

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2344 – SB 2206

March 20, 2012

SUMMARY OF AMENDMENT (014308): Creates the FastTrack Economic Development Program to provide grants and loans to local governments or their economic development organizations or other political subdivisions of the state to facilitate economic development activities that are not eligible for FastTrack infrastructure development or job training assistance funds. States the intent of the General Assembly that the economic development funds be used in exceptional circumstances when the funds will make a proportionally significant economic impact on the affected community. Requires the Department of Economic and Community Development (ECD) to notify and provide to the State Funding Board a detailed written explanation of the purposes for which a FastTrack economic development grant or loan is being awarded. Requires the State Funding Board to maintain, as confidential, any records or information obtained pursuant to this section. Adds the economic development program to the list of programs that are prohibited from exceeding 30 percent of appropriations. Requires the Commissioner of ECD to submit a copy of a quarterly report on the status of the appropriations for the FastTrack programs to the Secretary of State in addition to the House and Senate Speakers, Chairs of the Finance, Ways and Means Committees, the State Treasurer, and the State Comptroller.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- According to ECD, the creation of the economic development program will not result in additional expenditures to the Department. The program will provide more flexibility within the FastTrack program and the existing FastTrack budget to address additional needs and activities that have been identified related to projects.
- These activities include, but are not limited to, grants or loans for retrofitting, relocating or purchasing equipment, building repairs and improvements, temporary office space, or other temporary equipment related to relocation or expansion.

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- According to ECD, state appropriations for FastTrack Infrastructure Development and Job Training Assistance Programs were \$92,850,100 in FY09-10, \$98,541,100 in FY10-11, and \$26,107,400 in FY11-12. The Governor's proposed FY12-13 budget includes a supplemental appropriation of \$50,000,000 for FY11-12 and \$30,497,900 for FY12-13.
- Any increase in expenditures to submit a copy of the quarterly report to the Secretary of State will be not significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.
- A not significant increase in expenditures to the State Funding Board.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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