TENNESSEE GENERAL ASSEMBLY FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2110 - SB 2027

February 12, 2024

SUMMARY OF BILL AS AMENDED (013622): Establishes that "work" has the same meaning as interpreted by the United States Supreme Court for the purposes of the *Fair Labor Standards Act* (FSLA) and the *Portal-to-Portal Act of 1947* (PPA).

Establishes that "work," as defined with regards to state wage regulations, does not include time that an employee spends on: 1) walking, riding, or traveling to and from the actual place of performance of the principal activity or activities that the employee is employed to perform; 2) activities that are preliminary to or postliminary to the principal activity; or 3) activities that require insubstantial or insignificant periods of time beyond the employee's scheduled working hours.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- This legislation seeks to codify changes made to the federal FSLA and the PPA.
- One of the foremost purposes of the PPA is to define compensable working time for employees. Such changes help define whether certain periods of time spent traveling to-and-from one's place of work is compensable time.
- Pursuant to 29 CFR § 785.35, traveling to-and-from work is not worktime and therefore, not compensable; however, there is some ambiguity in certain situations, such as found in 29 CFR § 785.36, which provides that the federal Department of Labor does not take a position as to whether being required to travel to work for an emergency call is compensable, when such requirement falls outside the employee's regular working hours.
- Pursuant to 29 CFR § 785.38, time spent by an employee in travel as part of their principal activity, such as travel from job site to job site, must be counted as hours worked.
- This legislation is not estimated to result in any significant impact to the amount of compensable time for which workers in Tennessee are compensated, but rather, is expected to codify current practice by mirroring federal law.
- Any fiscal impact upon state or local government is assumed to be not significant.

IMPACT TO COMMERCE OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- It is assumed that this legislation will not result in any reduced wages for employees; therefore, there will be no significant reduction of expenditures for businesses in Tennessee.
- Any impact on jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

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

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Krista Lee Carsner, Executive Director

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