

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 71 - SB 252**

February 5, 2023

**SUMMARY OF BILL:** Prohibits a procurement protest that is based upon the cancellation of a solicitation. Requires a protest bond from a party submitting an appeal of a protest decision. Creates a new statute prohibiting a state governmental entity from entering into contracts with certain provisions that are against state law.

**FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Prohibiting protests from cancelled solicitations will not significantly impact state operations or procedures and will not result in a significant fiscal impact to state expenditures.
- The proposed legislation creates a new statute prohibiting the state from entering into contracts with certain provisions that are against state law. These prohibitions already exist in current law. The proposed legislation merely consolidates them into one state.
- The proposed legislation requires protest bonds for appeals of protest decisions. In the last five years, the Protest Committee has received 10 appeals of protest decisions, but the Protest Committee has recently seen an increase in appeals. Six of the 10 appeals received in the last five years were received in 2022.
- At the conclusion of a protest, the protest committee directs the Chief Procurement Officer to either retain the protest bond or return the protest bond to the protesting party. According to the Department of General Services, the Central Procurement Office (CPO), the CPO has never retained a protest bond.
- The proposed legislation will not significantly impact state operations or procedures and will not result in a significant fiscal impact to state expenditures

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**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 style with a large initial 'K' and 'C'.

Krista Lee Carsner, Executive Director

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