

West's Tennessee Code Annotated  
Title 12. Public Property, Printing and Contracts  
Chapter 4. Public Contracts (Refs & Annos)  
Part 1. General Provisions (Refs & Annos)

T. C. A. § 12-4-101

§ 12-4-101. No direct interests by officials; public acknowledgement of indirect interests

Effective: May 20, 2016

Currentness

(a)(1) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be directly interested in any such contract. "Directly interested" means any contract with the official personally or with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation. This subdivision (a)(1) shall not be construed to prohibit any officer, committee person, director, or any person, other than a member of a local governing body of a county or municipality, from voting on the budget, appropriation resolution, or tax rate resolution, or amendments thereto, unless the vote is on a specific amendment to the budget or a specific appropriation or resolution in which such person is directly interested.

(2)(A) Subdivision (a)(1) shall also apply to a member of the board of directors of any not-for-profit corporation authorized by the laws of Tennessee to act for the benefit or on behalf of any one (1) or more counties, cities, towns and local governments pursuant to title 7, chapter 54 or 58.

(B) Subdivision (a)(2)(A) shall not apply to any county with a metropolitan form of government and having a population of four hundred thousand (400,000) or more, according to the 1980 federal census or any subsequent federal census.

(b) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be indirectly interested in any such contract unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality or county.

(c) This section shall apply to a member of the board of directors or officer of any nonprofit corporation required under § 8-44-102 to conduct all meetings of its governing body as open meetings.

**Credits**

1869-1870 Acts, c. 92, § 1; 1977 Pub.Acts, c. 102, § 1; 1983 Pub.Acts, c. 388, §§ 4, 6; 1984 Pub.Acts, c. 831, § 1; 1986 Pub.Acts, c. 765, §§ 1 to 3; 1988 Pub.Acts, c. 908, §§ 4, 5; 1989 Pub.Acts, c. 366, §§ 1 to 3; 1998 Pub.Acts, c. 774, § 1, eff.

July 1, 1998; 2006 Pub.Acts, c. 923, § 4, eff. June 20, 2006; 2013 Pub.Acts, c. 403, § 71, eff. July 1, 2013; 2016 Pub.Acts, c. 1072, § 5, eff. May 20, 2016.

**Formerly** Shannon's Code, § 1133; 1932 Code, § 1874; § 12-401.

T. C. A. § 12-4-101, TN ST § 12-4-101

Current with laws from the 2023 Regular Sess. and 1st Extraordinary Sess. of the 113th Tennessee General Assembly. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

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