

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1133 – HB 982

March 20, 2013

SUMMARY OF ORIGINAL BILL: Specifies that the Small and Minority-Owned Business Assistance Program must process applications for program eligibility, secure loans through qualified financial institutions, administer loans, and provide business and financial education, counseling and planning.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004810): Deletes all language after the enacting clause. Authorizes the Treasurer to accept additional applications for the Small and Minority-Owned Business Assistance Program (SMOBAP) after July 1, 2013, and requires the Treasurer to continue administering such loans until they are matured or written-off. Requires a portion of such loans be transferred to the Board of Trustees of the Baccalaureate Education System Trust Fund (BEST). Requires an annual transfer from the SMOBAP incoming loan proceeds to the BEST fund while preserving funds necessary to continue the administration of the SMOBAP. Funds transferred from the SMOBAP to BEST are required to be used for the establishment of an incentive plan for the benefit of low-income individuals.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – A shift of use for an unknown amount of state funds from purposes consistent with the Small and Minority-Owned Business Assistance Program to the BEST program for the purpose of establishing an incentive plan for the benefit of low income individuals. Otherwise, the fiscal impact for this bill as amended is considered not significant.

Assumptions for the bill as amended:

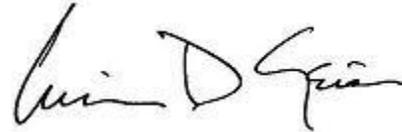
- Funds will be shifted between two funds. The amount of such transfer is at the discretion of the State Treasurer. Because the transfer is between two funds, both administered by the Treasury, there will be no fiscal impact other than the transfer.

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- It is assumed that any administrative cost associated with the transfer can be accomplished utilizing existing resources within the Department of the Treasury.

CERTIFICATION:

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

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is written in a cursive style with a large, stylized initial "L".

Lucian D. Geise, Executive Director

/cce