

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1246 - SB 1106

March 1, 2017

SUMMARY OF BILL: Enacts the *Tennessee Pay Equality Act*. Defines terms related to the act. Declares that no employer shall discriminate between employees on the basis of sex by paying any employee a wage rate less than the wage rate the employer pays to any employee of the opposite sex for comparable work on jobs where the performance of such job requires comparable skill, effort, and responsibility, and which are performed under similar working conditions. Requires the Department of Labor and Workforce Development (DLWD) to administer and promulgate rules. Specifies that a violation of the Act is a class A misdemeanor. Creates cause of action against employers who violate the provisions of the bill. Any action brought to enforce this part may be maintained as a class action as provided by the Tennessee Rules of Civil Procedure.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- DLWD is expected to execute the provisions of the bill within existing resources without an additional appropriation or a reduced reversion.
- There will not be a significant number of prosecutions to significantly impact state revenue or expenditures.
- There will not be a sufficient number of civil actions for state or local government to experience any significant increase in revenue or expenditures.
- Any other impact as a result of this bill will be borne by private parties.
- The County Technical Assistance Service (CTAS) confirms this bill will not result in a significant fiscal impact to local governments.

IMPACT TO COMMERCE:

Other Commerce Impact – The bill may result in increased wage costs, administrative costs for payroll analysis and reporting, or litigation costs for some businesses. The extent of any such increases cannot be determined because such impacts are dependent upon the extent of compliance by employers.

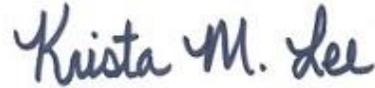
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Assumptions:

- The provisions of the bill may result in an increase in pay for workers who are not currently receiving equal pay in their respective workplaces.
- Any resulting increased pay is considered an increase in business wage expenditures. The amount of any potential increased wage expenses cannot be reasonably estimated because such impacts are dependent upon the extent of compliance by employers.

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

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