
Purchasing and Finance Legislative Updates

TGFOA 2022

Payment In-Lieu of Insurance

- **Public Chapter 1031 Insurance for County Employees
SB 2294 – HB 2303**
- Amends 8-27-503 to provide that if a county employee rejects or opts out of an insurance policy offered to the employee, the county may pay the employee up to 15% of the premium that would have been paid by the county as long as the county continues to offer such insurance coverage to its employees.
- Effective July 1, 2022.

Cryptocurrency

- **Public Chapter 861 Local Government Use of Cryptocurrency
SB 535 – HB 653**
- Enacts a new part at Title 9, Chapter 3 to prohibit local governmental entities from paying, compensating, awarding, or remitting funds in the form of, or facilitating the conversion of compensation or funds to, blockchain, cryptocurrency, non-fungible tokens, or virtual currency to an individual person, corporation, or other entity (or procuring the services for the performance of any such actions) without the prior written approval of the state treasurer.
- Effective April 14, 2022.

Non-Fungible Tokens

- **Non-Fungible Token (NFT)**

- **Cryptographic assets on a blockchain with unique identification codes and metadata that distinguish them from each other.**

- **Simplified Definition - NFTs allow you to buy and sell ownership of unique digital items.**

- **Common Examples:**

- **Digital Artwork**
 - **Collectible Items/Trading Cards**
 - **Video Game Items**
 - **Virtual Fashion**

Conflicts of Interest

- **Public Chapter 656 Conflict of Interest – County Commissioners
SB 2049 - HB 1684**
- Amends 5-5-112 to require a member of a county governing body who is voting on a proposed budget, appropriation resolution, or tax rate resolution, or amendments thereto, that has a conflict of interest under 5-5-112 (a), to declare the conflict of interest at the meeting prior to casting the member's vote.
- Effective March 15, 2022.

Titling and Registration Fee

- **Public Chapter 1003 County Clerk Fees
SB 2884 – HB 2524**
- Amends 55-6-104(a)(3) by increasing the county clerk fees from \$5.50 to \$8.50 for receiving and forwarding applications for certificates of title to the department of revenue. Requires that \$3.00 of the fee must be earmarked for the provision of services directly related to titling and registration and must not revert to the county general fund at the end of the year if not spent.
- Effective July 1, 2022.

Special Called Meetings Notice

- **Public Chapter 830 Special Called Meetings Notice
SB 1774 – HB 1677**
- Amends 5-5-105 to add a new subsection authorizing counties to provide alternative notice of special called meetings in cases where newspaper notice cannot occur in a manner timely enough to conduct the necessary business of the body. Provides that such notice may be provided by posting the notice in a location where the public may become aware of the notice and on the county's website if such website exists. Requires the notice contain a reasonable description of the purpose of the meeting or action to be taken. Also requires the notice be posted at least five days before the meeting.
- Effective April 19, 2022.

School Board Compensation

- **Public Chapter 670 Compensation of School Board Members
SB 2003 – HB 1848**
- Amends 49-2-202(d) to provide that the compensation of school board members cannot exceed the compensation of county legislative body members and must be included in the education budget submitted to the county legislative body. Also provides that the compensation for school board members shall not be reduced from the prior year.
- Effective July 1, 2022.

Salary Suits

- **Public Chapter 1079 Salary Suits
SB 282 - HB 1386**
- Amends 8-20-101, 102 and 107 to revise the procedure followed by courts in salary suits in order to expedite the process and manage attorney's fees.
- Effective July 1, 2022.

“Non” Boycott of Israel

- **Public Chapter 775 Public Contracts**
SB 1993 – HB 2050
- Amends Title 4, Title 8, and Title 12 to prohibit a public entity from entering into contracts with a company unless the contract includes a written certification that the company is not engaging in and will not engage in a boycott of Israel throughout the duration of the contract. This section does not apply to contracts with a total value less than \$250,000, or to contractors with less than 10 employees. Contracts entered after July 1, 2022, that fail to comply with this section are void.
- Effective July 1, 2022.

Professional Services

- **Public Chapter 719 Professional Service Contracts
SB 2881 – HB 2385**
- Amends 12-3-1209(a) to include services from an insurance producer as defined in 56-6-102. Under 56-6-102, an insurance producer is a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance.
- Effective March 18, 2022.
- [AG opinion 22-10](#)

Bid Limits

- **Public Chapter 1016 Thresholds for Competitive Sealed Bids
SB 2489 – HB 2600**
- Amends 12-3-1212 to allow counties having centralized purchasing and a full-time purchasing agent, by resolution of the governing body, to increase the threshold amount over which public advertisement and sealed competitive bids or proposals are required to \$50,000 for nonemergency, nonproprietary purchases.
- Counties with non-centralized purchasing or counties without a full-time purchasing agent, by resolution of the governing body, may increase the threshold over which public advertisement and sealed competitive bids or proposals are required to \$25,000 for nonemergency, nonproprietary purchases.
- Requires local governments to get at least three written quotes, when possible, for purchases costing less than the bid threshold but more than 40% of such bid threshold or a lower amount as may be established by the governing body in a resolution.
- The law provides that a full-time purchasing agent is someone that devotes 100% of the person's working time to purchasing.
- Effective May 11, 2022.

Previous language in T. C. A. § 12-3-1212

Notwithstanding any charter provision, private act, or other law to the contrary, any county, municipality, utility district, or other local governmental entity having centralized purchasing authority with a full-time purchasing agent is authorized, by resolution or ordinance of its governing body, to increase the threshold over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed twenty-five thousand dollars (\$25,000) for nonemergency, nonproprietary purchases. At least three (3) written quotations shall be required whenever possible for purchases costing less than the bid threshold established for public advertisement and sealed competitive bids or proposals but more than forty percent (40%) of such bid threshold or some lower amount as may be established by the governing body in the resolution. Purchases of like items shall be aggregated for purposes of the bid threshold. For purposes of this section, counties that have adopted the County Financial Management System of 1981, compiled in title 5, chapter 21 or the County Purchasing Law of 1957, compiled in title 5, chapter 14, part 1; or that are similarly centralized for purchasing under a private act, are deemed to have a full-time purchasing agent.

Public Chapter 1016 of 2022

(a) Notwithstanding another law to the contrary, a county, municipality, utility district, or other local governmental entity having centralized purchasing authority with a full-time purchasing agent may, by resolution or ordinance of its governing body, increase the threshold over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed fifty thousand dollars (\$50,000) for nonemergency, nonproprietary purchases.



Public Chapter 1016 of 2022



(b) Notwithstanding another law to the contrary, a county, municipality, utility district, or other local governmental entity having non-centralized purchasing authority may, by resolution or ordinance of its governing body, increase the threshold over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed twenty-five thousand dollars (\$25,000) for nonemergency, nonproprietary purchases.

Public Chapter 1016 of 2022

(c) At least three (3) written quotations are required when possible for purchases costing less than the bid threshold established under subsection (a) or (b), but more than forty percent (40%) of such bid threshold or some lower amount as may be established by the governing body in a resolution. Purchases of like items must be aggregated for purposes of the bid threshold.



Public Chapter 1016 of 2022

(d) For purposes of this section, a "full-time purchasing agent" means a person who devotes the whole of the person's working time to the demands and duties of the office of purchasing agent.



Highway Departments – Public Chapter 1036

TCA 54-7-113

- Allows the county road department or chief administrative officer to make any purchase costing less than **\$25,000** in the open market without newspaper notice. Provides the road department or chief administrative officer must obtain at least three competitive bids when possible.





<http://eli.ctas.tennessee.edu>

Questions?