

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 74 – HB 300

February 27, 2013

SUMMARY OF ORIGINAL BILL: Authorizes local governments to dispose of real or personal property by private negotiation and to sell such property to private parties, if the property is both architecturally, culturally, or historically significant and sold to a nonprofit corporation or trust whose goal is the preservation or conservation of the property. Requires a preservation or conservation agreement be incorporated into the deed conveying the property from the local government to the nonprofit corporation or trust

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Expenditures – Exceeds \$1,000

SUMMARY OF AMENDMENT (003244): Adds the requirement of approval of the local legislative body by a majority vote prior to disposing of real or personal property by private negotiation to private parties.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

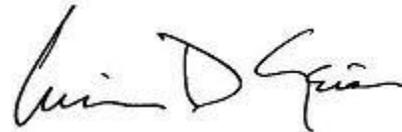
Assumptions for the bill as amended:

- The provisions of the bill are permissive to local governments.
- According to the Department of Environment and Conservation, the bill will not fiscally impact the Historical Commission or the Department.
- According to the Department of Economic and Community Development, the Department will not be fiscally impacted by the bill.

- Private sales of qualifying property will result in a decrease in the number of public notifications published by local governments, thus causing a recurring decrease in local government expenditures.
- Based on responses to the 2012 Local Government Survey conducted by the Fiscal Review Committee, participating county and municipal officials reported an average cost of \$134 per legal notice published.
- While it is indeterminable how many legal notices will no longer be required as a result of this bill, it is reasonably estimated that the associated recurring decrease in local government expenditures will exceed \$1,000.
- It is unknown how many local governments own architecturally, culturally, or historically significant property, how many of these properties will be sold at private sale to a nonprofit corporation or trust, or if the price at which these properties are sold at private sale is greater than it would be at a public sale. Due to these unknown factors, a precise fiscal impact cannot be determined; however, it is estimated that any net change in local government revenue will be not significant. It is assumed any vote required by the provisions of this bill as amended may be conducted during a regularly scheduled meeting of the local legislative body and no special meeting will be required.

CERTIFICATION:

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



Lucian D. Geise, Executive Director

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