

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 1460 - HB 1477

February 3, 2014

SUMMARY OF BILL: Authorizes Energy Acquisition Corporations to invest funds with certain entities who are rated in one of the three highest rating categories given by nationally recognized rating agencies.

ESTIMATED FISCAL IMPACT:

Public Chapter 446 of 2013 requires any fiscal note attached to a bill referred to the Business and Utilities Committee and the Insurance and Banking Committee of the House of Representatives and the Commerce and Labor Committee of the Senate to include an Impact to Commerce Statement beginning January 1, 2014. This fiscal note is being corrected to include an Impact to Commerce Statement. The fiscal analysis of the original fiscal note dated January 27, 2014 has not changed.

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 7-39-313 (b), Energy Acquisition Corporations are currently authorized to invest in entities rated in the highest two rating categories given by nationally recognized rating agencies. The provisions of this bill would broaden the scope of allowable entities to include those rated in the third highest rating categories.
- Based on information provided by the Comptroller of the Treasury (COT), the Office of State and Local Finance does not review investments made by energy acquisition corporations, therefore any impact to the agency as a result of this legislation will be not significant.
- Based on information provided by the Tennessee Energy Acquisition Corporation (TEAC), the provisions of the legislation will allow TEAC to continue providing natural gas at discounted prices to local governments throughout the state.
- Any fiscal impact to local government as a result of this bill is considered to be not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- The provisions of this legislation are applicable to energy acquisition corporations as defined by Tenn. Code Ann. §7-39-102, of which there are four within the state.
- According to information provided by TEAC, the provisions of the bill will allow energy acquisition corporations to continue to operate and provide services to local governments.
- Any impact to commerce throughout the state is estimated to be not significant.

CERTIFICATION:

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



Lucian D. Geise, Executive Director

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