

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1398 – SB 1836**

February 17, 2014

**SUMMARY OF BILL:** Prohibits the use of state funds to pay the indebtedness of any municipality.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Expenditures – Exceeds \$500,000**

**Decrease Local Revenue – Exceeds \$500,000**

Assumption:

- The fiscal impact for this bill is dependent on several unknown factors such as the number of municipalities that will receive state funds for current indebtedness, the number of municipalities that will receive state funds for future indebtedness, the extent of any municipal indebtedness, the extent of state funding that would be available in any given year for the purpose of a municipality's indebtedness, and the timing for which any payment of state funds would be made to a municipality.
- Any fiscal impact will be considered a recurring decrease in state expenditures and an equal recurring decrease in local government revenue. Given the extent of unknown factors, determining the precise impact for this bill is difficult. However, and based on information provided by the Department of Revenue, the recurring decrease in state expenditures, and the recurring decrease in local government revenue, is reasonably estimated to exceed \$500,000 per year.

**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".

Lucian D. Geise, Executive Director

/cce