

Senate Bill 364 / House Bill 563

Business Protection Act

Talking Points

PURPOSE OF THE BILL: To ensure there is a uniform standard for businesses to meet regarding employee health benefit, wage, family leave, and anti-discrimination policies and ensure that a state or local government entity cannot discriminate against a business that meets the state and federal standards in those areas.

WHAT THE BILL DOES:

- This bill will prevent businesses that comply with the applicable state and federal standards from being disadvantaged or discriminated against by a state or local governmental entity relative to the opportunities, privileges, and benefits.
- The General Assembly has previously passed legislation prohibiting local governments from imposing legal mandates in those four areas beyond that prescribed by state and federal law.
 - Public Chapter 278, Acts of 2011 establishes standard for anti-discrimination policies; and
 - Public Chapter 91, Acts of 2013 establishes standard employee health benefits, wages, and family leave.
- This bill goes one step further to prohibit both state and local governmental entities from circumventing the standards addressed in those public chapters through the use of “soft” mandates in the form of “criteria” by which the governmental entity would “evaluate” bids, proposals, and other opportunities, privileges, and benefits otherwise available to a business.
- It therefore ensures that businesses that comply with the applicable state and federal standards will not be disadvantaged or discriminated against by a state or local governmental entity in the awarding of grants or contract, or in the determination of eligibility for other opportunities, benefits, and privileges.

SPECIFIC TALKING POINTS:

- The base requirements for personnel and employee benefit policies should be uniform across the state in order to prevent confusion and provide an inviting atmosphere for business.
- A business that contracts with government entities across the state (or one that is considering a move to Tennessee) shouldn’t be subjected to different standards with regard to their personnel and benefit.

- This bill protects businesses from discrimination by a state or local governmental entity regardless of its political philosophy regarding economic or social issues and whether the business decides to adhere to or go beyond the state or federal requirements.
 - For example, a business cannot be discriminated against whether or not it chooses to include LGBT persons in their non-discrimination policies or abortion benefits in its health plan.
- Without this bill, businesses could be subjected to wide-ranging requirements from different municipalities, resulting in an unfriendly business climate.
- The bill is needed due to a growing trend of local governments to implement policies or pass ordinances circumventing state/federal law.
 - For example, an executive order has been issued in Nashville that will result in LGBT-owned businesses receiving preference in Metro procurement and contracting, which in turn will discriminate negatively against all others.
 - Moreover, this will affect businesses located in other cities that do business with Nashville governmental entities.
- This bill does not discriminate against any persons or groups of persons, but, as noted above, it could protect them.
- The bill also does not prohibit businesses from implementing policies in these four areas that go beyond what state and federal law require.

For more information about this bill and other bills we are tracking through the General Assembly, please visit [FACTn.org/legislation/bill-tracking/](https://factn.org/legislation/bill-tracking/).