

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1232 - SB 1231

April 15, 2019

SUMMARY OF ORIGINAL BILL: Decreases, from 30 to 21 days, the amount of time a lobbyist or an employer of a lobbyist has to electronically report to the Tennessee Ethics Commission the total aggregate cost paid for an in-state event to which all General Assembly members were invited.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (008289): Deletes all language after the enacting clause. Authorizes any member of the General Assembly to use unexpended fund contributions which remain after the election for payment of lodging expenses on the same day the member earns mileage reimbursement and per diem, if the lodging is necessitated by the normal course of the member's duties and the member is not otherwise eligible for reimbursement for such lodging or the member's reimbursement does not cover the total amount of the lodging expenses. In addition, a member may also use such funds to reimburse travel expenses for mileage above the mileage for which the member is reimbursed by this state for travel to Nashville, if such additional miles are necessitated by the normal course of the member's duties. This authorization is effective upon this legislation becoming law.

Requires each member of the General Assembly to be paid an expense allowance: (1) equal to the allowance granted federal employees for meals and incidentals in the Nashville area; and (2) equal to the annual average hotel rate for the previous calendar year in the Nashville central business district (CBD), as provided by the Nashville Convention and Visitors Corporation (NCVC) or their successor organization. Requires the allowance granted federal employees for lodging expenses in the Nashville area if the annual average hotel rate is unobtainable.

Requires members whose principal residence is 50 miles from the Capitol or less who are unable to return home at the conclusion of any such day, and with the express approval of the Speaker of such member's house, to be reimbursed an expense allowance for lodging equal to the annual average hotel rate for the previous calendar year in the Nashville CBD, as provided by the NCVC or their successor organization. Requires the allowance granted federal employees for lodging expenses in the Nashville area if the annual average hotel rate is unobtainable. This requirement is effective on November 3, 2020.

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FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures - \$79,100/FY20-21
\$323,500/FY21-22 and Subsequent Years**

Assumption for the bill as amended:

- The authorization enabled by this legislation involves the use of unexpended funds made available to a candidate for public office as provided from non-public entities; therefore, such provisions related to the use of unexpended campaign funds will result in no significant fiscal impact on state or local government.
- Members of the General Assembly are currently paid a per diem of \$179 for lodging and \$61 for meals and incidentals. Members whose principal residence is 50 miles or less from the Capitol are only paid for meals and incidentals, unless such members are unable to return home and receive express approval of the Speaker of the member's house for lodging reimbursement.
- The current allowance for meals and incidentals is equal to the allowance granted federal employees and will not be significantly impacted by this legislation.
- Fiscal Review Committee staff does not have the 2019 average hotel rate in the Nashville CBD, as provided by the NCVC. However, based on the staff's independent research, such rate is estimated to be \$219 per night and is assumed to remain constant in subsequent years.
- Based on information provided by the Office of Legislative Administration, 96 members of the General Assembly receive reimbursement for lodging expenses.
- The total number of lodging accommodations paid for all members during legislative session in 2017 was 5,856 nights (96 members x 61 legislative days).
- The total number of lodging accommodations paid for all members out of session in 2017 was 2,232 nights.
- According to the most recent available data, the total current expenditures for lodging during session is equal to \$1,048,224 (\$179 x 5,856 nights) and for lodging out of session is equal to \$399,528 (\$179 x 2,232), for a total of \$1,447,752 (\$1,048,224 + \$399,528). These numbers are assumed to remain constant into perpetuity under current law.
- Passage of this legislation will increase total expenditures for lodging to \$1,282,464 during session (\$219 x 5,856 nights) and to \$488,808 out of session (\$219 x 2,232), for a total of \$1,771,272 (\$1,282,464 + \$488,808).
- The recurring increase in state expenditures is estimated to be \$323,520 (\$1,771,272 - \$1,447,752) in FY21-22 and subsequent years.
- Due to the effective date of November 3, 2020, the total increase in state expenditures for FY20-21 is estimated to be \$79,116 {[\$1,282,464 + (\$488,808 / 8 interim months x 4 interim months)] - \$1,447,752}.

CERTIFICATION:

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

/jdb