

Tennessee Enacts Prevailing Wage, Wage Theft Legislation

May 31, 2013

A new Tennessee law prohibits local governments from requiring private employers to provide more generous health insurance benefits, leave policies, hourly wage standards or prevailing wage standards than that required by state or federal law as a condition of doing business in the locality. Signed by Governor Bill Haslam, the new law ([H.B. 501](#)) is effective immediately. Any such local laws already enacted are unenforceable.

Under the new law, "local government" is defined as 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.

The new law also prohibits local governments from requiring construction contractors to pay a prevailing wage to their employees in excess of minimum wages under state law. However, this does not apply to contracts with the federal government if funding would be denied.

In addition, the new law enacts the Tennessee Wage Theft Protection Act. The Act prohibits a county, municipality, or political subdivision of the state from adopting or maintaining in effect any law, ordinance, or rule that creates requirements, regulations, or processes for the purpose of addressing wage theft.

If you have any questions about this or other workplace developments, please contact the Jackson Lewis attorney with whom you regularly work.

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