

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2025 - SB 2275

February 17, 2014

SUMMARY OF BILL: Authorizes an Industrial Development Corporation (IDC) within the city of Goodlettsville to enter into loan agreements with one or more contracting parties to be used to pay the cost of the purchase, acquisition, leasing, construction, and equipping of hotels and motels within Goodlettsville's corporate boundaries.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Due to multiple unknown variables a precise fiscal impact to the city of Goodlettsville cannot accurately be determined; however any impact will be permissive.

Assumptions:

- According to the Department of Economic and Community Development, the provisions of the bill will not fiscally impact the department.
- Pursuant to Tenn. Code Ann. § 7-53-101, a loan agreement is an agreement where an IDC loans the proceeds derived from the issuance of bonds to one or more contracting parties to be used to pay the cost of one or more projects and provides for the repayment of such loan by the other contracting party.
- Under the provisions of the bill, the definition of "project" for use by the IDC operating within the city of Goodlettsville will include the purchase, acquisition, leasing, construction, and equipping of hotels and motels within the city's corporate boundaries.
- Due to multiple unknown variables, such as how many loan agreements will be constructed pursuant to the provisions of the bill, the extent of such loan agreements, and how such project will fiscally impact municipal revenue and expenditures, a precise fiscal impact to local government cannot accurately be determined; however any impact will be permissive.

IMPACT TO COMMERCE:

Other Fiscal Impact – Due to multiple unknown factors, a precise impact to commerce cannot reasonably be determined but is assumed to be positive.

Assumptions:

- Due to multiple unknown factors, such as how many loan agreements between the IDC and private business will be constructed pursuant to the provisions of this bill, the extent of such loan agreements, how such loan agreements will impact the revenue or expenditures of private business, how any loan agreements will impact job growth and commerce throughout the state, a precise impact to commerce is indeterminable.
- Due to the nature of IDCs, it is assumed that any options taken by the IDC as a result of the proposed legislation will be done in a manner to support private business actions; therefore, any impact to commerce is assumed to be positive.

CERTIFICATION:

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



Lucian D. Geise, Executive Director

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