

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 67 – HB 1420

March 3, 2019

SUMMARY OF BILL: Prohibits manufacturers, wholesalers, and retailers from manufacturing, distributing, and selling children's products or upholstered furniture containing more than 1,000 parts per million of specified flame retardant chemicals. Creates a series of fines for persons in violation of the provisions of this legislation. Establishes a product testing team within the Department of Environment and Conservation (TDEC), which is to be reimbursed by the Department of Agriculture (DOA), which has promulgating authority.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

\$4,800/One-Time/Department of Agriculture
\$265,300/Recurring/Department of Agriculture

Assumptions:

- The proposed legislation would require a testing and sampling program to ensure compliance. As stated in the proposed legislation, TDEC will perform these tests with reimbursement from the DOA.
- It is assumed that at least one upholstered furniture item and five children's items will be tested each month. Therefore, 12 upholstered furniture items and 60 child items will be purchased each year.
- The average cost for each upholstered furniture item is estimated to be \$800; and the average cost for each child's items is estimated to be \$25.
- The recurring increase in state expenditures for test products is estimated to be \$11,100 [(12 pieces of upholstered furniture x \$800) + (60 pieces of children's items x \$25)].
- Based on information provided by TDEC, each product test will cost approximately \$2,000.
- The recurring increase in state expenditures to perform the required product tests is estimated to be \$144,000 (72 items per year x \$2,000 test cost).
- DOA will require one full-time position and two part-time Consumer Protection Specialist 2 positions to conduct initial product inspections and to obtain and submit sample products to TDEC.
- The one-time increase in state expenditures for computers and printers is estimated to be \$4,800.

- The recurring increase in state expenditures for staffing is estimated to be \$110,197 [\$91,000 (salary and wages for all employees) + \$12,957 (benefits for the full-time position) + \$6,240 (for travel)].
- The total recurring increase in state expenditures as a result of this legislation is estimated to be \$265,297 (\$11,100 + \$144,000 + \$110,197).
- Given the DOA is to provide the sample products to TDEC, and further given that DOA is to reimburse TDEC any costs associated with product testing, it is assumed all costs associated with this legislation will be paid by the DOA.

IMPACT TO COMMERCE:

Increase Business Revenue - \$155,100/FY19-20 and Subsequent Years

Jobs Impact – Not Significant

Assumptions:

- The recurring increase in business revenue is estimated to be \$155,100 (\$11,100 in test product purchases + \$144,000 in testing supplies purchased by TDEC from supply vendors).
- Any impact to jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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