

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 188 - HB 182

February 5, 2013

SUMMARY OF BILL: Requires the Department of Transportation to advertise bids for contracts by publishing a written notice on the Department's website, rather than in certain newspapers. Authorizes the Department to advertise in newspapers or in other internet or print media as the Department may deem appropriate or necessary.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures – \$261,000/Highway Fund

Assumptions:

- According to the Department, expenditures on advertising for bids in newspapers were \$279,142 in FY10-11 and \$270,359 in FY11-12. The average annual expenditure for bids in newspapers is estimated to be \$274,751 $[(\$279,142 + \$270,359) / 2]$. This recurring estimate is assumed to remain constant under current law.
- The cost of publishing a written notice on the Department's website is estimated to be not significant.
- Five percent of advertisements for bids for contracts will be published in newspapers or in other print media, in addition to the Department's website. The recurring cost of such print media advertising is estimated to be \$13,738 $(\$274,751 \times 5.0\%)$.
- The total recurring decrease in state expenditures to the Highway Fund is estimated to be \$261,013 $(\$274,751 - \$13,738)$.

CERTIFICATION:

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

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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