



State of Tennessee

PUBLIC CHAPTER NO. 91

HOUSE BILL NO. 501

By Representatives Casada, Durham, Mark White, Lynn, Carter

Substituted for: Senate Bill No. 35

By Senators Kelsey, Overbey

AN ACT to amend Tennessee Code Annotated, Title 7; Section 12-4-903 and Title 50, relative to placing certain restrictions on local government authority related to private businesses.

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

SECTION 1. Tennessee Code Annotated, Title 50, Chapter 2, Part 1, is amended by adding the following language as a new, appropriately designated section:

50-2-1__.

(a)

(1) Notwithstanding any charter, ordinance or resolution to the contrary, no local government, as a condition of doing business within the jurisdictional boundaries of the local government or contracting with the local government, has the authority to require a private employer to pay its employees a hourly wage in excess of the minimum hourly wage required to be paid by such employer under applicable federal or state law.

(2) With respect to construction contracts, a local government has no authority to require a prevailing wage be paid in excess of the wages established by the prevailing wage commission for state highway construction projects in accordance with title 12, chapter 4, part 4 or the Tennessee occupational wages prepared annually by the department of labor and workforce development, employment security division, labor market information for state building projects.

(b) As used in this section, "local government" means a county, including any county having a metropolitan form of government, or municipal government, or any agency or unit thereof or any other political subdivision of the state.

(c) If compliance with this section by a local government relative to a specific contract, project, or program would result in the denial of federal funds that would otherwise be available to the local government, then the local government may require a private employer to pay its employees a wage necessary to meet the federal requirements to obtain the federal funds, but only relative to such contract, project, or program.

SECTION 2. Tennessee Code Annotated, Section 7-51-1802, is amended by deleting subsection (b) in its entirety and by substituting instead the following language:

(b)

(1)

(A) No local government shall by ordinance, resolution, contract or any other means authorize or mandate, as a condition of a doing business within the jurisdictional boundaries of a local

government or contracting with a local government, that employers establish a leave policy that deviates from, modifies, supplements, adds to, changes, or varies in any manner from state statutorily imposed or recognized requirements such as those authorized pursuant to § 4-21-408.

(B) Subdivision (b)(1)(A) shall not apply if the local government is entering into a contract with the federal government and the federal government requirements are different from those imposed pursuant to state law.

(c) Except to the extent specifically required pursuant to any federal law, no local government shall by ordinance, resolution, contract or any other means, mandate or require, as a condition of a doing business within the jurisdictional boundaries of the local government or contracting with the local government, that employers must provide health insurance benefits to persons employed by such employer.

(d) Subsections (a), (b) and (c) shall not apply with respect to employees of a local government.

SECTION 3. Tennessee Code Annotated, Section 12-4-903, is amended by deleting subdivision (3)(C) in its entirety and by substituting instead the following language:

(C) Require any bidder, offeror, contractor or subcontractor to pay:

(i) Wages in excess of the wages established by the prevailing wage commission for state highway construction projects in accordance with part 4 of this chapter or the Tennessee occupational wages prepared annually by the department of labor and workforce development, employment security division, labor market information for state building projects; or

(ii) A specific dollar amount for the provision of fringe benefits for employees.

SECTION 4. Tennessee Code Annotated, Title 50, Chapter 2, Part 1, is amended by adding the following language as a new, appropriately designated section:

50-2-1__.

(a) This section shall be known and may be cited as the "Tennessee Wage Protection Act".

(b) The general assembly finds as a matter of public policy that it is necessary to declare the theft of wages and the denial of fair compensation for work completed to be against the laws and polices of this state.

(c) Employers and employees alike benefit from consistent and established standards of wage theft regulation. Existing federal and state laws, including, but not limited to, the Fair Labor Standards Act; the Davis-Bacon Act; the McNamara-O'Hara Service Contract Act; the Migrant and Seasonal Agricultural Protection Act; the Contract Work Hours and Safety Standards Act; and the Copeland Anti-Kickback Act; and title 50, chapter 2, seek to protect employees from predatory and unfair wage practices while also providing appropriate due process to employers.

(d) A county, municipality, or political subdivision of the state shall not adopt or maintain in effect any law, ordinance, or rule that creates requirements, regulations, or processes for the purpose of addressing wage theft. Any additional wage theft ordinance or regulation that exceeds the designated state and federal laws in subsection (c) of this section shall be explicitly preempted by the state.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring

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it, and shall apply to contracts entered into or renewed on or after that date.

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PASSED: MARCH 28, 2013

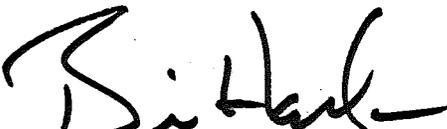


BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES



RON RAMSEY
SPEAKER OF THE SENATE

APPROVED this 11th day of April 2013



BILL HASLAM, GOVERNOR