

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 94 – SB 158

February 18, 2018

SUMMARY OF ORIGINAL BILL: Requires LEAs to place at least one automated external defibrillator (AED) device in each school. Creates “The Lovin Law” which requires an owner or operator of a publicly-operated or privately-operated facility that has a capacity of 500 or more to make available at least one AED, ensure the presence of at least one person who is employed by the facility to be trained to operate the AED, and inspect the AED according to the manufacturer’s recommendations. Effective date of January 1, 2018.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$452,000/FY17-18
\$289,600/FY18-19
\$292,900/FY19-20 and Subsequent Years

Increase Local Expenditures – Exceeds \$3,780,000/FY18-19*
Exceeds \$448,900/FY20-21 and Subsequent Years*

SUMMARY OF AMENDMENT (011866): Deletes all language after the enacting clause. Creates “The Lovin Law” which requires an owner or operator of a publicly-operated or privately-operated facility that is 12,000 square feet or greater in size and open to the public have at least one functional automated external defibrillator (AED) for emergency use and to inspect and maintain the AED as required according to the manufacturer's recommendations for the AED.

Requires a municipal or county building inspector or fire chief, the state fire marshal, or any other official designated to inspect buildings or premises in a jurisdiction to ensure compliance during any inspection.

Creates a civil penalty to be paid to the state fire marshal for each day of violation not to exceed \$50 for an owner or operator of a facility required to have an AED by this section who fails to have a functioning AED in place in the facility. Effective January 1, 2019.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures - \$196,000/FY18-19
\$23,300/FY20-21 and Subsequent Years**

**Increase Local Expenditures – Exceeds \$1,900,000/FY18-19*
Exceeds \$225,600/FY20-21 and Subsequent Years***

Assumptions for the bill as amended:

- Based on information provided by the Comptroller of the Treasury, the average cost for an AED per the state contract is approximately \$2,000. Replacement parts are estimated to be \$475 (\$140 for AED pads + \$135 battery + \$200 electrodes), to be replaced every two years.
- Based on information provided by the Department of General Services (DGS), the DGS has 123 facilities that would be required to have an AED. Currently, 25 of these facilities have at least one AED; the other 98 facilities will need AED devices installed.
- The one-time increase in state expenditures associated with the AEDs is estimated to be \$196,000 (\$2,000 x 98 facilities).
- The biennial recurring increase in state expenditures associated with AEDs is estimated to be \$46,550 (98 facilities x \$475); annualized, the recurring increase, beginning in FY20-21, is estimated to be \$23,275 (\$46,550 / 2 years).
- It is estimated that at least 950 (10 buildings x 95 counties) buildings in counties and municipalities will require an AED. The one-time increase in local expenditures associated with the AEDs is estimated to exceed \$1,900,000 (950 x \$2,000).
- The biennial recurring increase in local expenditures associated with AEDs is estimated to exceed \$451,250 (950 buildings x \$475); annualized, the recurring increase, beginning in FY20-21, is estimated to exceed \$225,625 (\$451,250 / 2 years).
- Based on information provided by the Department of Commerce and Insurance, the proposed legislation is not expected to have a significant impact on current inspections conducted; therefore, any fiscal impact is estimated to be not significant.
- Assuming owners or operators of facilities who fail to comply with the provisions of the proposed legislation will take advantage of the two week grace period to come into compliance, any increase in revenue due to civil penalties is estimated to be not significant.
- Based on information provided by the Department of Environment and Conservation (TDEC), all of the inns have AEDs and a designated employee responsible for each AED. None of TDEC's field offices have over 12,000 square feet; therefore, any fiscal impact is estimated to be not significant.
- Based on information provided by the Department of Agriculture, the Department does not have facilities with over 12,000 square feet; therefore, any fiscal impact is estimated to be not significant.
- All of the Department of Military facilities with over 12,000 square feet have AEDs installed and individuals trained to use them.

- The Department of Transportation only has one facility that would be included in the proposed legislation; the facility has AEDs on every floor and adequate staff trained to use the devices.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

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



Krista M. Lee, Executive Director

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