

FISCAL NOTE

SB 1016

March 30, 2007

SUMMARY OF BILL: Requires municipal utilities purchasing equipment to include a provision in the bid specifications giving preference to products manufactured by businesses located in Tennessee.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures* – Exceeds \$100,000

Assumption:

- In Memphis alone, several million dollars in contacts would be subject to the provisions of the bill. In some instances, local governments would be required to pay more for products due to the Tennessee product preference clause. As a result, the provisions of the bill are estimated to result in an increase in local government expenditures exceeding \$100,000 statewide.

*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.



James W. White, Executive Director