

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2500 – SB 2597**

February 27, 2014

**SUMMARY OF BILL:** Declares that any provision of law authorizing an agency, board, or entity of state government to sue or be sued shall not constitute a waiver of sovereign immunity. Excludes the attorney general and reporter from the certification requirement performed by the Commissioner of the Department of Finance and Administration pursuant to Tenn. Code Ann. § 9-4-5113(a). Requires proceeds from the sale and conveyance of surplus property or improvements used for state forestry or other operations of the Department of Agriculture, if not managed as state office buildings and support facilities revolving fund property, to be deposited in a reserve fund, within the state General Fund, for forestry facilities. Authorizes the transfer of monies between multiple specified funds, accounts, and programs. States that the State Board of Equalization (SBOE), through the Division of Property Assessments, shall be charged with allocating appropriations for the implementation of Tenn. Code Ann. § 67-5-701, and that the Comptroller of the Treasury, or a designee, shall determine the method of implementation. Declares that the costs of the Property Tax Relief Program (PTRP) shall be subject to annual appropriations. Revises the salary structures for the District Attorneys General, Governor, chancellors, circuit court judges, and criminal court judges.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$600,000/FY14-15/General Fund Reserve**

**Increase State Expenditures –  
\$1,406,000/FY14-15 and Subsequent Years/General Fund**

**Other Fiscal Impact - According to the Department of Finance and Administration, and based on the Governor's proposed budget document for FY14-15, the total reduction of various reserves and carry-forwards for the purpose of closing out FY13-14 will be \$140,423,700.**

**Funding of \$1,406,000 is included in the Governor's proposed FY14-15 budget.**

Assumptions:

- According to the Department of Finance and Administration (F&A), the following bill sections will have no fiscal impact: 1, 2, 3, 6, 7, 11, and 12.

**HB 2500 – SB 2597**

- According to the Comptroller, the bill as filed makes non-substantive changes in wording to the PTRP for low-income elderly and disabled persons and disabled veterans, giving the SBOE and the Comptroller authority to allocate appropriations for the program. The Comptroller indicates that existing law already makes these entities responsible for administering state appropriations, and the bill leaves in place the legislature's power to limit eligibility and the amount of recipient payments in the annual appropriations act. Therefore, no significant impact as a result of Sections 6 and 7 of the bill.
- According to F&A, Section 4 of the bill, which requires proceeds from the sale and conveyance of surplus property or improvements used for state forestry or other operations of the Department of Agriculture to be deposited in a reserve fund within the state General Fund for forestry facilities, will increase state revenue to the General Fund reserve by \$600,000 in FY14-15.
- According to F&A, Section 5 of the bill, which authorizes the transfer of monies between multiple specified funds, accounts, and programs, will cause a total reduction of reserves and carry-forwards of \$140,423,700 for the purpose of closing out FY13-14. This amount is confirmed in the Governor's proposed budget document on page A-28.
- According to F&A, Sections 8 through 10 of the bill, which modifies the salary structures of the District Attorneys General, Governor, chancellors, circuit court judges, and criminal court judges, will cause a recurring increase in state expenditures from the state General Fund of \$1,406,000 beginning in FY14-15; such expenditures are included in the Governor's proposed budget document for FY14-15 (pages B-17, B-198 through B-200). The additional expenditures are as follows:
  - District Attorneys and Executive Director: \$168,900 (\$163,600 + \$5,300),
  - Judicial Salaries: \$1,057,300,
  - AOC Executive Director: \$6,000,
  - Attorney General: \$3,900,
  - District Public Defenders: \$161,200,
  - Post-Conviction Defenders: \$5,000, and
  - Governor: \$3,700.

**CERTIFICATION:**

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



Lucian D. Geise, Executive Director

/rnc