



## Purchase of Used Equipment

As many of you may remember, in January two bills were filed amending the language of T.C.A. 12-3-1003 relative to the purchasing of secondhand articles or equipment by municipalities and counties. These two bills were introduced *supposedly* to clarify confusing language in the original bill that TCHOA supported and successfully passed in 2007. Senator Bo Watson of Chattanooga introduced SB2608 and Sen. Andy Berke, also of Chattanooga, filed SB 2734 to address this ambiguity in the current law. TCHOA took a position that the current statute was working fine and did not require any clarification for county highway officials. The Comptroller's Office reported no instances of abuse or audit deficiencies had been noted since the original bill passed in 2007. TCHOA had documented evidence of purchases made under the existing statute that saved counties money. On March 1<sup>st</sup> the House passed its version HB 2552 by Representative Vince Dean of Chattanooga and on March 22<sup>nd</sup> the Senate passed another version. Neither the Senate nor House would concur with the other's action. Finally, the first of April both bodies appointed their respective conference committees members to come to compromise legislation. The House selected Representatives Vince Dean, Bill Harmon and Phillip Johnson. The Senate conference committee consisted of Senators Bo Watson, Tim Barnes and Dewayne Bunch. The conference committees met and agreed on a compromise proposal – *and the price is not more than 5 percent (5%) higher than the highest value of the documented range.* The original language in the bill we passed in 2007 and have been using very successfully stated – *and the price paid falls within ten percent (10%) of the documented range.*

The compromise language adopted by the House and Senate Conference Committee was very favorable for us – *5% higher than the highest value of the documented range!* The House, without debate, passed the conference

committee's recommendation 95-0. The Senate on the other hand had extensive debate on the Senate floor regarding the conference committee recommendation. Senator Andy Berke stated during the debate *this is a problematic bill that allows for waste and fraud in government and authorizes officials to pay more than the fair market value.* The Senate finally approved the conference committee report 19 ayes, 11 noes, and 2 not voting. The most concerning thing about the Senate vote was several Senators who had committed to vote for the amendment, particularly those that served on the State and Local Government Committee where the amendments were debated for about 2 hours, did not vote for the compromise. How the bill turned into a partisan issue in the Senate is beyond my understanding and comprehension! Please thank the following Senators for voting to support our legislation: Senators Barnes, Beavers, Black, Bunch, Burchett, Faulk, Gresham, Johnson, Kelsey, Ketron, McNally, Norris, Overbey, Southerland, Tracy, Watson, Woodson, Yager, Mr. Speaker Ramsey.

Also a special thanks to Representative Vince Dean for his outstanding leadership and support of TCHOA's legislative initiative on this extremely important piece of legislation for county highway officials.

HB 2552 has been signed by both Speakers and has been transmitted to the Governor for his signature. Please see page 2 for the amended version of T.C.A.12-3-1003.

**AGENDA FOR POST  
LEGISLATIVE  
CONFERENCE  
CAN BE FOUND ON  
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T.C.A. 12-3-1003 (AMENDED)

12-3-1003. Purchases of secondhand articles or equipment by municipalities or counties – (a) Notwithstanding any charter, private act, or general law requirements, any municipality or any county may purchase used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities from any federal, state, or local governmental unit or agency without public advertisement and competitive bidding.

(b) Notwithstanding any charter, private act, or general law requirements, any municipality or any county may purchase used or secondhand articles consisting of goods, equipment, materials, supplies or commodities from any private individual or entity without public advertisement and competitive bidding as long as the purchasing government documents the general range of value of the purchased item through a listing in a nationally recognized publication or through an appraisal by a licensed appraiser, and the price is not more than five percent (5%) higher than the highest value of the documented range.

The underlined section is the new portion of the law.



## TCHOA AGENDA

### POST LEGISLATIVE CONFERENCE

**JUNE 8-9, 2010**

Glenstone Lodge,  
504 Histoirc Nature Trail  
Sevier County, Gatlinburg

#### Monday, June 7

3:00 p.m. - TCHOA Board Meeting, Dogwood II

4:00 p.m - Hospitality Sponsored by Collier Engineering and Correctional Risk Services, Highlander (2nd level)

#### Tuesday, June 8

8:00 - 11:00 a.m. - TCHOA Training, Dogwood II

11:30 a.m. - Region I & II, Calhoun's, Gatlinburg, all regions are welcome

2:00 - 3:30 p.m. - TCHOA General Membership Meeting, Dogwood II

3:30 - 5:00 p.m. CTAS Training, Azalea

5:00 - 8:00 p.m. dinner Riverdeck / Pavilion

8:00 - 11:00 p.m. DJ/Dancing, Riverdeck / Pavilion

#### Wednesday, June 9

7:00 - 8:30 a.m. - Breakfast, Restaurant, Pool area

8:30 - 10:30 a.m. - General Session, Ballroom  
Guest Speakers - Sen. Randy McNally  
Rep. Craig Fitzhugh

*There is still time to register if you have not done so. Call, fax, or email Deb if you plan to attend.*