

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2217 - SB 2148

February 27, 2020

SUMMARY OF BILL: Effective January 1, 2021, enacts the *Licensing Innovation Act (the Act)* by authorizing the Commissioner of the Department of Commerce and Insurance (Commissioner) to issue a regulatory innovation waiver to license a person to pilot test an innovation. Defines “innovation” as the incorporation of a new or emerging technology to provide a product, service, or business model that has not been used, sold, licensed, or made available in this state. Establishes that the regulatory innovation waiver cannot waive any statutory or regulatory requirements concerning licensing under Title 56, any taxes or fees, federal requirements, or the Consumer Protection Act of 1977.

Authorizes the Commissioner to collect a regulatory innovation waiver application fee equal to the license fee that would otherwise be required to offer the innovation. Authorizes the Commissioner only to waive statutes and rules subject to enforcement by the Commissioner. Requires the Commissioner to provide the Joint Government Operations Committee with an annual report of all active innovation participants and the statutory and regulatory requirements that have been waived for each participant. Terminates the Commissioner’s authority to grant new regulatory innovation waivers and repeals this Act on January 1, 2025.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The proposed legislation establishes that the Commissioner is prohibited from waiving any statutory or regulatory requirements concerning the application of any taxes or fees or federal requirements.
- The Commissioner is only authorized to waive statutes and rules subject to enforcement by the Commissioner.
- It is assumed that the Commissioner will charge the innovation waiver applicant a fee equivalent to the licensure fee that would otherwise be required to offer the innovation; therefore, no decrease in revenue or expenditures estimated for the Department of Commerce and Insurance or Division of Regulatory Boards.
- Innovation waiver participants are not exempt from regulation under the Consumer Protection Act of 1977.
- Committing an unfair or deceptive practice under the Consumer Protection Act is a Class B misdemeanor offense.

- It is not estimated there will be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- The Commissioner can administer the program and provide an annual report of the active participants to the Joint Government Operations Committee within existing resources.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- It is assumed that any participant under the Act will be required to pay an application fee equivalent to what the applicant would pay for licensure that would otherwise be required to offer the innovation.
- No significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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