

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 35

January 25, 2013

SUMMARY OF BILL: Prohibits local government from requiring a private employer to compensate their employees more than what is required by federal or state law, establish a leave policy that differs from state requirements, or provide health insurance benefits for employees as a condition of doing business within the boundaries of the local government or contracting with the local government. Prohibits local government from requiring construction contract vendors to pay a prevailing wage to their respective employees in excess of minimum wages identified in the Prevailing Wage Act, codified in Tenn. Code Ann. § 12-4-4, as a condition of doing business with the local government. The provisions of this bill shall not apply when entering into a contract with the federal government or if compliance would deny a local government federal funds that would otherwise be available.

ESTIMATED FISCAL IMPACT:

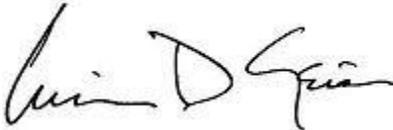
NOT SIGNIFICANT

Assumptions:

- According to the Department of Labor and Workforce Development, the provisions of this bill will not result in a significant fiscal impact to the Department.
- According to the Department of Transportation, the provisions of this bill will not result in a significant impact to the Department.
- Based on information provided by the County Technical Assistance Service (CTAS) and the Municipal Technical Advisory Service (MTAS), the city of Memphis is the only local government that currently requires a living wage ordinance.
- Based on data collected from the city of Memphis in 2012 for similar legislation, fewer than 100 city contracts will be affected. Any additional costs for the city of Memphis to amend affected contracts is estimated to be not significant.
- Based on further information provided by CTAS, no counties are currently performing the functions prohibited by this bill.
- Any further fiscal impact to local government is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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