



February 16, 2024

SUMMARY OF BILL AS AMENDED (013925): 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. Authorizes the Board for Licensing Contractors, with cause, to require a financial statement of the applicant that is reviewed or audited and attested by a licensed public accountant or certified public accountant if the board has reason to believe it is in the best interest of the public safety and welfare.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- 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 OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- 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.

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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