

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1949 - SB 2074**

February 16, 2020

**SUMMARY OF BILL:** Authorizes any regulatory board, commission, or entity administratively attached to the Department of Commerce and Insurance (DCI) Division of Regulatory Boards or Department of Health (DOH) Division of Health Related Boards to use up to 10 percent of the agency's reserve fund to cover a deficit if the agency did not collect fees sufficient to operate in the current fiscal year. Prohibits an agency from using a reserve fund more than once within a three-year period. Requires an agency using a reserve fund to provide written notice to the Commissioner of the department in which the agency is administratively attached and appear before the Joint Government Operations Committee to discuss use of the fund.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two-year period.
- The proposed legislation will result in a reduction of Regulatory and Health Related Board reserve funds by up to 10 percent for boards and commissions that incur operational deficits; however, regulatory and health related boards are required to be self-sufficient and would not utilize state funds to cover a deficit.
- The DCI Division of Regulatory Boards experienced a surplus of \$2,476,154 in FY17-18, a surplus of \$2,141,317 in FY18-19, and had a cumulative reserve balance of \$30,967,506 on June 30, 2019.
- The DOH Division of Regulatory Boards experienced a surplus of \$3,621,024 in FY17-18, a surplus of \$2,524,075 in FY18-19, and had a cumulative reserve balance of \$36,189,376 on June 30, 2019.
- The Joint Government Operations Committee meets regularly throughout the year; therefore, any agency appearing before the Committee as a result of the proposed legislation would not require additional travel reimbursement expenses for Committee members.
- No significant fiscal impact to state or local government.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

Assumption:

- Authorizing a regulatory board, commission, or entity to use the agency’s reserve fund to cover a deficit will have no significant impact to jobs or commerce in Tennessee.

**CERTIFICATION:**

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



Krista Lee Carsner, Executive Director

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