# TENNESSEE GENERAL ASSEMBLY FISCAL REVIEW COMMITTEE



### FISCAL MEMORANDUM

SB 542 - HB 606

March 28, 2023

**SUMMARY OF BILL AS AMENDED (006436):** Establishes that persons or entities, other than the Department of Children's Services (DCS) or licensed child-placing agencies, who engage in the placement of children for adoption, who charge or receive anything whatsoever of value in exchange for an adoptive child, or who provide certain services related to adoption using false or misleading representations of fact or deceptive representations, constitutes an unfair and deceptive act or practice under the *Consumer Protection Act of* 1977. Defines the term adoption facilitator and prohibits them from operating in the state. Creates a tort liability of adoption facilitation that can be brought against an adoption facilitator by adoptive parents for compensatory, punitive, and liquidated damages. Creates a Class A misdemeanor for a person who places or attempts to place a child up for adoption in violation of state law.

#### FISCAL IMPACT OF BILL AS AMENDED:

#### **NOT SIGNIFICANT**

Assumptions for the bill as amended:

- Committing an unfair or deceptive practice under the *Consumer Protection Act of 1977* is a Class B misdemeanor offense.
- Pursuant to the proposed legislation, an adoption facilitator is defined as a person or entity who solicits prospective adoptive and biological parents and acts as a broker in an adoption in exchange for compensation.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- Any additional Attorney General duties resulting from the proposed legislation will be absorbed using existing resources, without a significant increase in state expenditures.
- The proposed legislation does not list the DCS as a party against whom the tort action may be brought; therefore, there is no significant impact to DCS.
- Any legal action brought and any compensatory damages paid with regards to the tort claim will be on behalf of private parties.
- Any increase in caseloads of the trial courts as a result of the provisions of the proposed legislation can be handled within existing judicial resources and personnel; therefore, it will have no significant fiscal impact on state or local government.

## **CERTIFICATION:**

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

Krista Lee Carsner, Executive Director

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