

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 48 – HB 1358

February 8, 2019

SUMMARY OF BILL: Increases, from \$25,000 to \$50,000, the threshold above which certain local government entities must provide public advertisement and seek sealed competitive bids for nonemergency and nonproprietary purchases.

ESTIMATED FISCAL IMPACT:

Decrease Local Expenditures – Exceeds \$2,900

Assumptions:

- Pursuant to Tenn. Code Ann. § 12-3-1212, counties, municipalities, utility districts, and local education agencies (LEAs) with a centralized purchasing authority are required to provide public advertisement and seek sealed competitive bids for all nonemergency and nonproprietary purchases above \$25,000.
- The proposed language would increase the threshold to \$50,000; therefore, the number of newspaper advertisements that certain local governments are required to publish prior to purchases will decrease.
- Based on responses to the 2017 Local Government Survey conducted by the Fiscal Review Committee staff, participating local government officials reported the average cost for a newspaper notification is \$114.
- It is reasonably estimated that the proposed legislation will result in at least 25 fewer newspaper notifications statewide; therefore, the recurring decrease in local government expenditures is estimated to exceed \$2,850 (25 notifications x \$114 per notification).

CERTIFICATION:

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

Krista Lee Carsner, Executive Director

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