

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1629 – SB 1615

February 26, 2016

SUMMARY OF ORIGINAL BILL: Authorizes local government entities to enter into cooperative purchasing agreements with federal agencies.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (012797): Adds language to the original bill specifying that authorization for local government entities to enter into cooperative purchase agreements with federal agencies does not extend to: (1) purchases of new or used motor vehicles, unless the motor vehicles are manufactured for a special purpose as defined in Tenn. Code Ann. § 12-3-1208; (2) purchases of construction, engineering, or architectural services; construction materials; or construction machinery, including, but not limited to, bulldozers and other heavy equipment utilized in construction or on construction sites; or (3) purchases of fuel, fuel products, and lubricating oils.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

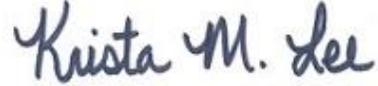
- This bill as amended is only applicable to local government. No fiscal impact to state government.
- Pursuant to Tenn. Code Ann. § 12-3-1205, any local government entity or utility district may enter into a cooperative purchasing agreement for goods, supplies, services or equipment with one or more government entities outside of the state.
- According to the Tennessee Association of Public Purchasing, expanding the current law to allow local governments to specifically enter into purchasing agreements with the federal government will allow local government entities more flexibility in making purchasing decisions.
- The prices at which any goods or services would be procured under the provisions of this legislation are assumed to approximate the prices of any goods or services which are

HB 1629 – SB 1615

procured in the absence of the legislation. As a result, any net permissive impact to local governments is estimated to be not significant.

CERTIFICATION:

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

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj