

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2082 - SB 2041**

May 8, 2020

**SUMMARY OF BILL:** Authorizes counties, municipalities, and school boards to require any contractor to bond their subcontractor to ensure fair compensation for work completed.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – The extent of any increase in local expenditures associated with increased contract costs cannot be determined but is considered permissive.**

Assumptions:

- Any county, municipality, or school board requiring such bonds may realize an increase in costs associated with the project such contractor is contracted to complete.
- The number of counties, municipalities, and school boards who will require such bonds and the level of the bond which will be required are unknown. It is reasonably assumed that contractors required to obtain such bonds will recoup costs associated with the bond by increasing overall costs associated with the contract.
- Any increase in local expenditures associated with increased contract costs is considered permissive but cannot be determined due to multiple unknown factors.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

Assumption:

- Any contractor required to bond subcontracts will recoup expenditures associated with such bond through increased contract costs assessed to customers; therefore the net impact to jobs and commerce in Tennessee is considered not significant.

**CERTIFICATION:**

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

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

Krista Lee Carsner, Executive Director

/jrh