



State of Tennessee

PUBLIC CHAPTER NO. 79

SENATE BILL NO. 141

By Tracy

Substituted for: House Bill No. 84

By Hawk, Hardaway

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 4, Part 1, relative to federal funds.

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

SECTION 1. Tennessee Code Annotated, Section 4-4-113, is amended by deleting the section and substituting instead the following:

(a) Any department of state government may accept and use federal financial assistance from any agency or instrumentality of the federal government for purposes of carrying on programs in which such department may be authorized to engage; provided, that such acceptance shall be with the express approval of the governor; and such department, acting through its commissioner, is authorized to enter into any and all requisite agreements with such federal agency or instrumentality for the purpose of acceptance and use of such financial assistance; provided, further, that no agreement or contract shall be made by such department involving the expenditure of funds beyond those available to such department by appropriation, gift, or otherwise.

(b) Any department of state government receiving federal financial assistance shall notify the comptroller of the treasury and the commissioner of finance and administration within five (5) business days from the date of receipt by the department's commissioner or chief financial officer, or equivalent, of official notice in any form or type from the federal awarding agency, or designated cognizant agency, notifying the department of a determination of noncompliance with, or any deficiencies related to compliance with, federal statutes, regulations, or the terms and conditions of a federal award that could result in the following:

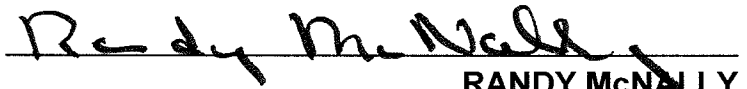
- (1) Repayment of federal financial assistance;
- (2) Reduction in future federal financial assistance by administrative offset against other requests for reimbursements or subsequent awards;
- (3) Withholding of advance payments otherwise due to the department;
- (4) Temporary withholding of federal financial assistance pending corrective action by the department;
- (5) Whole or partial suspension or termination of the federal award; or
- (6) Federal awarding agency taking any other remedies legally available to it, including not seeking recovery of a disallowance or improper payment.

(c) All official notices resulting in items described in subdivisions (b)(1)-(6) received by staff of any department of state government pursuant to subsection (b) shall be transmitted to the department's commissioner or chief financial officer, or equivalent, within five (5) business days of receipt.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 141

PASSED: March 20, 2017




RANDY McNALLY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 31st day of March 2017



BILL HASLAM, GOVERNOR