaged in workforce development in partnerships with cities, towns, and counties to administer sustainable jobs training programs;

(3) For a pathways to prosperity program in which the department shall award competitive grants to higher education institutions, businesses, and non-profit organizations engaged in workforce development to administer sustainable jobs training programs directed specifically at disadvantaged target populations;

(4) For environmental equity and sustainability programs in which the department shall award competitive grants to higher education institutions, businesses, and non-profit organizations that provide immediate employment opportunities, skill development and supportive services to the target populations;

(5) For assessing the viability of municipal-based, both city and county, workforce agreements that stimulate job creation in renewable energy and energy-efficiency industries and energy-related initiatives;

(6) For assessing innovative business opportunities in which the department shall award competitive grants to support bridge financing and micro-loans for economic development projects in the new energy economy which help

to stimulate job creation for the target populations, including entrepreneurship opportunity programs; and

(7) For exploring ways to encourage the establishment or expansion of sustainable industry manufacturing facilities, including the removal of existing legislative and regulatory barriers to additional investment in Tennessee.

(b) In order to receive funding awards through the sustainable jobs fund described in § 50-10-104, higher education institutions, local governments, businesses, and non-profit organizations shall cooperate, to the extent practicable, with the department in the development and implementation of the plan.

(c) Coordination or development of the plan may be transferred to other state agencies at the recommendation of the governor. The department shall not hire additional staff to implement or administer the sustainable jobs fund until sufficient funds are available to fund such hires from the sustainable jobs fund. Any such positions shall only be funded through funds in the sustainable jobs fund and shall cease to be authorized if there are insufficient funds in the sustainable jobs fund to fund such positions.

50-10-104.

(a) The sustainable jobs fund is created in the state treasury and shall consist of money transferred to the fund pursuant to federal dollars, federal transfers, appropriations, distributions, gifts, grants, and donations made to the state for the purpose of funding sustainable jobs training programs. Any earnings of the fund shall be credited to the fund. Balances in the fund at the end of any fiscal year shall remain in the fund. No funds shall be appropriated from the state general fund to the sustainable jobs fund.

(b) Money in the fund shall be used only for the purpose of administering and implementing the plan and making grants for the administration of sustainable jobs training programs pursuant to this chapter.

(c) Payments shall be made from the sustainable jobs fund upon warrants drawn by the treasurer pursuant to vouchers signed by the participating entities: representatives of higher education institutions, businesses, local governments, and non-profit organizations with priority given to entities that can link workforce training programs with existing employment opportunities. Such payments shall be made for the costs and administration of this chapter. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

50-10-105. Following the funding of the sustainable jobs fund, the department shall annually report to the legislature and to the governor on its activities during the previous fiscal year in administering the provisions of this chapter. The report may include, but shall not be limited to:

(1) Details concerning all grants made for the administration of sustainable jobs training programs;

(2) Details concerning all expenditures made in administering this chapter;

(3) A list of all higher education institutions, businesses, local governments, and non-profit organizations in which sustainable jobs training programs were developed and funded;

(4) An analysis of whether the sustainable jobs training programs have been cost-effective;

(5) A report showing progress made in complying with the plan developed pursuant to this chapter, and, if in noncompliance, a plan for achieving compliance in the future;

- (6) A summary of activities being conducted during the present fiscal year; and
- (7) Any additional information that will assist the legislature and the governor in evaluating the program.

SECTION 2. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following new section thereto:

67-6-397.

There shall be a credit of one hundred percent (100%) of the sales and use tax paid with respect to any solar energy system that complies with the definition found in § 66-9-203.

SECTION 3. For purposes of developing a state plan for the development of sustainable jobs programs required pursuant to § 50-10-103 and providing a tax incentive for the purchase of solar systems required pursuant to § 67-6-397, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect September 1, 2011, the public welfare requiring it.