



FISCAL MEMORANDUM

HB 2202 - SB 2052

March 5, 2024

SUMMARY OF BILL AS AMENDED (015075): Increases each General Assembly member's monthly expense allowance from \$1,250 to \$2,250. Changes the date for when members receive an adjusted increase to their monthly expense allowance from the statewide general election in 2024 to the statewide general election in 2026. Effective November 5, 2024.

Authorizes a member who receives an increase in their monthly expense allowance after November 5, 2024, to donate the increased amount of the allowance to a charitable organization within their district. Declares that once a different individual is elected to represent the same district, the new member must receive the entire increase in the monthly expense allowance.

FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Expenditures – \$950,400/FY24-25
\$1,425,600/FY25-26 and Subsequent Years**

Other Fiscal Impact – Additional increases in state expenditures will be incurred every subsequent two years. The precise increase is dependent on future CPI averages and cannot be reasonably determined.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 3-1-106(f)(1), each member of the General Assembly is paid a monthly allowance of \$1,250 for expenses in connection with the member's official duties when away from the seat of government.
- Pursuant to Tenn. Code Ann. § 3-1-106(f)(3), on November 5, 2024, the date of the statewide general election, and on the date of the statewide general election every two years thereafter, the expense allowance established in subdivision (f)(1) must be adjusted to reflect the percentage increase in the average consumer price index (CPI) for the two-year period immediately preceding the statewide general election. Each such adjustment must be rounded up to the nearest multiple of \$100.
- Based on the U.S. Bureau of Labor Statistics website's consumer price index historical table for U.S. City Average labeled "Consumer Price Index for All Urban Consumers" it can be reasonably estimated that the previous two-year period CPI average on November 5, 2024, will result in the members receiving an increase of \$100.

- Under current law, as a result of the \$100 increase, members of the General Assembly will receive a monthly allowance of \$1,350 (\$1,250 + \$100) beginning November 5, 2024.
- The proposed legislation increases the monthly allowance from what would have been \$1,350 to \$2,250 on November 5, 2024, resulting in an increase of \$900 (\$2,250 - \$1,350) per member per month.
- Due to an effective date of November 5, 2024, the increase in state expenditures is estimated to be \$950,400 [(\$900 x 132 members) x 8 months] in FY24-25 and an increase in state expenditures of \$1,425,600 [(\$900 x 132 members) x 12 months] in FY25-26 and subsequent years.
- Changing the date for the monthly allowance increase from 2024 to 2026 effectively eliminates the monthly allowance increase that would have been received on November 5, 2024, in place of the monthly allowance increase of \$100 to the increase of \$900 from this legislation and resumes future allowance increases using the consumer price index percentages as outline beforehand.
- As a result, future increases will be over a higher base amount than under current law, resulting in an additional increase in state expenditures every subsequent two years. The precise increase is dependent on future CPI averages and cannot be reasonably determined.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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