

**FISCAL MEMORANDUM**  
**SB 3617 – HB 3354**

May 20, 2008

**SUMMARY OF AMENDMENTS (017738, 018879):** Amendment 017738 deletes the language of the original bill. Effective FY08-09 through FY13-14, when funds allocated to regional development authorities fall below 10 percent of the total of Tennessee Valley Authority (TVA) impact funds, the state must allocate the shortfall in funds, as long as the amount paid to or retained by the state does not fall below the amount paid to or retained by the state in FY07-08. This bill would impact the Four Lakes Regional Development Authority (Four Lakes). Amendment 018879 states no funds shall be obligated or expended unless specifically appropriated by the General Appropriations Act.

**FISCAL IMPACT OF CORRECTED BILL:**

Other Fiscal Impact – The Four Lakes Regional Development Authority (Four Lakes) will receive \$650,000 in TVA construction impact funds in FY08-09 rather than \$97,500 under the current allocation. The additional allocation of \$552,500 to Four Lakes will be redirected from funds that would otherwise be allocated to all 95 counties under TVA’s payment in lieu of taxes program.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

**Other Fiscal Impact – The Four Lakes Regional Development Authority (Four Lakes) will receive \$643,000 in TVA construction impact funds in FY08-09 rather than \$97,500 under the current allocation. The additional allocation of \$545,500 to Four Lakes will be redirected from funds that would otherwise be allocated to the state under TVA’s payment in lieu of taxes program. The amount of redirected funds will vary each year depending on TVA’s revenue. However, it is estimated that the amount will tend to increase slightly each year.**

Assumptions applied to amendments:

- Under the 2007-2008 Tennessee Revenue Sharing Act, TVA will make a payment of \$269,435,569 for FY07-08. Forty-eight and a half percent of this payment is allocated to state government, 48.5 is allocated to local governments, and three percent is allocated as TVA impact funds.

**SB 3617 – HB 3354**

- TVA impact funds are first designated to TVA designated impact areas, then to the County Technical Assistance Service (CTAS), then to the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), and then to the Four Lakes Regional Development Authority. When a shortfall in funds occurs, the state will allocate a portion of its 48.5 percent to Four Lakes.

**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

/kmc