

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1903 - SB 2429

February 7, 2024

SUMMARY OF BILL: Authorizes a contractor seeking a renewal application for a monetary limitation greater than \$1,500,000 to be accompanied by a compilation prepared by a licensed public accountant or a certified public accountant rather than a reviewed or audited financial statement prepared by a licensed public accountant or a certified public accountant.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The Board for Licensing Contractors can update any policies or procedures with regard to licensing renewals within existing resources. Any impact on the number of license renewals will be not significant.
- Any impact to state or local government is estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two-year period. The State Board for Licensing Contractors experienced a surplus of \$34,228 in FY21-22, a surplus of \$119,826 in FY22-23, and had a cumulative reserve balance of \$2,724,409 on June 30, 2023.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Requiring compilation financial statements for licensure renewals could reduce business expenditures for contractors and speed up the renewal process as the contractor could use their own accountant and resources to produce the necessary financial statements rather than outsourcing to an independent accountant.
- However, any such decrease in business expenditures will be offset by an equal decrease in business revenue to such accountants. The net impact on commerce is estimated to be not significant. Any impact on jobs will be 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 style with a large initial 'K' and 'C'.

Krista Lee Carsner, Executive Director

/lm