

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 54 - SB 127**

February 6, 2017

**SUMMARY OF BILL:** Prohibits state and local governments from taking discriminatory action against a business based on that business's internal policies that are in compliance with state law.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – To the extent a business contracts with or receives a grant from a state or local government entity and adopts a policy in compliance with state law but out of compliance with federal law, federal funds may be withheld. The extent of any potential federal withholding is based on multiple unknown factors and cannot be reasonably determined.**

Assumptions:

- Businesses adopting internal policies in compliance with federal law will not result in any significant impact to state or local government.
- Based on information provided by the Department of Revenue, the department does not administer taxes in a manner inconsistent with state tax law, regardless of a business's internal policies. Businesses with internal policies contrary to Tennessee tax law would not limit the department's ability to proceed with assessment and collection.
- Based on information provided by the Department of Commerce and Insurance, the Department of Health, and the Department of Finance and Administration, if a department was to enter into a contract or administer a grant to a business with an internal policy that does not comply with federal law, the department would risk losing federal financial assistance.
- The circumstances under which each department could lose funding and the amount of any potential federal funding loss are unknown and cannot be reasonably quantified.

**IMPACT TO COMMERCE:**

**Other Fiscal Impact – In the event federal funds are withheld as a result of a business's non-compliance with federal law, commerce and jobs may be impacted. The extent of any impact is dependent on multiple unknown factors and cannot be reasonably quantified.**

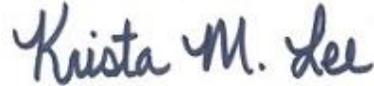
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Assumption:

- Businesses that adopt internal policies out of compliance with federal law and are contracting or accepting grants from state and local governments risk losing grants and contracts that may impact commerce and jobs of the business. The circumstances and the extent of any potential impact are unknown.

**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