TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL NOTE

HB 1218 - SB 1412

March 3, 2009

SUMMARY OF BILL: Authorizes local governments to purchase goods and services through a competitive reverse auction process.

ESTIMATED FISCAL IMPACT:

Decrease Local Expenditures – Net Impact –
Not Significant/Permissive

Assumptions:

- Local governments who choose to utilize the reverse auction process could see a substantive decrease in expenditures.
- This legislation requires local governments to file a plan with the Comptroller explaining provisions created for participation by small and minority-owned businesses who cannot take advantage of an electronic auction. Creating and filing this plan will increase expenditures and negate most of the decrease in local expenditures.
- Because this legislation is permissive, it is not possible to estimate accurately how many local governments will enact this legislation beyond a not significant net impact decrease in local expenditures.

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

/kmc