

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 284 - SB 379

February 1, 2023

SUMMARY OF BILL: Standardizes the thresholds for competitive sealed bids for counties, municipalities, utility districts, local education agencies, and other local governmental entities (LGEs).

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 12-3-1212:
 - An LGE having centralized purchasing authority with a full-time purchasing agent may, by resolution or ordinance of the governing body, increase the threshold over which public advertisement and sealed competitive bids are required to an amount not to exceed \$50,000 for nonemergency, nonproprietary purchases;
 - An LGE having non-centralized purchasing authority may, by resolution or ordinance of the governing body, increase the threshold over which public advertisement and sealed competitive bids are required to an amount not to exceed \$25,000 for nonemergency, nonproprietary purchases; and
 - At least three written quotations are required, when possible for purchases costing less than the applicable bid threshold, and purchases of like items must be aggregated.
- The proposed legislation standardizes the thresholds for competitive sealed bids for LGEs so that they conform with the provisions of Tenn. Code Ann. § 12-3-1212.
- Tennessee Code Annotated § 12-3-1212 supersedes another law to the contrary, so it can be reasonably assumed that LGEs desiring to increase bid thresholds have already done so using the authority granted by the statute.
- As a result, standardizing the bid thresholds for LGEs is not expected to have any significant fiscal impact on local government expenditures.

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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