

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1806 - HB 1725**

March 15, 2014

**SUMMARY OF BILL:** Prohibits any local government entity utilizing any revenue derived from local or state taxes for lobbying services provided by any contractor, subcontractor, or other representative who is not an employee of the local government entity. Defines "local government entity" to include a school board, municipal utility, utility district, or any department, agency, or entity of a county, municipality, or metropolitan government. Authorizes the Department of Finance and Administration to withhold state shared revenue equaling the amount obligated or expended for lobbying from any local government who does not comply with this prohibition.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Due to multiple unknown variables, a precise fiscal impact to local government cannot reasonably be determined.**

Assumptions:

- According to information provided by the Bureau of Ethics and Campaign Finance, there are approximately 38 lobbyists registered as lobbyists for local government entities as defined by the bill. The number of local government entities represented by the 38 lobbyists is unknown.
- Due to multiple unknown factors, such as the number of local governments that may be penalized for not complying with the provisions of this legislation, the extent of any state shared taxes that would be withheld from any local government as a result of noncompliance, the extent of increased local expenditures that will occur as a result of having state shared tax revenue withheld, and the extent of any decrease in local government expenditures as a result of no longer contracting with a lobbyist due to the provisions of this bill, a precise fiscal impact to local government cannot reasonably be determined.

**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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/jrh