

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1958 - SB 1877

March 1, 2024

SUMMARY OF BILL: Prohibits a utility district or a municipal or public corporation providing a utility service to a local government from executing a no-bid contract for energy-related services if the total value of the contract exceeds \$50,000.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 12-4-107, contracts for professional services for local governments and political subdivisions are procured by a selection committee or procurement official, and are awarded based on the qualifications and experience of the firm.
- Pursuant to Tenn. Code Ann. § 12-4-110, contracts for energy-related services that include engineering services and equipment, with the purpose of reducing energy costs in public facilities, are awarded in the same manner as professional services contracts.
- The proposed legislation would require a utility district or a municipal or public corporation that provides a utility service to a local government to request a competitive bid on such contracts in excess of \$50,000.
- It is estimated that the number of contracts by utility districts, municipalities, or public corporations that meet the proposed conditions and would be required to be competitively bid is minimal. Competitive procurements would increase administrative costs but could result in a decrease in contractual costs.
- Any impact on local government expenditures is considered not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- The proposed legislation does not apply to privately owned and operated utility companies; therefore, any impact to commerce and jobs in this state is not significant.

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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, flowing style.

Krista Lee Carsner, Executive Director

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