

FISCAL NOTE

HB 626 - SB 1040

March 21, 2005

SUMMARY OF BILL: Requires Municipal and Regional Airport Authorities to sell revenue bonds through competitive public sales. The bill also requires such authorities to meet public notification requirements for the sale of revenue and tax bonds.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures – Exceeds \$100,000 over the life of the debt issuance *

Assumptions:

- Due to increased credit scrutiny for revenue bonds the competitive sale of revenue bonds would result in increased expenditures to local governments due to higher interest costs and higher issuance costs.
- At least one bond issuance for \$10,000,000 would have an increase in cost of 30 basis points due to the requirement for competitive public sale rather than issuance through negotiated sale or private placement.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director