

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1841 – SB 2859

February 9, 2024

SUMMARY OF BILL: Prohibits certain foreign-owned companies from bidding or submitting a proposal for a contract with a state agency or political subdivision of this state for goods or services.

Establishes that any company that submits a false certification alleging it is not prohibited from such contracts, is liable for:

- A civil penalty equal to the greater of \$250,000 or twice the amount of the contract for which a bid or proposal was submitted;
- An immediate termination of such contract with such company; and
- A prohibition to bid on a state contract for 60 months, regardless of whether such company becomes otherwise eligible.

Establishes certain instances in which a state agency or political subdivision may enter into a contract with an otherwise ineligible company.

Establishes additional disclosures requirements.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The proposed legislation prohibits foreign adversary companies, federally banned corporations, and companies that offer goods or services from foreign adversary companies or federally banned corporations from submitting bids for state contracts or contracts with political subdivisions of this state.
- The state and political subdivisions are authorized to contract with such entities if there are no other reasonable options, if the contract is pre-approved by the Department of General Services, or if not contracting for the goods or services would pose a greater threat than contracting for the goods or services.
- Although the proposed legislation could result in a lowest bidder being excluded, it is assumed that most companies bidding on contracts will not be ineligible under the proposed legislation. The proposed legislation will not significantly impact state expenditures or operations relative to state or political subdivisions contracting.

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- The proposed legislation requires companies to certify that they are not ineligible to bid. It is assumed that the Department of General Services can create the certification document accomplish the requirements of the legislation within existing resources, without a significant increase in state expenditures.
- Any increase in civil penalty revenue is estimated to 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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