

CORRECTED FISCAL NOTE
SB 3368 - HB 3269

May 23, 2006

SUMMARY OF BILL: Prohibits smoking in all buildings that are owned or operated by the State of Tennessee.

On March 10, 2006, we issued a fiscal note in which the estimated fiscal impact was:

Other Fiscal Impact – If signage is required to identify each state-owned or operated building (528 total) as exclusively smoke-free, the increase to state expenditures could be up to \$13,200. However, if signage is required to a lesser extent, the increase to state expenditures could be less.

Based upon additional information obtained from the Department of Personnel and the Department of General Services, the fiscal impact of this bill is:

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – If signage is required to identify each state-owned or operated building (528 total) as exclusively smoke-free, the increase to state expenditures could be up to \$13,200. However, if signage is required to a lesser extent, the increase to state expenditures could be less. There may be offsetting savings to the State from increased productivity and reduced health care costs if fewer state employees smoke as a result of enactment of this legislation, but this impact cannot reasonably be quantified.

Assumptions:

- It is the intent of the General Assembly that all buildings that are owned or operated by the state shall be completely smoke-free.
- There are 172 state-owned buildings (FY05-06 Tennessee Fact Book – General Services).
- There are 356 buildings maintained and operated by the state under lease agreements (FY05-06 Tennessee Fact Book – General Services).
- According to General Services, the majority of state office buildings have designated smoking areas within; a few of those are located outside the buildings.
- There could be an increase to state expenditures if signage would be required to identify buildings as exclusively smoke-free.

- Cost of signage is estimated at \$25 per building.
- If signage is required, the increase to state expenditures could be up to \$13,200 (528 total buildings X \$25 = \$13,200).
- If signage is required to a lesser extent, such costs could be less.
- If fewer state employees smoke as a result of enactment of this legislation, such reduction may result in increased productivity and reduced health care costs for state employees. The Department of Personnel has not evaluated the impact of reduced smoking in light of the state's leave, absenteeism, and health care policies. This impact therefore cannot reasonably be quantified.

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, appearing to read "James W. White". The signature is written in a cursive style with a large initial "J" and "W".

James W. White, Executive Director