

FISCAL NOTE

SB 2742 - HB 3102

March 18, 2006

SUMMARY OF BILL: Prohibits smoking in restaurants that permit access or employ anyone under the age of 18. Restaurants or bars that have a private room with an air handling system independent of the main air handling system that serves all areas of the building are exempt.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Increase Local Revenues – Exceeds \$100,000

Increase Local Expenditures – Exceeds \$100,000*

Assumptions:

- The Department of Health will print brochures explaining the new requirements to bars and restaurants which will result in a not significant increase to state expenditures. The additional items that will be checked during routine restaurant inspections and will determine compliance by providing inspections on a complaint basis would not result in an increase to expenditures.
- In the largest metropolitan areas (Memphis, Knoxville, Chattanooga, and Nashville-Davidson County), the local health departments are responsible for conducting restaurant inspections. Due to the large volume of restaurants in these areas, each local health department will need one additional employee to handle the increase of inspection time per restaurant and inspections of additional complaints.
- An average of \$37,500 per position will result in an increase to local expenditures which exceeds \$100,000 ($\$37,500 \times 4 = \$150,000$).
- If each of the largest metropolitan areas collects two fines per month, there will be an increase to local revenues which exceeds \$100,000 ($1 \times 12 \times 4 \times \$2,500 = \$120,000$).

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director