

**FISCAL NOTE**  
**SB 3120 – HB 3402**

February 24, 2006

**SUMMARY OF BILL:** Enacts the “Tennessee Minimum Wage Act.” Requires every employer to pay employee wage rates of not less than \$6.15 per hour.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$465,300 Recurring**  
**\$54,000 One-Time**

**Increase State Revenues - Less than \$100,000**

**Increase Local Govt. Expenditures – Not Significant**

Assumptions:

- The State of Tennessee does not currently have an established minimum wage rate, however, employers are required to comply with the federal minimum wage rate.
- The Department of Labor & Workforce Development would be required to enforce the Act.
- The Department of Labor & Workforce Development would need 6 new inspectors and 3 Administrative Assistant positions at a cost of \$465,300 in recurring funds and \$54,000 in one-time funds.
- Any increase in state revenue from fines for violations of this bill are estimated to be less than \$100,000.
- According to the Department of Personnel, the definition of “employer” does not include the State of Tennessee.

**CERTIFICATION:**

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



James W. White, Executive Director