

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1436 - HB 1561

March 28, 2021

SUMMARY OF BILL: Removes a prohibition on state and local governments from requiring that a company bidding or contracting to provide services on a public construction project employ individuals who reside within a particular political jurisdiction or who fall within a specific income range.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Tennessee Code Annotated § 12-4-117 prohibits the state or a local government from requiring a bidding company or contractor to employ individuals residing within a certain jurisdiction or establish a specific income range for such employees. This statute was established in 2016 by Public Chapter 587.
- Based on information provided by the Department of General Services (DGS), prior to enactment of Public Chapter 587, DGS did not establish such employment requirements on bidding companies and will not do so if the prohibition is removed.
- Any requirements placed on employers to hire residents of the local government or establish certain pay requirements for employees will not significantly impact contracting terms between local governments and such employers. Any fiscal impact to local government is considered not significant.

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".

Krista Lee Carsner, Executive Director

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