

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1973 – SB 2452

April 3, 2018

SUMMARY OF ORIGINAL BILL: Establishes procedures for selecting commissioners, alternate commissioners, and advisors to attend and represent the State of Tennessee at a convention of states or an Article V convention.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – To the extent that the General Assembly adopts a joint resolution to participate in a convention of states or an Article V convention, the proposed legislation would increase one-time state expenditures by at least \$946,100.

SUMMARY OF AMENDMENTS (013779, 016530): Amendment 013779 deletes all language after the enacting clause and rewrites the proposed legislation to (1) prohibit the General Assembly from expending any state funds related to a convention of the states before the necessary resolutions are adopted; (2) require the General Assembly, when not in regular session, to adjourn until necessary action is required relative to a convention of the states; (3) prohibit additional expenditures for members of the General Assembly who are not on the convention of the states joint committee during adjournment of a special session; (4) require a 15-day public comment period after a convention of the states with at least three public hearings conducted by the convention of the state joint committee; and (5) establish procedures for ratification of any constitutional amendments proposed by an Article V convention.

Amendment 016530 deletes and rewrites 3-18-104 in Section 1 of Amendment 013779 without making any substantive changes and adds language to 3-18-105 in Section 1 of Amendment 013779 that makes no substantive change to the proposed legislation.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Other Fiscal Impact – To the extent the General Assembly adopts a joint resolution to participate in a convention of states or an Article V convention, the proposed legislation would increase state expenditures by at least \$1,089,300 for any such convention.

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Assumptions for the bill as amended:

- Title 3, Chapter 18, Part 1 establishes the state's current procedures for participating in an Article V convention.
- The proposed legislation provides new procedures for selecting a delegation for an Article V convention or a convention of states.
- The General Assembly must adopt a joint resolution calling for participation in a convention. Thus, any increase in state expenditures resulting from the proposed legislation is subject to the General Assembly deciding to participate in the convention.
- If the General Assembly is not in regular session 150 days prior to a convention of the states, then the Governor must call the General Assembly into special session to take necessary actions under the proposed legislation. Upon the United States Congress calling an Article V convention, the Governor must immediately call the General Assembly into special session regardless of the number of days prior to the start of the Article V convention.
- The General Assembly must remain in session until 20 business days after the permanent adjournment of the convention.
- Initially, the General Assembly must select by vote the members of the convention of states joint committee. The joint committee must meet within five business days to elect a chair of the joint committee.
- It is assumed that the convention will continue for two months.
- The proposed legislation requires 44 other meetings and/or public hearings that the joint committee must hold as follows:
 - Three public hearings to determine the qualifications of commissioners and alternate commissioners;
 - Three public hearings to determine the qualifications for advisors;
 - Three public hearings to determine the proposed convention rules;
 - Five public hearings on proposals to be submitted to the convention by the commissioners;
 - Three public hearings on general instructions to commissioners;
 - Two meetings per week until 20 business days after permanent adjournment of the convention, for a total of 24 meetings; and
 - Three public hearings following permanent adjournment of the convention of the states.
- The proposed legislation requires the joint committee to be comprised of at least 15 percent of the members of each house of the General Assembly, or at least 15 House members (99 x 0.15) and at least 5 Senate members (33 x 0.15).
- Each member of the General Assembly will receive \$352 per day for per diem and travel, consisting of a daily per diem of \$229 plus \$0.47 per mile at an estimated 262 roundtrip miles. Thirty meetings of the joint committee will increase state expenditures by at least \$309,760 (\$352 per member x 20 members x 44 meetings).
- Information from Legislative Administration indicates that one day of session requires approximately \$22,220 in state expenditures for member per diem, travel, and lodging.

- The General Assembly must meet to organize the joint committee and remain in special session until at least 20 business days after the permanent adjournment of the convention. However, the proposed legislation requires the General Assembly to adjourn until such time when debates or votes relative to the convention of the state are required.
- Assuming the convention will continue for two months, the General Assembly will meet in session for 10 days, which would increase state expenditures by at least \$222,200 ($\$22,220 \times 10$).
- The proposed legislation requires the development of a public website. The website may be an extension of any then-existing general assembly website. The website must:
 - Publish all committee proceedings with word-for-word text transcripts of joint committee meetings;
 - Live broadcast all hearings of the joint committee;
 - Make audio and video recordings of the joint committee meetings available for public viewing;
 - Permit Tennessee registered voters to create a password-protected account; and
 - Permit registered voters with accounts to post comments on any document published on the website and provide a means for commenting on the comments of other users.
- Legislative Information Systems will use existing staff to develop the website.
- Upon creation of the website, the joint committee must cause advertisements to be published in at least one newspaper of record in each county of Tennessee. Based on responses to the 2017 Local Government Survey conducted by the Fiscal Review Committee, the average cost to advertise in a newspaper of general circulation is \$113.
- The proposed legislation will increase state expenditures by at least \$10,735 ($\113×95) for the joint committee advertisements.
- The proposed legislation requires at least five commissioners, at least an equal number of alternate commissioners as commissioners, and at least an equal number of advisors as commissioners. At a minimum, the proposed legislation requires 15 total commissioners, alternate commissioners, and advisors.
- The proposed legislation requires the General Assembly to compensate the commissioners, alternate commissioners, and advisors at the rate of the annual salaries of senators, prorated by the number of days they remain in office, and reimburse them for expenses and mileage. A senator's annual salary is \$22,667, or \$62.06 per day ($\$22,667 / 365.25$) and \$352 per day for per diem, travel, and lodging for a total of \$414.06 per day. Commissioners, alternate commissioners, and advisors stop receiving a salary 28 days after the permanent adjournment of the convention.
- Assuming a two-month convention, the commissioners, alternate commissioners, and advisors will receive a salary for 88 days. The proposed legislation will increase state expenditures by at least \$546,559 ($15 \times \414.06×88 days).
- To the extent the General Assembly adopts a joint resolution to participate in a convention of states or an Article V convention, the proposed legislation would require one-time state expenditures of at least \$1,089,254 ($\$309,760 + \$222,200 + \$10,735 + \$546,559$).

CERTIFICATION:

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

Handwritten signature of Krista M. Lee, RNC in blue ink.

Krista M. Lee, Executive Director

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